TO: CLIFTONLARSONALLEN, LLP  
9515 DEEREO ROAD, SUITE 500  
TIMONIUM, MD 21093 

DATE ISSUED: April 22, 2013 
CURRENT REFERENCE NO: 629-13 

CONTRACT TITLE: DMF - ANNUAL AUDIT SERVICES 
PRIOR REFERENCE NO: 627-12 

NOTE OF AWARD OF CONTRACT

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on JUNE 30, 2018.

This is the FIRST year award notice of a possible FIVE year contract.

The contract documents consist of the terms and conditions of Agreement No. 629-13, including any exhibits, attached or amendments thereto.

CONTRACT PRICING: REFER TO AGREEMENT

ATTACHMENTS: AGREEMENT NUMBER 629-13

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: J. MICHAEL STEPHENS, CPA, CGFM  
VENDOR TEL. 410-453-0900  
VENDOR FAX. 410-453-0914  

VENDOR PAYMENT TERMS: NET 30 DAYS

EMAIL ADDRESS: MIKE.STEPHENS@CLIFTONLARSONALLEN.COM

COUNTY CONTACT: BARBARA WILEY  
COUNTY TEL. NO. 703-228-3425

CONTRACT AUTHORIZATION  
Richard D. Warren, JR., CPPB DATE 4/22/13  
Purchasing Agent

DISTRIBUTION

VENDOR: 1  
BID FOLDER: 1
ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
SUITE 500, 2100 CLARENDON BOULEVARD
ARLINGTON, VA 22201

AGREEMENT NO. 629-13

THIS AGREEMENT (hereinafter “Agreement”) is made, on the date of execution by the County, between CliftonLarsonAllen, LLP 9515 Deereco Road, Suite 500, Timonium, Maryland 21093 (“Contractor”) a Minnesota Limited Partnership authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia (“County”). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

1. **CONTRACT DOCUMENTS**
The Contract Documents consist of this Agreement, Exhibit A (Scope of Work), Exhibit B (Hourly Billing Rates), Exhibit C (Nondisclosure and Data Security Agreement - Contractor), and Exhibit D (HIPAA Business Associate Agreement) (collectively, the “Contract Documents”).

Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement shall prevail over the other Contract Documents and the remaining Contract Documents shall be complementary to each other and if there are any conflicts the most stringent terms or provisions shall prevail.

The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties’ agreement which is not contained in the Contract Documents. The Contract Documents may be referred to herein below as the “Contract” or the “Agreement.”

2. **SCOPE OF WORK**
The Contractor agrees to perform the services described in the Contract Documents (hereinafter “the Work”). The primary purpose of the Work is to provide the County with independent financial and compliance auditing services. The Contract Documents set forth the minimum work estimated by the County and the Contractor to be necessary to complete the Work. It shall be the Contractor’s responsibility, at the Contractor’s sole cost, to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work. Nothing in the Contract Documents shall be construed to limit the Contractor’s responsibility to manage the details and execution of the Work.

3. **CONTRACT TERM**
The Work shall commence on the date of execution of this Agreement by the County and shall be completed no later than June 30, 2015 (“Initial Contract Term”), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance by the Contractor and with the concurrence of the Contractor, the County may authorize continued operations of the Contractor under the same contract unit prices for not more than two (2) additional twelve (12) month periods from July 1, 2015 to June 30, 2017 (Each such period shall be referred to as a "Subsequent Contract Term").
4. **CONTRACT AMOUNT**

