

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
CHANGING TIDES FAMILY SERVICES
FOR FISCAL YEARS 2026-2027 THROUGH 2027-2028**

This Agreement, entered into this 16th day of June, 2026, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Changing Tides Family Services, a California nonprofit corporation, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY, by and through its Department of Health and Human Services – Social Services ("DHHS – Social Services"), desires to retain a qualified professional organization to provide administrative and transitional support services that are designed to assist COUNTY with the provision of Stage One Child Care services to families participating in the California Work Opportunity and Responsibility to Kids ("CalWORKs") Program; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is adequately trained, skilled, experienced and qualified to perform the administrative and transitional support services required by COUNTY.

NOW THEREFORE, COUNTY and CONTRACTOR hereby mutually agree as follows:

1. RIGHTS AND RESPONSIBILITIES OF CONTRACTOR:

- A. Provision of Administrative and Transitional Support Services. CONTRACTOR hereby agrees to provide administrative and transitional support services that are designed to assist COUNTY with the provision of Stage One Child Care services to individuals participating in the California Work Opportunity and Responsibility to Kids ("CalWORKs") Program. The administrative and support services provided pursuant to the terms and conditions of this Agreement shall include, without limitation, all of the following:
1. Providing information to CalWORKs clients regarding subsidized child care options in accordance with any and all applicable requirements established by the California Department of Social Services.
 2. Processing and issuing authorized reimbursements, up to a maximum of One Million Six Hundred Forty-Eight Thousand Four Hundred Ninety-Two Dollars (\$1,648,492.00) per fiscal year for fiscal years 2026-2027 and 2027-2028, to child care providers using applicable attendance forms as source documents.
 3. Processing and issuing authorized payments to child care providers in a timely manner by either hard copy check or electronic deposit. Payments made pursuant to the terms and conditions of this Agreement shall not exceed the applicable Regional Market Rate ceilings utilized by the California Department of Social Services.
 4. Providing customized child care referrals to CalWORKs clients that are the best fit for

each family according to age, location and schedule of care through the use of a nationally recognized database, specialized or brokered referrals to providers for potential openings and networking with parents and child care providers to facilitate a good match.

5. Providing information regarding quality child care and any required consumer education materials that are designed to educate CalWORKs clients on what is quality, age and developmentally appropriate child care and assist parents with understanding local quality ratings adopted in Humboldt County.
6. Ensuring qualified staff provide child care providers, including, without limitation, providers serving children who are zero (0) to five (5) years of age, parents, legal guardians and caregivers with various family and caregiver support services, including, but not limited to, early childhood mental health consultation services that address prevalent child mental health concerns in the child care setting, that are designed to ensure environments that are healthy and nurturing for all children in child care and development programs, opportunities for positive parenting to take place through understanding of human growth and development and reduction in the strain between parent and child in order to prevent abuse, neglect or exploitation.
7. Maintaining a log of parental complaints regarding exempt child care providers modeled upon the system used to document complaints from families served by California Department of Social Services Alternative Payment child care programs.
8. Troubleshooting issues that might cause displacement of a child from child care in order to prevent multiple placements.
9. Assisting potential child care providers with completing the fingerprinting and/or LiveScan and TrustLine application processes.
10. Maintaining child care provider files which contain, without limitation, licensing information, TrustLine information, provider fee/rates and provider program rules agreement forms.
11. Providing end of year tax documentation, and other tax-related information, to child care providers, as appropriate.
12. Maintaining parent files which contain, without limitation, copies of COUNTY issued notices of action, need forms and child care schedules.
13. Informing CalWORKs clients who wish to use in-home child care providers that the client is accepting responsibility for meeting any and all applicable local, state and federal minimum wage, workers' compensation insurance and tax requirements.
14. Coordinating the transfer of referred CalWORKs clients between Stage One and Stage Two or Stage Three eligibility in accordance with any and all applicable California Department of Social Services procedures and requirements, including, without limitation:
 - a. Receiving and reviewing referrals to Stage Two and Stage Three for inclusion of the nine (9) Data Elements required by the California Department of Social Services for transfer and notifying COUNTY of any and all incomplete or unclear referrals.

- b. Utilizing the Child Care Administrator Portal to the Statewide Automated Welfare System to verify referred parents' eligibility, and the accuracy of required documentation, for Stage Two or Three Child Care services, as appropriate.
 - c. Confirming the enrollment of referred parents and the completion of the transfer to Stage Two or Three service eligibility once all data elements are complete.
 - d. Sending referrals back to the COUNTY if the parent does not enroll in Stage Two or Stage Three or is at risk of losing services due to non-compliance with program policies.
- 15. Linking child care providers to training opportunities that are designed to enhance their skills and ability to increase the quality of care provided.
 - 16. Informing parents and child care providers of policies regarding circumstances under which providers will not be eligible to receive payment.
 - 17. Apprising COUNTY personnel of any updated policies and practices of the California Department of Social Services which have a bearing on Stage One child care services.
 - 18. Informing COUNTY personnel of changes to a client's eligibility for services that would impact approved schedules and/or require changes to levels of child care authorization.
 - 19. Responding to, and managing, any and all requests from Child Care Providers United and/or the California Department of Human Resources for data, information dissemination and deductions to payments for child care providers receiving state subsidies from the Stage One Child Care Program.
 - 20. Collecting overpayments from child care providers, as appropriate.
- B. Program Planning and Coordination. CONTRACTOR shall, on an as-needed basis, attend, either in person, or by phone or video conferencing, any and all relevant program planning and coordination meetings in order to plan, organize and coordinate the provision of the administrative and transitional support services required pursuant to the terms and conditions of this Agreement.
- C. Reimbursement of Rental Costs. CONTRACTOR shall reimburse COUNTY One Hundred Thirty-Six Dollars (\$136.00), on or before the fifteenth (15th) day of each month, for the rental costs associated with the office space provided to CONTRACTOR pursuant to the terms and conditions of this Agreement. Any and all rental payments made pursuant to the terms and conditions of this Agreement shall be sent to COUNTY electronically at the following address.

COUNTY: Humboldt County DHHS
Attention: Social Services Fiscal
dhhssbfiscal@co.humboldt.ca.us

2. COUNTY RESPONSIBILITIES:

- A. Program Referrals. COUNTY shall refer CalWORKs families for Stage One, Two and Three Child Care services in a timely manner in accordance with any and all applicable local, state and federal laws, regulations, policies, procedures, practices and standards.
- B. Provision of Documentation and Notifications. COUNTY shall provide CONTRACTOR with any and all documentation necessary for accurate calculation of payments to child care

providers, and notify CONTRACTOR of any updated policies and practices of the California Department of Social Services which have a bearing on Stage One child care services in a timely manner.

- C. Provision of Access to the Child Care Administrator Portal. COUNTY shall provide CONTRACTOR with read-only online access to the Child Care Administrator Portal to the Statewide Automated Welfare System in order to allow for the verification of referred parents' eligibility, and accuracy of required documentation, for Stage Two and Three Child Care services. Access to the Child Care Administrator Portal will be granted to authorized users identified by CONTRACTOR or COUNTY. CONTRACTOR shall provide COUNTY with the first and last name, phone number and email address of each individual authorized to access the Child Care Administrator Portal in order to create user accounts. CONTRACTOR shall inform COUNTY when authorized individuals no longer require access to the Child Care Administrator Portal in order to disable user accounts.
- D. Provision of Office Space. COUNTY shall provide CONTRACTOR with the office space and telephone facilities needed to provide the administrative and transitional support services required pursuant to the terms and conditions of this Agreement.
- E. Overpayments. COUNTY shall collect overpayments from a CalWORKs family or made to a child care provider that were paid inappropriately on behalf of that family.

3. TERM:

This Agreement shall begin on July 1, 2026 and shall remain in full force and effect until June 30, 2028, unless extended by a valid amendment hereto or sooner terminated as set forth

4. TERMINATION:

- A. Termination for Cause. COUNTY may, in its sole discretion, immediately terminate this Agreement, if CONTRACTOR fails to adequately perform the services required hereunder, fails to comply with the terms or conditions set forth herein, or violates any local, state or federal laws, regulations, policies, procedures or standards applicable to its performance hereunder.
- B. Termination without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice which states the effective date of the termination.
- C. Termination due to Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Compensation upon Termination. In the event this Agreement is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services provided pursuant to the terms and conditions set forth herein through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

5. COMPENSATION:

- A. Administrative Services. The maximum amount payable by COUNTY for any and all

administrative services, including, without limitation, reimbursement of child care provider costs, provided pursuant to the terms and conditions of this Agreement is Three Million Two-Hundred Ninety-Six Thousand Nine Hundred Eighty-Four Dollars (\$3,296,984.00). In no event shall the maximum amount paid for the administrative services provided pursuant to the terms and conditions of this Agreement exceed One Million Six Hundred Forty-Eight Thousand Four Hundred Ninety-Two Dollars (\$1,648,492.00) per fiscal year for fiscal years 2026-2027 and 2027-2028. CONTRACTOR hereby agrees to perform any and all administrative services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment reduce the maximum amount payable for the administrative services provided hereunder or terminate this Agreement as set forth herein.

- B. Transitional Support Services. The maximum amount payable by COUNTY for any and all transitional support services provided pursuant to the terms and conditions of this Agreement is One Million Two Hundred Seventeen Thousand Six Hundred Thirty-Six Dollars (\$1,217,636). In no event shall the maximum amount paid for the transitional support services provided pursuant to the terms and conditions of this Agreement exceed Six Hundred Eight Thousand Eight Hundred Eighteen Dollars (\$608,818.00) per fiscal year for fiscal years 2026-2027 and 2027-2028. CONTRACTOR hereby agrees to perform any and all transitional support services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment reduce the maximum amount payable for the transitional support services provided hereunder or terminate this Agreement as set forth herein.
- C. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit A – Schedule of Rates, which is attached hereto and incorporated herein by reference as if set forth in full.
- D. Additional Services. Any additional services not otherwise set forth herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without COUNTY's prior written authorization. Any and all unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

6. PAYMENT:

CONTRACTOR shall submit to COUNTY monthly invoices substantiating the costs and expenses incurred pursuant to the terms and conditions of this Agreement no later than ninety (90) days after the end of each month in which services are provided hereunder. CONTRACTOR shall also submit a final invoice for payment within ninety (90) days following the expiration or termination of this Agreement. Invoices shall be prepared using a format that is substantially similar to Exhibit B – Sample Invoice, which is attached hereto and incorporated herein by reference as if set forth in full. Payment for any and all costs and expenses incurred pursuant to the terms and conditions of this Agreement shall be made within thirty (30) days after the receipt of approved invoices. Any and all invoices submitted pursuant to the terms and conditions of this Agreement shall be sent to COUNTY electronically at the following address:

COUNTY: Humboldt County DHHS – Social Services
Attention: CalWORKs Program

7. NOTICES:

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County DHHS – Social Services
Attention: Connie Beck, Social Services Director
507 F Street
Eureka, California 95501

CONTRACTOR: Changing Tides Family Services
Attention: Kerry Venegas, Executive Director
2259 Myrtle Avenue
Eureka, California 95501

8. REPORTING REQUIREMENTS:

- A. General Reporting Requirements. CONTRACTOR hereby agrees to provide COUNTY with any and all reports that may be required by any local, state and/or federal agencies for compliance with this Agreement. CONTRACTOR shall submit one (1) electronic copy of any and all reports required pursuant to the terms and conditions of this Agreement in a format that complies with the Americans with Disabilities Act and any other applicable local, state and federal accessibility laws, regulations and standards. Any and all reports required pursuant to the terms and conditions of this Agreement shall be submitted in accordance with any and all applicable timeframes using the format required by the State of California as appropriate.
- B. Service Reports. CONTRACTOR shall prepare, and provide COUNTY with, monthly CW115 and CW115A child care reports, semi-annual early childhood mental health consultation service reports and any other relevant service reports requested by COUNTY no later than fifteen (15) days after the end of each applicable reporting period as mutually agreed upon by COUNTY and CONTRACTOR.
- C. Year-End Cost Reports. If applicable to a specific local, state or federal funding source covered by this Agreement, CONTRACTOR shall submit an unaudited year-end cost report, which includes, an accurate and complete statement of any and all costs and expenses incurred pursuant to the terms and conditions of this Agreement, within sixty (60) days after the end of each fiscal year in which services are provided hereunder. CONTRACTOR shall also submit a final year-end cost report within sixty (60) days after the expiration or termination date of this Agreement. Year-end cost reports shall be separated into each type of service provided pursuant to the terms and conditions of this Agreement in accordance with any and all applicable local, state and federal fiscal reporting requirements, practices and standards, as well as any and all written instructions and/or guidelines provided by COUNTY. COUNTY may suspend any payments required pursuant to the terms and conditions of this Agreement until past due year-end cost reports are received. If an accurate and complete year-end cost report is not submitted within one hundred (100) days after the end of any fiscal year in which services are provided pursuant to the terms and conditions of this Agreement, any and all amounts covered by the outstanding year-end cost report shall be repaid to COUNTY.

- D. Report Submission. Any and all reports prepared pursuant to the terms and conditions of this Agreement shall be sent to COUNTY electronically at the following address:

COUNTY: Humboldt County DHHS – Social Services
Attention: CalWORKs Program
calworks@co.humboldt.ca.us

9. RECORD RETENTION AND INSPECTION:

- A. Maintenance and Preservation of Records. CONTRACTOR hereby agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, and to maintain and preserve said records for at least three (3) years from the date of final payment hereunder, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. Such records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.
- B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided pursuant to the terms and conditions of this Agreement, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after the date of final payment hereunder. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any other duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any other duly authorized local, state and/or federal agencies. Any and all examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, without limitation, the costs associated with the administration of this Agreement.
- C. Audit Costs. In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

10. MONITORING:

CONTRACTOR hereby agrees that COUNTY has the right to monitor any and all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, policies, procedures and overall business operations, at any time, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR shall cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, policies, procedures or business operations are identified by COUNTY. However, COUNTY is not responsible, and shall not be held accountable, for overseeing or evaluating the adequacy of CONTRACTOR's performance hereunder.

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11. CONFIDENTIAL INFORMATION:

- A. Legal Compliance. CONTRACTOR hereby agrees to protect any and all confidential records and client confidentiality in accordance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, without limitation: Division 19 of the California Department of Social Services Manual of Policies and Procedures – Confidentiality of Information; California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act (“CMIA”); the United States Health Information Technology for Economic and Clinical Health Act (“HITECH Act”); the United States Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and any current and future implementing regulations promulgated thereunder, all as may be amended from time to time.
- B. HIPAA Business Associate Requirements. CONTRACTOR hereby agrees to adhere to the terms and conditions set forth in Exhibit C – County of Humboldt HIPAA Business Associate Agreement, which is attached hereto and incorporated herein by reference as if set forth in full.
- C. State Contractual Requirements. CONTRACTOR hereby agrees to comply with any and all applicable local, state and federal confidentiality requirements contained in the 2025 Privacy and Security Agreement (MOU-25-6064) that COUNTY has with the California Department of Social Services, which are incorporated herein by reference and made a part hereof as if set forth in full.
- D. Assistance in Litigation or Administrative Proceedings. CONTRACTOR shall make itself, and its agents, officers, employees or subcontractors assisting CONTRACTOR in the performance of its obligations hereunder, available to the California Department of Social Services, at its own expense, to testify as witnesses or otherwise, in the event of any litigation or administrative proceedings being commenced against California Department of Social Services, or its agents, officers, directors or employees, based upon claimed violations of any applicable local, state or federal confidentiality requirements which involve inactions or actions by the parties hereto, except where either party is a named adverse party.
- E. Continuing Compliance with Confidentiality Requirements. Each party hereby acknowledges that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party hereby agrees to enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

12. PRIVACY AND DATA SECURITY REQUIREMENTS:

- A. General Legal Requirements. CONTRACTOR hereby agrees to comply with any and all applicable local, state and federal privacy and data security requirements, including, without limitation: the Federal Privacy Regulations contained in Parts 160 and 164 of Title 45 of the Code of Federal Regulations (“C.F.R.”); the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164; the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162; 42 C.F.R. Sections 431.300, *et seq.*; and 45 C.F.R. Section 205.50, all as may be amended from time to time.
- B. State Contractual Requirements. CONTRACTOR hereby agrees to comply with any and all applicable local, state and federal privacy and data security requirements contained in the

2025 Privacy and Security Agreement (MOU-25-6064) that COUNTY has with the California Department of Social Services, which are incorporated herein by reference and made a part hereof as if set forth in full.