This is a lump-sum, fixed-price contract. The Contractor agrees that the total payment for all tasks described under this Agreement covering auditing services for Fiscal Year 2013 will not exceed $194,600, ("Contract Amount") regardless of the number of hours spent in the performance of the tasks or the amount of reimbursable expenses previously approved by the County. No additional compensation will be paid for work within the scope of Work of the Contract. The Contractor agrees that it shall complete the Work for the total Contract Amount specified in this section unless such amount is modified as provided in this Contract. The Contract Amount is broken down as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTY BOARD/SCHOOL BOARD FISCAL YEAR 2013 AUDIT COSTS</td>
<td>$156,000</td>
</tr>
<tr>
<td>RETIREMENT BOARD FISCAL YEAR 2013 AUDIT COSTS</td>
<td>35,000</td>
</tr>
<tr>
<td>WASTE TO ENERGY FACILITY MONITORING GROUP (TRUST FUND)</td>
<td>3,900</td>
</tr>
</tbody>
</table>

The above amounts are firm fixed prices for each portion of the Work and funds cannot be transferred between the County Board/School Board audit costs and the Retirement Board audit costs.

5. **CONTRACT EXTENSION WITH PRICE ADJUSTMENTS**

The Contract Amount shall remain firm for at least the initial twelve months of the Contract Terms. The Contract Amount for any one or more Subsequent Contract Terms, if the County elects to extend the Contract, shall be negotiated by the County and the Contractor. Any percentage increases in negotiated prices of ensuring years and Subsequent Contract Terms shall not exceed 5% or the percentage of movement of the U.S. Department of Labor Employment Cost Index, Not Seasonally Adjusted, private workers, non-union, wages and salaries for the twelve month period ending in January of each contract year, whichever is lower.

If the Contractor and the County do not agree on a contract amount for a Subsequent Contract Term using the procedure set forth above by the thirtieth (30th) calendar day prior to the final day of the Initial Contract Term or any Subsequent Contract Term, the County may in its sole discretion terminate the Contract whether or not the County has previously elected to extend the Contract's term. The Contract Amount/unit price that changed as a result of this procedure shall become effective on the anniversary date of the Contract and shall be binding on the parties for the duration of the next Subsequent Contract Term.

6. **PAYMENT**

Payment will be made by the County to the Contractor within thirty (30) days after receipt by the County Project Officer of an invoice for work done which is reasonable and allocable to the Contract and which has been performed to the satisfaction of the Project Officer in accordance with the Payment Schedule below (and as defined in Section S of Exhibit A). The Project Officer will either approve the invoice or require corrections. The number of the County Purchase Order pursuant to which authority goods or services have been performed or delivered shall appear on all invoices.

Interim (33%)
Final Fieldwork (50%)

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7. **PROJECT OFFICER**

The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency requesting the work under this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its work pursuant to the Contract Documents.

8. **ADJUSTMENTS FOR CHANGE IN SCOPE**

The County may order changes in the Work within the general scope of the Work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the work or that the Contractor’s services have been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the Work or is a material change or otherwise will call for more compensation to the Contractor, the Contractor must immediately notify the Project Officer after the change or event occurs and within ten (10) calendar days thereafter must provide written notice to the Project Officer. The Contractor’s notice must provide to the Project Officer the amount of additional compensation claimed, together with the basis therefore and documentation supporting the claimed amount. The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written Contract amendment has been signed by the County and the Contractor and a County purchase order is issued covering the cost of the services to be provided pursuant to the amendment.

9. **ADDITIONAL SERVICES**

The Contractor shall not be compensated for any goods or services provided except those included in Exhibit A and included in the Contract Amount unless those goods or services are covered by a written amendment to this Contract signed by the County and the Contractor, and a County Purchase Order is issued covering the expected cost of such services.

Such Additional Services may include, but are not limited to, a review of the efficiency and economy of operations, systems of internal control, operating and management procedures and effectiveness in achieving program results.

Additional services agreed upon by the parties will be billed at the rates set forth in Exhibit B unless otherwise agreed by the parties in writing.

10. **REIMBURSABLE EXPENSES**

No reimbursable expenses are allowed under this Contract. The Contract Amount includes all costs and expenses of providing to the County the services described in this Contract.

11. **PAYMENT OF SUBCONTRACTORS**

The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

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a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or

b. Notify the County and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to this section may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

12. NON-APPROPRIATION
All funds for payments by the County to the Contractor pursuant to this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County's written notice.