C. Disclosure of Confidential Information. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

1. Disclosure of Identifiable Information. CONTRACTOR shall protect from unauthorized disclosure the names and other "Identifiable Information," including, without limitation, "Personal Information" and "Personally Identifiable Information," concerning persons whose Identifiable Information becomes available to CONTRACTOR as a result of the services provided hereunder, except for statistical information not identifying any such person.
 - a. Personal Information. As used herein, the term "Personal Information" shall include, without limitation, any and all information that identifies or describes an individual, including, but not limited to, his or her physical description, home address, home telephone number, education, financial matters, medical or employment history and statements made by, or attributed to, the individual.
 - b. Personally Identifiable Information. As used herein, the term "Personally Identifiable Information" shall include, without limitation, any and all information which can be used to distinguish or trace an individual's identity, such as their name, social security number, driver license number, identification card number, financial account number or other identifying number, symbol or particular, including, but not limited to, fingerprints, voice prints and photographs.
2. Unauthorized Disclosures of Identifiable Information. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement, any Identifiable Information to anyone other than COUNTY without prior written authorization from COUNTY, unless disclosure is required by applicable local, state or federal laws, regulations or standards.
3. Use of Identifiable Information. CONTRACTOR shall not use Identifiable Information for any purpose other than carrying out its obligations under this Agreement.
4. Notification of Requests for Identifiable Information. CONTRACTOR shall promptly transmit to COUNTY any and all requests for disclosure of Identifiable Information not emanating from the person whose Identifiable Information became available to CONTRACTOR as a result of the services provided pursuant to the terms and conditions of this Agreement.
5. Effect of Non-Compliance. CONTRACTOR's failure to comply with the requirements set forth herein may result in the imposition of any and all applicable local, state and federal civil and/or criminal sanctions.

D. Security Incidents and Suspected Breaches. If CONTRACTOR has reason to believe that any Identifiable Information transmitted hereunder may have been accessed, disclosed or acquired in breach of this Agreement, CONTRACTOR shall immediately take all actions necessary to preserve forensic evidence and to identify, mitigate and remediate the cause of the suspected breach. Such actions shall include, without limitation, all of the following:

1. Reporting Breaches of Confidential Information. CONTRACTOR shall notify COUNTY immediately, by telephone and e-mail or fax, upon the discovery of a breach of

Identifiable Information in electronic media or any other medium, if the Identifiable Information was, or is reasonably believed to have been, accessed or acquired by an unauthorized person.

2. Reporting Suspected Security Incidents. CONTRACTOR shall notify COUNTY, by telephone and e-mail or fax, within twenty-four (24) hours after discovering any suspected security incident, intrusion, loss or unauthorized use or disclosure of Identifiable Information in violation of this Agreement or any applicable local, state or federal laws, regulations or standards. For purposes of this Agreement, a breach of, or security incident involving, Identifiable Information shall be treated as discovered by CONTRACTOR as of the first (1st) day on which such breach is known, or by exercising reasonable diligence would have been known, to CONTRACTOR, or any employee or agent thereof, other than the person committing the suspected breach.
3. Reporting Suspected Breaches and Security Incidents to Affected Individuals. To the extent deemed warranted, CONTRACTOR shall provide notice to any and all individuals affected by the suspected breach of, or security incident involving, Identifiable Information. CONTRACTOR shall pay the full costs associated with notifying such individuals, which may include, without limitation, the costs to retain an outside firm to undertake the notification effort. In addition, CONTRACTOR shall consult with COUNTY regarding the steps required to notify impacted individuals and any other persons, media outlets or governmental agencies, and must provide COUNTY with all of the following:
 - a. Description of Suspected Breach or Security Incident. A brief description of the circumstances surrounding the suspected breach of, or security incident involving, Identifiable Information, including, without limitation, the date of occurrence and discovery thereof, if known.
 - b. Description of the Information Involved. A description of the types of unsecured Identifiable Information that were involved in the suspected breach or security incident, including, without limitation, the full name, social security number, date of birth, home address, account number or disability code of all affected third parties.
 - c. Description of Remedial Actions. A brief description of the actions being taken by CONTRACTOR to remediate the breach of, or security incident involving, Identifiable Information, mitigate losses and protect against any further breaches or security incidents.
4. Investigation of Suspected Breaches and Security Incidents. CONTRACTOR shall immediately investigate any and all suspected breaches of, or security incidents involving, Identifiable Information. Within seventy-two (72) hours after the discovery of such suspected breach or security incident, CONTRACTOR shall submit an updated "Privacy Incident Report" containing the applicable information to the extent known at that time.
5. Remediation of Breaches and Security Incidents. Upon discovery of a breach of, or security incident involving, Identifiable Information, CONTRACTOR shall:
 - a. Corrective Action. Take prompt corrective action to mitigate any risks or damages regarding the breach or security incident and to protect the operating environment.
 - b. Legal Compliance. Take any action pertaining to such breach or security incident required by any and all applicable local, state and federal laws and regulations.

6. Cooperation with COUNTY's Remediation Efforts. Upon discovery of a breach of, or security incident involving, Identifiable Information, CONTRACTOR shall give highest priority to immediately mitigating and remediating the breach or security incident, and shall devote such resources as may be required to accomplish that goal. In addition, CONTRACTOR shall cooperate with COUNTY's mitigation and remediation efforts, including, without limitation, providing any and all information necessary to enable COUNTY to fully understand the nature and scope of the breach or security incident, including, but not limited to, identification of each individual whose unsecured Identifiable Information may have been improperly accessed, acquired or disclosed. In the event that CONTRACTOR's assistance is required to reinstall software, such assistance shall be provided, at CONTRACTOR's expense, in accordance with COUNTY's policies and standards.
 7. Remediation Report. CONTRACTOR shall provide to COUNTY a written report of the investigation of a breach of, or security incident involving, Identifiable Information within ten (10) business days following the discovery of such breach or security incident. The report shall include, without limitation, information, as well as a detailed corrective action plan, including information on measures that were taken to remediate and/or contain the breach or security incident.
- E. Safeguarding Confidential Information. CONTRACTOR shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of any and all Identifiable Information obtained pursuant to the terms and conditions of this Agreement, including, without limitation, electronic Identifiable Information that CONTRACTOR creates, receives, maintains, uses or transmits on behalf of COUNTY. CONTRACTOR shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of CONTRACTOR's operations and the nature and scope of its activities, including, at a minimum, all of the following safeguards:
1. Personnel Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
 - a. Employee Training. Any and all employees who will be accessing Identifiable Information pursuant to the terms and conditions of this Agreement shall complete, at a minimum, an initial privacy and security awareness training, prior to gaining access to any such Identifiable Information, and on an annual basis thereafter. Each employee who receives confidentiality, privacy and data security training pursuant to the terms and conditions of this Agreement must sign a certification indicating the employee's name and the date on which the training was completed. Such certifications must be retained for a period of three (3) following the expiration or termination of this Agreement.
 - b. Confidentiality Statement. Any and all employees who will be accessing Identifiable Information pursuant to the terms and conditions of this Agreement must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use and Enforcement Policies, prior to gaining access to any such Identifiable Information, and on an annual basis thereafter. CONTRACTOR shall retain each employee's written confidentiality statement for a period of three (3) years following the expiration or termination of this Agreement.

- c. Background Check. A background screening of each employee who will be accessing Identifiable Information pursuant to the terms and conditions of this Agreement must be conducted before such employee is allowed to obtain any Identifiable Information. The screening should be commensurate with the risk and magnitude of harm that each employee could cause, with more thorough screening being done for those employees who are authorized to bypass significant technical and operational security controls. CONTRACTOR shall retain each employee's background check documentation for a period of three (3) years following the expiration or termination of this Agreement.
 - d. Employee Oversight and Monitoring. Any and all employees who will be accessing Identifiable Information pursuant to the terms and conditions of this Agreement shall be subject to periodic privacy and security reviews related to the use thereof. The periodic privacy and security reviews required hereunder shall be performed or overseen by management level personnel who are knowledgeable of, and experienced with, the confidentiality, privacy and data security requirements set forth herein.
 - e. Employee Discipline. Appropriate sanctions must be applied against any and all employees who fail to comply with any of the confidentiality, data security or privacy requirements contained herein, including, without limitation, termination of employment where appropriate.
2. Technical Security Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
- a. Workstation and Laptop Encryption. Any and all workstations and laptops that store Identifiable Information either directly, indirectly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard ("AES").
 - b. Server Security. Any and all servers containing unencrypted Identifiable Information must have sufficient administrative, physical and technical controls in place to protect such data, based upon a risk assessment or system security review.
 - c. Minimum Necessary. Only the minimum amount of Identifiable Information required to perform necessary business functions may be copied, downloaded or exported.
 - d. Removable Media Devices. Any and all electronic files that contain Identifiable Information must be encrypted when stored on any removable media or portable device, including, without limitation, USB drives, CD, DVD, and backup tapes. Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.
 - e. Antivirus Software. Any and all workstations, laptops and systems that process and/or store Identifiable Information must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.
 - f. Patch Management. Any and all workstations, laptops and systems that process and/or store Identifiable Information must have critical security patches applied, with system reboot capabilities, if necessary. There must be a documented patch

management process which determines installation timeframes based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within thirty (30) days after vendor release. Applications and systems that cannot be patched within the required timeframe due to significant operational reasons must have compensatory controls implemented to minimize risk until the patches can be installed. Any and all applications and systems that cannot be patched must have compensatory controls implemented to minimize risk, where possible.

- g. User Identification and Password Controls. Any and all users of any system providing access to Identifiable Information must be issued a unique username and password. Usernames must be promptly disabled, deleted or have the password associated therewith changed within twenty-four (24) hours after the transfer or termination of an employee with knowledge of the password. Passwords must not be shared or stored in readable format on any computer. Passwords must be changed at least every ninety (90) days, preferably every sixty (60) days. Passwords must be immediately changed if revealed or compromised. Passwords must be a non-dictionary word that has at least eight (8) characters and contain characters from at least three (3) of the following four (4) categories from the standard keyboard:
- Upper case letters (A-Z)
 - Lower case letters (a-z)
 - Arabic numerals (0-9)
 - Non-alphanumeric characters (punctuation symbols)
- h. System Timeout. Any and all systems providing access to Identifiable Information must have an automatic timeout feature which requires re-authentication of the user session after no more than twenty (20) minutes of inactivity.
- i. Warning Banners. Any and all systems providing access to Identifiable Information must display a warning banner which states that data contained therein is confidential and that system use is restricted to authorized users for business purposes and will be logged. Users must be directed to log off if they disagree with such requirements.
- j. System Logging. Any and all systems providing access to Identifiable Information must maintain an automated audit trail that can be used to identify any user or process which alters Identifiable Information. The audit trail must be date and time stamped, log both successful and failed accesses, be read only and restricted to authorized users. If Identifiable Information is stored in a database, logging functionality must be enabled. Audit trail data must be archived for at least three (3) years after occurrence.
- k. Access Controls. Any and all systems providing access to Identifiable Information must use role-based user authentication controls that enforce the principle of least privilege.
- l. Transmission Encryption. Any and all transmissions of Identifiable Information outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing Identifiable Information can be

encrypted. This requirement applies to any type of Identifiable Information in motion such as website access and e-mail.

- m. Intrusion Detection. Any and all systems involved in accessing, holding, transporting or protecting Identifiable Information that are accessible via the internet must be protected by a comprehensive intrusion detection and prevention solution.
 - n. Data Destruction. When no longer needed, all Identifiable Information must be wiped using the Gutmann or United States Department of Defense 5220.22-M (7 Pass) standard or by degaussing. Media may also be physically destroyed in accordance with National Institute of Standards and Technology Special Publication 800-88.
3. Audit Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
- a. System Security Review. CONTRACTOR must ensure audit control mechanisms which record and examine system activity are in place. Any and all systems processing and/or storing Identifiable Information must have at least an annual system risk assessment or security review, including, without limitation, vulnerability scanning, which ensures administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection.
 - b. Log Reviews. Any and all systems processing and/or storing Identifiable Information must have a routine procedure in place to review system logs for unauthorized access.
 - c. Change Control. Any and all systems processing and/or storing Identifiable Information must have a documented change control procedure that ensures separation of duties and protects data confidentiality, integrity and availability.
4. Business Continuity and Disaster Recovery Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:
- a. Emergency Mode Operation Plan. CONTRACTOR must establish a documented plan to enable continuation of critical business processes and protection of the security of Identifiable Information held in an electronic format in the event of an emergency. For purposes of this provision, "emergency" means any situation that causes normal computer operations to become unavailable for performing the work required under this Agreement for more than twenty-four (24) hours.
 - b. Data Backup Plan. CONTRACTOR must have documented procedures to backup Identifiable Information which allows retrievable exact copies of Identifiable Information to be maintained. Such procedures must include a regular schedule for making backups, storing backups offsite, an inventory of backup media and an estimate of the amount of time needed to restore lost Identifiable Information. At a minimum, the schedule must include weekly data backup and monthly offsite storage.
5. Paper Document Controls. By executing this Agreement, CONTRACTOR, for itself, and its assignees and successors in interest, agrees as follows:

- a. Supervision of Data. Identifiable Information in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. As used herein, the term "unattended" means that information is not being observed by an individual authorized to access the information.
- b. Data in Vehicles. CONTRACTOR shall have policies that include, based on applicable risk factors, a description of the circumstances under which employees can transport Identifiable Information in paper form, as well as the physical security requirements during transport. If CONTRACTOR chooses to permit its employees to leave records unattended in vehicles, it shall include provisions in its policies which provide that the Identifiable Information is stored in a non-visible area such as a trunk, that the vehicle is locked and that under no circumstances shall Identifiable Information be left unattended in a vehicle overnight or for other extended periods of time.
- c. Public Modes of Transportation. Identifiable Information in paper form shall not be left unattended at any time in airplanes, buses, trains or other modes of public transportation, inclusive of baggage areas.
- d. Escorting Visitors. Visitors to areas where Identifiable Information is contained shall be escorted and Identifiable Information shall be kept out of sight while visitors are in the area.
- e. Confidential Destruction. Identifiable Information must be disposed of through confidential means, including, without limitation, cross-cut shredding and pulverizing.
- f. Removal of Data. Identifiable Information shall not be removed from the premises of CONTRACTOR except for identified routine business purposes or with express written permission from COUNTY.
- g. Faxing. Faxes containing Identifiable Information shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- h. Mailings. Mailings containing Identifiable Information shall be sealed and secured from damage or inappropriate viewing to the extent possible. Mailings which include five hundred (500) or more individually identifiable records in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless prior written permission to use another method is obtained.