13. COUNTY PURCHASE ORDER REQUIREMENT
County purchases are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. If the Contractor provides goods or services without a signed County Purchase Order, it does so at its own risk and expense.
14. **PROJECT STAFF**
The County will, throughout the Initial Contract Term and any Subsequent Contract Term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors pursuant to this section, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor's employees, and employees of any of its subcontractors, shall be the sole responsibility of the Contractor.

15. **SUPERVISION BY CONTRACTOR**
The Contractor shall at all times enforce strict discipline and good order among the workers performing under this Contract, and shall not employ on the work any person not reasonably proficient in the work assigned.

16. **EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED**
During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

17. **EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED**
In accordance with §2.2-4311.1 of the Code of Virginia, as amended, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as that term is defined in the federal Immigration Reform and Control Act of 1986.

18. **DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR**
During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in
conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

19. TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT: CURE

The Contract shall remain in force for the Initial Contract Term or any Subsequent Contract Term(s) and until the County determines that all of the following requirements and conditions have been satisfactorily met: the County has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents, including warranty and guarantee periods. However, the County shall have the right to terminate this Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the Work required, as determined by the County in its discretion.

If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) within at least fifteen (15) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract may be terminated for the Contractor's failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services satisfactorily performed by the Contractor, allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). In order to be considered, such request for Termination Costs, with all supporting documentation, must be submitted to the County Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor (unless the County in its discretion provides for an opportunity to cure) and the Contractor shall not be permitted to seek Termination Costs.

Upon any termination pursuant to this section, the Contractor shall be liable to the County for all costs incurred by the County after the effective date of termination, including costs required to be expended by the County to complete the Work covered by the Contract, including costs of delay in
completing the Work or the cost of repairing or correcting any unsatisfactory or non-compliant work performed or provided by the Contractor or its subcontractors. Such costs shall be either deducted from any amount due the Contractor or shall be promptly paid by the Contractor to the County upon demand by the County. Additionally, and notwithstanding any provision in this Contract to the contrary, the Contractor is liable to the County, and the County shall be entitled to recover, all damages to which the County is entitled by this Contract or by law, including, and without limitation, direct damages, indirect damages, consequential damages, delay damages, replacement costs, refund of all sums paid by the County to the Contractor under the Contract and all attorney fees and costs incurred by the County to enforce any provision of this Contract.

Except as otherwise directed by the County in the notice, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. Any purchases after the date of termination contained in the notice shall be the sole responsibility of the Contractor.

In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction then such termination shall be deemed to have been a termination for convenience.

20. **TERMINATION FOR THE CONVENIENCE OF THE COUNTY**

The performance of work under this Contract may be terminated by the County's Purchasing Agent in whole or in part whenever the Purchasing Agent shall determine that such termination is in the County's best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any other reasonable termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all designated work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; immediately transfer all documentation and paperwork for terminated work to the County; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.
21. **INDEMNIFICATION**
The Contractor covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the “County” for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, demands or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor’s acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of the work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

22. **INTELLECTUAL PROPERTY INDEMNIFICATION**
The Contractor warrants and guarantees that no intellectual property rights (including, but not limited to, copyright, patent, mask rights and trademark) of third parties are infringed or in any manner involved in or related to the services provided hereunder.

The Contractor further covenants for itself, its employees, and subcontractors to save, defend, hold harmless, and indemnify the County, and all of its officers, officials, departments, agencies, agents, and employees from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County. If the Contractor, or any of its employees or subcontractors, uses any design, device, work, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract Amount includes all royalties, licensing fees, and any other costs arising from the use of such design, device, work, or materials in any way involved with the Work. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after Notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

23. **COPYRIGHT**
The Contractor hereby irrevocably transfers, assigns, sets over and conveys to the County all right, title and interest, including the sole exclusive and complete copyright interest, in any and all copyrightable works created pursuant to this Contract. The Contractor further agrees to execute such documents as the County may request to effect such transfer or assignment.
Further, the Contractor agrees that the rights granted to the County by this paragraph are irrevocable. Notwithstanding anything else in this Contract, the Contractor's remedy in the event of termination of or dispute over the terms of this Contract shall not include any right to rescind, terminate or otherwise revoke or invalidate in any way the rights conferred pursuant to the provisions of this paragraph. Similarly, no termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating the rights acquired pursuant to the provisions of this "Copyright" paragraph.