13. SUSPENSION AND DEBARMENT:

- A. Legal Compliance. CONTRACTOR hereby agrees to comply with any and all applicable local, state and federal suspension and debarment laws, regulations, policies, procedures and standards, including, without limitation, 7 C.F.R. Part 3017, 45 C.F.R. Part 76, 40 C.F.R. Part 32 and 34 C.F.R. Part 85.
- B. Certification of Eligibility. By executing this Agreement, CONTRACTOR certifies, to the best of its knowledge and belief, that it and its principals, assignees and successors in interest:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal department or agency.
 2. Have not, within a three (3) year period preceding the effective date of this Agreement, been convicted of, or had a civil judgment rendered against it, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public transaction or contract at the local, state or federal level; violation of local, state or federal antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records or receiving stolen property.
 3. Are not presently indicted for, or otherwise criminally or civilly charged by a local, state or federal governmental entity with, commission of any of the offenses referenced herein.
 4. Have not, within a three (3) year period preceding the effective date of this Agreement, had one (1) or more public transactions with a local, state or federal entity terminated for cause or default.
 5. Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. Part 9, debarred, suspended, declared ineligible or voluntarily excluded from participation in such transaction, unless specifically authorized to do so by the California Department of Health Care Services.
- C. Construction of Provision. The terms used herein shall have the meanings set forth in the definitions and coverage sections of the rules implementing Federal Executive Order 12549.
- D. Effect of Non-Compliance. Failure to meet any of the requirements set forth herein shall constitute a material breach of this Agreement, upon which COUNTY may, in addition to any other available remedies, immediately suspend any and all payments due hereunder or terminate this Agreement as set forth herein.
- E. Incorporation of Provisions. CONTRACTOR hereby agrees to include the provisions contained herein, without substantial modification, in all lower tier covered transactions as well as all solicitations for lower tier covered transactions.

14. NON-DISCRIMINATION COMPLIANCE:

- A. Nondiscriminatory Delivery of Social Services. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the administration of public assistance and social services programs. CONTRACTOR hereby assures that no person shall be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving local, state or federal financial assistance because of: race; religion or religious creed; color; age, over forty (40) years of age; sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. COUNTY reserves the right to monitor the services provided hereunder in order to ensure compliance with the requirements of this provision.

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- B. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of: race; religion or religious creed; color; age, over forty (40) years of age; sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. Nothing herein shall be construed to require the employment of unqualified persons.
- C. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, *et seq.*; California Government Code Sections 4450, *et seq.*; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Sections 8101, *et seq.* of Title 2 of the California Code of Regulations are incorporated herein by reference as if set forth in full.

15. NUCLEAR-FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

By executing this Agreement, CONTRACTOR certifies that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear-Free Humboldt County Ordinance. CONTRACTOR hereby agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

16. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will provide a drug-free workplace in accordance with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, *et seq.*) by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.
- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about:

1. The dangers of drug abuse in the workplace;
 2. CONTRACTOR's policy of maintaining a drug-free workplace;
 3. Any available counseling, rehabilitation and employee assistance programs; and
 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement shall:
1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 2. Agree to abide by CONTRACTOR's Drug-Free Policy as a condition of employment.
- D. Effect of Non-Compliance. Failure to comply with the requirements set forth herein may result in termination of this Agreement and/or ineligibility for award of future contracts.

17. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, costs and expenses of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to CONTRACTOR's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

18. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance, or other proof that the following provisions have been complied with, are received by the Humboldt County Risk Manager or a designee thereof.

- A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations set forth herein, CONTRACTOR, and its subcontractors hereunder, shall take out and maintain, throughout the entire term of this Agreement, and any extensions thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR or its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:
1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, without limitation, personal injury, death and property damage. If

a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.

2. Sexual Abuse or Molestation Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per occurrence for any one (1) incident. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
3. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).
4. Workers' Compensation Insurance, as required by the California Labor Code, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
5. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which CONTRACTOR may be exposed to liability regarding the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to property damage caused by explosion or collapse of structures or underground damage, referred to as "XCU Hazards."
 - c. Is the primary insurance with regard to COUNTY.
 - d. Does not contain a pro-rata, excess only and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice requirements set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
 4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained by COUNTY are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
 5. Any failure to comply with the terms and conditions of this Agreement shall not affect the coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.
 6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to any other available remedies, take out the necessary insurance and deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
 7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.
- C. Insurance Notices. Any and all notices regarding the insurance required pursuant to the terms and conditions of this Agreement shall be sent to the addresses set forth below in accordance with the notice requirements contained herein.

COUNTY: County of Humboldt
Attention: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

CONTRACTOR: Changing Tides Family Services
Attention: Kerry Venegas, Executive Director
2259 Myrtle Avenue
Eureka, California 95501
kvenegas@changingtidesfs.org

19. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agents, servant, employee, partnership, joint venture or any other similar association. Each party hereby agrees that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, without limitation, overtime, retirement, leave or workers' compensation benefits. CONTRACTOR shall be solely responsible for the acts and omissions of its agents, officers, employees, assignees and subcontractors.

20. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS:

- A. General Legal Requirements. CONTRACTOR hereby agrees to comply with any and all local, state and federal laws, regulations, policies, procedures and standards applicable to the services provided pursuant to the terms and conditions of this Agreement.
- B. Licensure Requirements. CONTRACTOR hereby agrees to comply with any and all local, state and federal licensure, certification and accreditation standards applicable to the services provided pursuant to the terms and conditions of this Agreement, including, without limitation, the licensure requirements set forth in Section 811-6(b) of the Humboldt County Code.
- C. Accessibility Requirements. CONTRACTOR hereby agrees to comply with any and all applicable accessibility requirements set forth in the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, as amended, California Government Code Section 11135 and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the federal accessibility standards set forth in 36 C.F.R. Section 1194.1, all as may be amended from time to time.
- D. Conflict of Interest Requirements. CONTRACTOR hereby agrees to comply with any and all applicable conflict of interest requirements set forth in the California Political Reform Act and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, COUNTY's Conflict of Interest Code, all as may be amended from time to time.
- E. Humboldt County Privacy and Security Agreement. CONTRACTOR hereby agrees to comply with any and all applicable provisions of the 2025 Privacy and Security Agreement (MOU-25-6064) that COUNTY has with California Department of Social Services, which are incorporated herein by reference and made a part hereof as if set forth in full. In the event, of any conflict in the terms and conditions set forth in COUNTY's 2025 Privacy and Security Agreement (MOU-25-6064) and the terms and conditions set forth in this Agreement, the terms and conditions set forth in COUNTY's 2025 Privacy and Security Agreement (MOU-25-6064) shall have priority. COUNTY's 2025 Privacy and Security Agreement (MOU-25-6064) can be obtained online at <https://humboldtgov.org>.

21. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations or conditions that may affect the terms, conditions or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or incorrectly stated, the parties agree to amend the pertinent section to make such insertion or correction.

22. REFERENCE TO LAWS, REGULATIONS AND STANDARDS:

In the event any law, regulation or standard referred to herein is amended during the term of this Agreement, the parties agree to comply with the amended provision as of the effective date of such amendment.

23. PROTOCOLS:

Each party hereby agrees that the inclusion of additional protocols may be required to make this Agreement specific. All such protocols shall be negotiated, determined and agreed upon by each of the parties hereto.

24. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

25. ASSIGNMENT:

Neither party shall delegate its duties or assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements customarily entered into by either party to obtain supplies, technical support or professional services.

26. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

27. WAIVER OF DEFAULT:

The waiver by either party of any breach of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to the breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds which COUNTY determines were not expended in accordance with the terms and conditions of this Agreement.

28. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

29. AMENDMENT:

This Agreement may be amended at any time during the term hereof upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by authorized representatives of the parties hereto.

30. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

31. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents, information and reports for its records. In the event this Agreement is terminated, CONTRACTOR shall turn over all such documents, information and reports to COUNTY without exception or reservation.

32. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

33. ADVERTISING AND MEDIA RELEASE:

Any and all informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, without limitation, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of any and all requests for interviews by the media related to this Agreement before such interviews take place. COUNTY shall be entitled to have a representative present at any and all interviews concerning the subject matter of this Agreement. Any and all notices required by this provision shall be given to DHHS – Social Services Director in accordance with the notice requirements set forth herein.

34. SUBCONTRACTS:

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided pursuant to the terms and conditions of this Agreement. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, privacy, security and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including, without limitation, any and all services provided by third parties under subcontracts, whether approved by COUNTY or not.

35. ATTORNEYS' FEES:

If either party shall commence any legal action, including, without limitation, an action for declaratory relief, against the other by reason of the alleged failure of the other to perform any of its obligations hereunder, the party prevailing in said action shall be entitled to recover court costs and reasonable attorneys' fees, including, but not limited to, the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, the term "prevailing party" means the party who dismisses an action in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

36. SURVIVAL OF PROVISIONS:

The duties and obligations of the parties set forth in Section 4(D) – Compensation upon Termination, Section 9 – Record Retention and Inspection, Section 11 – Confidential Information, Section 12 – Privacy and Data Security Requirements and Section 17 – Indemnification shall survive the expiration or termination of this Agreement.

37. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

38. INDEPENDENT CONSTRUCTION:

The titles of the sections and subsections set forth herein are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

39. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

39. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control, and without the fault or negligence, of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, pandemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

40. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

41. COUNTERPART EXECUTION:

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. This Agreement, and any amendments hereto, may be signed by manual or electronic signatures in accordance with any and all applicable local, state and federal laws, regulations and standards, and such signatures shall constitute original signatures for all purposes. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement and any amendments hereto.

42. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

CHANGING TIDES FAMILY SERVICES:

By: Kerry Venegas Digitally signed by Kerry Venegas
Date: 2026.05.01 02:34:50 -07'00'

Date: 05/01/2026

Name: Kerry Venegas

Title: Executive Director

By: Jeanine Canedo-Moncrief Digitally signed by Jeanine Canedo-Moncrief
Date: 2026.05.01 09:33:03 -07'00'

Date: 05/01/2026

Name: Jeanine Cañedo-Moncrief

Title: Deputy Director, Early Learning and Care

COUNTY OF HUMBOLDT:

By: 
Natalie Arroyo, Vice-Chair
Humboldt County Board of Supervisors

Date: 6/11/2026

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: Oakley, Jennifer Digitally signed by Oakley, Jennifer
Date: 2026.05.28 10:22:33 -07'00'
Risk Management

Date: 5/28/2026

LIST OF EXHIBITS:

- Exhibit A – Schedule of Rates
- Exhibit B – Sample Invoice
- Exhibit C – County of Humboldt HIPAA Business Associate Agreement

EXHIBIT A
SCHEDULE OF RATES
 Changing Tides Family Services
 For Fiscal Years 2026-2027 through 2027-2028

COUNTY shall compensate CONTRACTOR at the following maximum annual rates of compensation for any and all administrative and transitional support services provided pursuant to the terms and conditions of this Agreement:

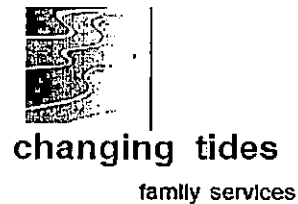
A. Annual Administrative Costs	
Item: Child Care Payments	
Description: Reimbursements to child care providers on behalf of the parents enrolled in the CalWORKs Stage One Child Care Program	\$1,648,492.00
Total Annual Administrative Costs:	
B. Annual Personnel Costs	
Title: Child Care Coordinator (3.25 FTE) Description of Duties: Supports and assists participants in the CalWORKs Stage One Child Care Program to find and retain child care services in order to have a successful work experience. Specifically collaborates, on site, with County of Humboldt staff to support the successful work participation of CalWORKs clients.	\$151,624.68
Title: CCS Division Director (.12 FTE) Description of Duties: Provides direct oversight and supervision for all responsible for carrying out child care duties, including support for parents and child care providers, accurate and timely processing child care reimbursements, auditing, maintenance, and security of documentation, and ensuring compliance with all federal, state, county and agency policies and requirements	\$11,723.12
Title: ELC Deputy Director (.10 FTE) Description of Duties: Provides higher level support and guidance related to the implementation of and compliance with federal, state, county and agency requirements for the CalWORKs Stage One Child Care Program. Responsible for monitoring and assessing progress towards program goals and compliance. Is responsible for the direct supervision and support of the CCS Division Director.	\$16,009.53
Title: Program Analyst (.75FTE) Description of Duties: Performs functions that support the accurate maintenance of data, accurate calculation of child care reimbursements, and performs activities that enable the smooth functioning of complex systems which generate child care reimbursements in accordance with federal, state, county and agency policies.	\$39,721.90
Title: Clinician II (.25 FTE) Description of Duties: Licensed mental health professional responsible for providing oversight, clinical supervision, and guidance in the provision of mental health consultation services to child care providers families participating in the CalWORKs Stage One Child Care Program.	\$19,631.63
Title: Mental Health Case Manager (.25 FTE) Description of Duties: Works directly with the child care providers and families participating in the CalWORKs Stage One Child Care Program to provide coordination and navigation for mental health consultation related services under the supervision and support of the Clinician II	\$13,884.00
Item: Personnel Benefits Description: Benefits including payroll taxes, health and related insurance, retirement, workers compensation, etc.	\$98,366.99
Total Annual Personnel Costs:	
\$350,961.85	

C. Annual Operating Costs		
Item: Supplies/Maintenance		
Description: Office supplies, paper towels, toilet paper, postage, building maintenance.		\$10,148.00
Item: Computer Tech Assistance		
Description: Includes prorated expenses based on FTEs for computer support and security for maintaining project data and client/provider information.		\$16,080.00
Item: Audit		
Description: Prorated share of cost of the Agency's single audit.		\$3,020.00
Item: Advertising		
Description: Expense of advertising for the recruitment of above positions, if necessary.		\$1,005.00
Item: Insurance		
Description: Prorated share of liability coverage, Directors and Officers coverage, sexual misconduct coverage, etc. based upon the proposed program's FTE percentage.		\$2,613.00
Item: Equipment Lease		
Description: Estimated amount of leased copier and mail machine (actual amount charged will be based upon direct usage), and prorated amount of the agency's financial software lease.		\$2,412.00
Item: Rent		
Description: Rent expenses for program usage and storage space for program supplies and demonstration materials.		\$10,515.00
Item: Telephone/ Utilities		
Description: Includes prorated expenses based on FTEs for telephone and utilities.		\$8,844.00
Item: Equipment		
Description: Share of expense for replacement of equipment integral to performing activities and meeting the responsibilities described in this proposed Scope of Work.		\$4,134.00
Item: General Expenses		
Description: Insurance, meetings, janitorial, printing/duplicating, misc., dues and subscriptions, durable supplies.		\$26,852.00
Total Annual Operating Costs:		\$85,623.00
D. Annual Transportation Costs		
Item: In-County Travel Costs		
Description: Mileage reimbursement for staff who work a substantial amount of time in the field throughout Humboldt County.		\$4,020.00
Item: Travel Out of County		
Description: Mileage reimbursement for staff to attend out of county trainings.		\$1,005.00
Total Annual Transportation Costs:		\$5,025.00
E. Annual Indirect Costs		
Item: Overhead and Administration		
Description: Not to exceed ten percent (10%) of total direct costs		\$167,208.15
Total Annual Indirect Costs:		\$167,208.15
Total Annual Budget:		\$2,257,310.00

Fluctuations of up to ten percent (10%) of salary calculation to account for wage increases, new hires, etc. are allowable if total amount of Personnel Costs Category does not increase. Any Shift of funds to or from the personnel category must be approved in writing by COUNTY. CONTRACTOR may shift up to twenty percent (20%) of budgeted amounts between all other budget categories without prior written approval by COUNTY.