The use of subcontractors or third parties in developing or creating input into any copyrightable materials produced as a part of this Contract is prohibited unless the County approves the use of such subcontractors or third parties in advance and such subcontractors or third parties agree to include the provisions of this paragraph as part of any contract they enter into with the Contractor for work related to work pursuant to this Contract.

24. OWNERSHIP AND RETURN OF RECORDS
This Contract confers no ownership rights to the Contractor nor any rights or interests to use or disclose the County’s data or inputs.

The Contractor agrees that all drawings, specifications, blueprints, data, information, findings, memoranda, correspondence, documents or records of any type, whether written or oral or electronic, and all documents generated by the Contractor or its subcontractors as a result of the County's request for services under this Contract, are the exclusive property of the County ("Record" or "Records"), and all such Records shall be provided to and/or returned to County upon completion, termination, or cancellation of this Contract. The Contractor shall not use, willingly allow, or cause such materials to be used for any other purpose other than performance of all obligations under the Contract without the written consent of the County. Additionally, the Contractor agrees that the Records are confidential records and neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or his or her designee. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or his or her designee for response. At the County’s request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records, and at the County's request, shall destroy all computer records created as a result of the County's request for services pursuant to this Contract.

The Contractor agrees to include the provisions of this section as part of any contract or agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Contract.

No termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating this section of the Contract.

25. DATA SECURITY AND PROTECTION
The Contractor shall hold County Information in the strictest confidence and comply with all applicable County security and network resources policies as well as all local, state and federal laws or regulatory requirements concerning data privacy and security. The Contractor shall develop, implement, maintain, continually monitor and use appropriate administrative,
technical and physical security measures to preserve the confidentiality, privacy, integrity and availability of all electronically maintained or transmitted County Information received from, created or maintained on behalf of the County and strictly control access to County Information. For purposes of this provision, and as more fully described in this Contract and the County’s Non-Disclosure and Data Security Agreement (NDA), “County Information” (also referred to as “County Data” or “data”) includes, but is not limited to, electronic information, documents, data, images, and records including, but not limited to, financial records, personally identifiable information, Personal Health Information (PHI), personnel, educational, voting, registration, tax or assessment records, information related to public safety, County networked resources, and County databases, software and security measures which is created, maintained, transmitted or accessed to perform the work under this Contract.

(a) **County’s Non-Disclosure and Data Security Agreement (NDA).** The Contractor shall require that an authorized Contractor designee, and all key employees, agents or subcontractors working on-site at County facilities or otherwise performing non-incidental work under this Contract, sign the NDA (attached as an Exhibit hereto) prior to performing any work or permitting access to County networked resources, application systems or databases under this Contract. A copy of the signed NDAs shall be available to the County Project Officer upon request.

(b) **Use of Data.** The Contractor shall ensure that the use, distribution, disclosure or access (“use”) to County Information and County networked resources shall not occur in an unauthorized manner. Use of County Information for other than as specifically outlined in this Contract is strictly prohibited, unless such other use is agreed to in writing by the parties. The Contractor will be solely responsible for any unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of County Information and any non-compliance with this DATA SECURITY AND PROTECTION provision or any NDA.