EXHIBIT B
SAMPLE INVOICE
 Changing Tides Family Services
 For Fiscal Years 2026-2027 through 2027-2028

Ari Chandler
 Humboldt County Department of Social Services
 Welfare-To-Work
 929 Koster Street
 Eureka, CA 95501



Child Care Voucher Program
CAL WORKS STAGE 1

Invoice Number	<u>CW23/24 MM DD</u>	Date	<u>MM/DD/YY</u>
Invoice Period	<u>Month-Year</u>	Contract Period	<u>FY 23/24</u>
	<u>PRIOR</u>	<u>CURRENT</u>	<u>YTD</u>
CAL WORKS			
CAL-LEARN			
TRUST LINE EXPENSE			
Total			

For this invoice period we issued ### CALWORKS Voucher Payments totaling \$xxx,xxx.xx for Care Month September and prior. There were # CAL-LEARN payments totaling \$xxx.xx for Care Month September and prior.

Prepared by: _____
Title Finance Director

Approved by: 
 AUTHORIZED SIGNATURE

Kerry Venegas, Executive Director

Child Care Services/Subsidies/Referrals | Special Needs Services | Mental Health Services | Parent Supports

2259 Myrtle Avenue, Eureka, CA 95501 | 707.444.8293 (P) | 800.795.3554 | 707.444.8298 (F) | www.changingtidesfs.org

Ari Chandler
Humboldt County Department of Social Services
Welfare-To-Work
929 Koster Street
Eureka, CA 95501



changing tides
family services

CAL WORKS STAGE 1

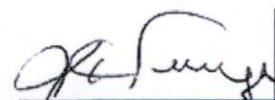
Invoice Number CW23/24.MM.DD Invoice Date MM/DD/YY
Contract Period FY 23/24 Report Period Month-
Year

	<u>CURRENT MONTH</u>	<u>YTD</u>
PERSONNEL EXPENSE		
SALARIES		
BENEFITS		
SUBTOTAL		
OPERATING EXPENSES		
1 SUPPLIES/MAINT		
2 COMP TECH ASSISTANCE		
3 <u>AUDIT</u>		
4 TRAVEL-IN-COUNTY		
5 TRAVEL-OUT-OF-COUNTY		
6 ADVERTISING		
7 <u>INSURANCE</u>		
8 EQUIP. LEASE		
9 <u>RENT</u>		
10 TELEPHONE/UTILITIES		
11 EQUIPMENT		
12 GENERAL EXPENSES		
13 <u>INDIRECT COST</u>		
TOTAL EXPENSES		

Prepared by
Title

Finance Director

Approved by


AUTHORIZED SIGNATURE

Kerry Venegas, Executive Director

Child Care Services/Subsidies/Referrals | Special Needs Services | Mental Health Services | Parent Supports

2259 Myrtle Avenue, Eureka, CA 95501 | 707.444.8293 (P) | 800.795.3554 | 707.444.8298 (F) | www.changingtidesfs.org

EXHIBIT C
COUNTY OF HUMBOLDT HIPAA BUSINESS ASSOCIATE AGREEMENT
Changing Tides Family Services
For Fiscal Years 2026-2027 through 2027-2028

RECITALS:

WHEREAS, COUNTY, as a "Covered Entity" wishes to disclose certain information to CONTRACTOR, hereafter known as "BUSINESS ASSOCIATE" pursuant to the terms of the Agreement, some of which may constitute Protected Health Information ("PHI").

WHEREAS, COUNTY and BUSINESS ASSOCIATE intend to protect the privacy and provide for the security of PHI disclosed to BUSINESS ASSOCIATE pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information and Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.

WHEREAS, pursuant to HIPAA Regulations, the Privacy Rule and Security Rule COUNTY is required to enter into an Agreement containing specific requirements with BUSINESS ASSOCIATE prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(e), and 164.504(e) of the Code of Federal Regulations ("C.F.R.") and contained in this Agreement.

NOW THEREFORE, COUNTY and BUSINESS ASSOCIATE hereby mutually agree as follows:

1. DEFINITIONS:

- A. **Breach**. As used herein, the term "Breach" shall have the meaning given to such term under the HITECH Act and HIPAA Regulations [42 U.S.C. Section 17921 and 45 C.F.R. Section 164.402].
- B. **Breach Notification Rule**. As used herein, the term "Breach of Notification Rule" shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and D.
- C. **Business Associate**. As used herein, the term "Business Associate" shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.
- D. **Covered Entity**. As used herein, the term "Covered Entity" shall have the meaning given to such term under the Privacy and Security Rules, including, without limitation, 45 C.F.R. Section 160.103.
- E. **Designated Record Set**. As used herein, the term "Designated Record Set" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- F. **Electronic Protected Health Information**. As used herein, the term "Electronic Protected Health Information" means Protected Health Information that is maintained in or transmitted by electronic media.
- G. **Electronic Health Record**. As used herein, the term "Electronic Health Record" shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

- H. **Health Care Operations.** As used herein, the term "Health Care Operations" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- I. **Privacy Rule.** As used herein, the term "Privacy Rule" shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.
- J. **Protected Health Information.** As used herein, the term "Protected Health Information" ("PHI") means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to the term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information [45 C.F.R. Sections 160.103, 164.501].
- K. **Protected Information.** As used herein, the term "Protected Information" shall mean PHI provided by COUNTY to BUSINESS ASSOCIATE or created, maintained, received, or transmitted by BUSINESS ASSOCIATE on COUNTY's behalf.
- L. **Security Incident.** As used herein, the term "Security Incident" shall have the same meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. Section 164.304.
- M. **Security Rule.** As used herein, the term "Security Rule" shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.
- N. **Unsecured PHI.** As used herein, the term "Unsecured PHI" shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h) and 45 C.F.R. Section 164.402.

2. **OBLIGATIONS OF BUSINESS ASSOCIATE:**

- A. **Permitted Uses.** BUSINESS ASSOCIATE shall use Protected Information only for the purpose of performing BUSINESS ASSOCIATE's obligations under the Agreement and as permitted or required under the Agreement, or as required by law. Further, BUSINESS ASSOCIATE shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by COUNTY. However, BUSINESS ASSOCIATE may use Protected Information as necessary (i) for the proper management and administration of BUSINESS ASSOCIATE; (ii) to carry out the legal responsibilities of BUSINESS ASSOCIATE; or (iii) as required by law. [45 C.F.R. Sections 164.504(e)(2), 164.504(e)(4)(i)].
- B. **Permitted Disclosures.** BUSINESS ASSOCIATE shall disclose Protected Information only for the purpose of performing BUSINESS ASSOCIATE's obligations under the Agreement and as permitted or required under the Agreement, or as required by law. BUSINESS ASSOCIATE shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by COUNTY. However, BUSINESS ASSOCIATE may disclose Protected Information as necessary (i) for the proper management and administration of BUSINESS ASSOCIATE; (ii) to carry out the legal responsibilities of BUSINESS ASSOCIATE; or (iii) as required by law. If BUSINESS ASSOCIATE discloses Protected Information to a third-party, BUSINESS ASSOCIATE must

obtain, prior to making any such disclosure, (i) reasonable *written* assurances from such third-party that such Protected Information will be held confidential as provided pursuant to this Agreement and used or disclosed only as required by law or for the purposes for which it was disclosed to such third-party, and (ii) a written agreement from such third-party to immediately notify BUSINESS ASSOCIATE of any breaches, suspected breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2.I. of the Agreement, to the extent it has obtained knowledge of such occurrences [42 U.S.C. Section 17932; 45 C.F.R. Section 164.504(e)].