(c) **Data Protection.** The Contractor agrees that it will protect the County’s Information according to standards established by the National Institute of Standards and Technology, including 201 CMR 17.00, Standards for the Protection of Personal Information of Residents of the Commonwealth and the Payment Card Industry Data Security Standard (PCI DSS), as applicable, and no less rigorously than it protects its own data, proprietary and/or confidential information. The Contractor shall provide to the County a copy of its data security policy and procedures for securing County Information and a copy of its disaster recovery plan/s. The Contractor shall provide, if requested by the County, on an annual basis, results of an internal Information Security Risk Assessment provided by an outside firm.

(d) **Data Sharing.** Except as otherwise specifically provided for in this Contract, the Contractor agrees that it shall not share, disclosure, sell or grant access to County Information to any third party without the express written authorization of the County’s Chief Information Security Officer or designee.

(e) **Security Requirements.** The Contractor shall maintain the most up to date anti-virus, industry accepted firewalls and/or other protections

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on its systems and networking equipment. The Contractor certifies that all systems and networking equipment that support, interact or store County Information meet the above standards and industry best practices for physical, network and system security requirements. Printers, copiers or fax machines that store County Data into hard drives must provide data at rest encryption. Significant deviation from these standards must be approved by the County’s Chief Information Security Officer or designee. The downloading of County information onto laptops or other portable storage medium is prohibited without the express written authorization of the County’s Chief Information Security Officer or designee.

(f) **Data Protection Upon Conclusion of Contract.** Upon termination, cancellation, expiration or other conclusion of this Contract, the Contractor shall return all County Information to the County unless the County requests that such data be destroyed. This provision shall also apply to all County Information that is in the possession of subcontractors or agents of the Contractor. The Contractor shall complete such return or destruction not less than thirty (30) days after the conclusion of this Agreement and shall certify completion of this task, in writing, to the County Project Officer.

(g) **Notification of Security Incidents.** The Contractor agrees to notify the County Chief Information Officer and County Project Officer within twenty-four (24) hours of the discovery of any unintended access to, use or disclosure of County Information.

(h) **Subcontractors.** To the extent the use of subcontractors is permitted under this Contract, the requirements of this entire section shall be incorporated into any subcontractor agreement entered into by the Contractor and any data sharing shall be compliant with these security and protection requirements and the NDA. In the event of data sharing, subcontractors shall provide to the Contractor a copy of their data security policy and procedures for securing County Information and a copy of their disaster recovery plan/s.

26. **ETHICS IN PUBLIC CONTRACTING**  
This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

27. **COUNTY EMPLOYEES**  
No employee of Arlington County, Virginia, shall be admitted to any share in any part of this Contract or to any benefit that may arise therefrom which is not available to the general public.
28. **FORCE MAJEURE**
The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor's then current, by industry standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

29. **AUTHORITY TO TRANSACT BUSINESS**
The Contractor shall pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the Initial Term and any Subsequent Contract Term(s) of this Contract. A contract entered into by a Contractor in violation of this requirement is voidable, without any cost or expense, at the sole option of the County.

30. **RELATION TO COUNTY**
The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

31. **ANTITRUST**
By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the County all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the County under this Contract.

32. **REPORT STANDARDS**
Reports or written material prepared by the Contractor in response to the requirements of this Contract or a request of the Project Officer shall, unless otherwise provided for in the Contract, meet standards of professional writing established for the type of report or written material provided, shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Project Officer, and shall be submitted for advance review and comment by the Project Officer. The cost of correcting grammatical errors, correcting report data, or other revisions required to bring the report or written material into compliance with these requirements shall be borne by the Contractor.

When submitting documents to the County, the Contractor shall comply with the following guidelines:
• All submittals and copies shall be printed on at least thirty percent (30%) recycled-content and/or tree-free paper;
• All copies shall be double-sided;
• Report covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of report pages (reports with glued bindings that meet all other requirements are acceptable);
• The use of plastic covers or dividers should be avoided; and
• Unnecessary attachments or documents not specifically asked for should not be submitted, and superfluous use of paper (e.g. separate title sheets or chapter dividers) should be avoided.