- C. **Prohibited Uses and Disclosures.** BUSINESS ASSOCIATE shall not use or disclose PHI other than as permitted or required by the Agreement, or as required by law. BUSINESS ASSOCIATE shall not use or disclose Protected Information for fundraising or marketing purposes. BUSINESS ASSOCIATE shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which PHI solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(vi)]. BUSINESS ASSOCIATE shall not directly or indirectly receive remuneration in exchange for Protected Information, except with prior written consent of COUNTY and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. Section 164.502(a)(5)(ii); however this prohibition shall not affect payment by COUNTY to BUSINESS ASSOCIATE for services provided pursuant to the Agreement.
- D. **Appropriate Safeguards.** BUSINESS ASSOCIATE shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by the Agreement, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including but not limited to, 45 C.F.R. Sections 164.308, 164.310, and 164.312. [45 C.F.R. Section 164.504(e)(2)(ii)(B); 45 C.F.R. Section 164.308(b)]. BUSINESS ASSOCIATE shall comply with the policies, procedures and documentation requirements of the Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. [42 U.S.C. Section 17931].
- E. **Business Associate's Subcontractors and Agents.** BUSINESS ASSOCIATE shall ensure that any agents and subcontractors that create, receive, maintain or transmit Protected Information on behalf of COUNTY, agree in writing to the same restrictions and conditions that apply to COUNTY with respect to such Protected Information and implement the safeguards required by paragraph 2(D) above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2)(ii)(D); 45 C.F.R. Section 164.308(b)]. BUSINESS ASSOCIATE shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation (see 45 C.F.R. Sections 164.530(f) and 164.530(e)(1)).
- F. **Access to Protected Information.** If BUSINESS ASSOCIATE maintains a designated record set on behalf of COUNTY, BUSINESS ASSOCIATE shall make Protected Information maintained by BUSINESS ASSOCIATE or its agents or subcontractors in Designated Record Sets available to COUNTY for inspection and copying within five (5) days of a request by COUNTY to enable COUNTY to fulfill its obligations under California Health and Safety Code Section 123110 and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(e)]. If BUSINESS ASSOCIATE maintains Protected Information in electronic format, BUSINESS ASSOCIATE shall provide such information in electronic format as necessary to enable COUNTY to fulfill its obligations under the HITECH Act and HIPAA Regulations, including, but not limited to, 42 U.S.C. Section 17935(e) and 45 C.F.R. Section 164.524.

- G. **Amendment of PHI.** If BUSINESS ASSOCIATE maintains a designated record set on behalf of COUNTY, within ten (10) days of a request by COUNTY for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BUSINESS ASSOCIATE and its agents and subcontractors shall make such Protected Information available to COUNTY for amendment and incorporate any such amendment or other documentation to enable COUNTY to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If an individual requests an amendment of Protected Information directly from BUSINESS ASSOCIATE or its agents or subcontractors, BUSINESS ASSOCIATE must notify COUNTY in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors [45 C.F.R. Section 164.504(e)(2)(ii)(F)].
- H. **Accounting of Disclosures.** Within ten (10) days of a request by COUNTY for an accounting of disclosures of Protected Information, BUSINESS ASSOCIATE and its agents and subcontractors shall make available to COUNTY the information required to provide an accounting of disclosures to enable COUNTY to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935(c), as determined by COUNTY. BUSINESS ASSOCIATE agrees to implement a process that allows for an accounting to be collected and maintained by BUSINESS ASSOCIATE and its agents and subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BUSINESS ASSOCIATE maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If a patient submits a request for an accounting directly to BUSINESS ASSOCIATE or its agents or subcontractors, BUSINESS ASSOCIATE shall within five (5) days of the request forward it to COUNTY in writing.
- I. **Governmental Access to Records.** BUSINESS ASSOCIATE shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to COUNTY and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BUSINESS ASSOCIATE's compliance with HIPAA [45 C.F.R. Section 164.504(e)(2)(ii)(I)]. BUSINESS ASSOCIATE shall concurrently provide COUNTY with copies of any Protected Information and other records that BUSINESS ASSOCIATE provides to the Secretary.
- J. **Minimum Necessary.** BUSINESS ASSOCIATES and its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)]. BUSINESS ASSOCIATE understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- K. **Data Ownership.** BUSINESS ASSOCIATE understands that BUSINESS ASSOCIATE has no ownership rights with respect to the Protected Information.

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- L. **Notification of Possible Breach.** BUSINESS ASSOCIATE shall notify COUNTY within twenty-four (24) hours of any suspected or actual breach of Protected Information; any use or disclosure of Protected Information not permitted by the Agreement; any security incident (i.e., any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system) related to Protected Information, and any actual or suspected use or disclosure of data in violation of any applicable federal or state laws by BUSINESS ASSOCIATE or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the BUSINESS ASSOCIATE to have been accessed, acquired, used, or disclosed, as well as any other available information that COUNTY is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited, to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.1408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BUSINESS ASSOCIATE shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. Section 17921; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)]. Any and all notices required pursuant to the terms and conditions of this provision shall be submitted to COUNTY at the following address:

COUNTY: Humboldt County DHHS Compliance and Quality Assurance Office
Attention: Compliance and Quality Assurance Administrator & Privacy Officer
507 F Street
Eureka, California 95501
(707) 441-5410

- M. **Breach Pattern or Practice by Business Associate's Subcontractors and Agents.** Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504(e)(1)(ii), if BUSINESS ASSOCIATE knows of a pattern or activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent's obligations under the Agreement or other arrangement, BUSINESS ASSOCIATE must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, BUSINESS ASSOCIATE must terminate the Agreement or other arrangement if feasible. BUSINESS ASSOCIATE shall provide written notice to COUNTY of any pattern of activity or practice of a subcontractor or agent that BUSINESS ASSOCIATE believes constitutes a material breach or violation of the subcontractor or agent's obligations under the Agreement or other arrangement within five (5) days of discovery and shall meet with COUNTY to discuss and attempt to resolve the problem as one (1) of the reasonable steps to cure the breach or end the violation.
- N. **Audits, Inspection and Enforcement.** Within ten (10) days of a request by COUNTY, BUSINESS ASSOCIATE and its agents and subcontractors shall allow COUNTY or its agents or subcontractors to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Agreement for the purpose of determining whether BUSINESS ASSOCIATE has complied with this Agreement or maintains adequate security safeguards. BUSINESS ASSOCIATE shall notify COUNTY within five (5) days of learning that BUSINESS ASSOCIATE has become the subject of an audit, compliance review, or complaint investigation by the Office for Civil Rights or other state or federal government entity.

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3. TERMINATION:

- A. **Material Breach.** A breach by BUSINESS ASSOCIATE of any provision of this Agreement, as determined by COUNTY, shall constitute a material breach of the Agreement and shall provide grounds for *immediate* termination of the Agreement, any provision in the Agreement to the contrary notwithstanding. [45 C.F.R. Section 164.504(e)(2)(iii)].
- B. **Effect of Termination.** Upon termination of the Agreement for any reason, BUSINESS ASSOCIATE shall, at the option of COUNTY, return or destroy all Protected Information that BUSINESS ASSOCIATE or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by COUNTY, BUSINESS ASSOCIATE shall continue to extend the protections of Section 2 of this Agreement to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible [45 C.F.R. Section 164.504(e)(ii)(2)(J)]. If COUNTY elects destruction of the PHI, BUSINESS ASSOCIATE shall certify in writing to COUNTY that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI.

4. INTERPRETATION:

Any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, and the HIPAA regulations.