33. **AUDIT**
The Contractor agrees to retain all books, records and other documents related to this Contract for at least five (5) years after final payment. The County or its authorized agents shall have full access to and the right to examine any of the above documents during this period and during the Initial Contract Term and any Subsequent Contract Term. If the Contractor wishes to destroy or dispose of records (including confidential records to which the County does not have ready access) within five (5) years after final payment, the Contractor shall notify the County at least thirty (30) days prior to such disposal, and if the County objects, shall not dispose of the records.

34. **ASSIGNMENT**
The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the County.

35. **AMENDMENTS**
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

36. **ARLINGTON COUNTY PURCHASING RESOLUTION AND COUNTY POLICIES**
Notwithstanding any provision to the contrary herein, no provision of the Arlington County Purchasing Resolution or any applicable County policy is waived in whole or in part.

37. **DISPUTE RESOLUTION**
All disputes arising under this Agreement, or its interpretation, whether involving law or fact, or extra work, or extra compensation or time, and all claims for alleged breach of Contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Any such claims shall state the facts surrounding it in sufficient detail to identify it together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than sixty (60) days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Purchasing Resolution, which is incorporated herein by reference. A copy of the Arlington County Purchasing Resolution is available upon request from the Office of the Purchasing Agent. The

Agreement 629-13
Contractor shall not cause a delay in the Work pending a decision of the Project Officer, County Manager, County Board, or a court.

38. **APPLICABLE LAW, FORUM, VENUE AND JURISDICTION**
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

39. **ARBITRATION**
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

40. **NONEXCLUSIVITY OF REMEDIES**
All remedies available to the County under this Contract are cumulative, and no such remedy shall be exclusive of any other remedy available to the County at law or in equity.

41. **NO WAIVER**
The failure of either party to exercise in any respect a right provided for in this Contract shall not be deemed to be a subsequent waiver of the same right or any other right.

42. **SEVERABILITY**
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

43. **NO WAIVER OF SOVEREIGN IMMUNITY**
Notwithstanding any other provision of this Contract, nothing in this Contract or any action taken by the County pursuant to this Contract shall constitute or be construed as a waiver of either the sovereign or governmental immunity of the County. The parties intend for this provision to be read as broadly as possible.

44. **SURVIVAL OF TERMS**
In addition to any numbered section in this Agreement which specifically state that the term or paragraph survives the expiration of termination of this Contract, the following sections if included in this Contract also survive: **INDEMNIFICATION; RELATION TO COUNTY; OWNERSHIP AND RETURN OF RECORDS; AUDIT; COPYRIGHT; INTELLECTUAL PROPERTY INDEMNIFICATION; WARRANTY; CONFIDENTIAL INFORMATION; AND DATA SECURITY.**

45. **HEADINGS**
The section headings in this Contract are inserted only for convenience and are not to be construed as part of this Contract or a limitation on the scope of the particular section to which the heading precedes.

46. **AMBIGUITIES**
Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting
this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

47. NOTICES
Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

TO THE CONTRACTOR:

J. Michael Stephens, CPA, CFE, CGFM, Partner
9515 Deereco Road, Suite 500
Timonium, Maryland 21093

TO THE COUNTY:

Barbara Wiley, Comptroller
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 501
Arlington, Virginia 22201

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

48. NON-DISCRIMINATION NOTICE
Arlington County does not discriminate against faith-based organizations.

49. INSURANCE REQUIREMENTS
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage below prior to the start of any Work under this Contract and upon any contract extension. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated in the Contract Documents. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with a rating of "A-" or better and a financial size of "Class VII" or better in the latest edition of the A.M. Best Co. Guides, and acceptable to the County. The minimum insurance coverage shall be:

a. Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.
b. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract. Evidence of Contractual Liability coverage shall be typed on the certificate.

c. Business Automobile Liability - $1,000,000 Combined Single Limit (Owned, non-owned and hired).

d. The Contractor shall carry Errors and Omissions or Professional Liability insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render services or perform Work under the contract, in the amount of $1,000,000.

e. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as an additional insureds on all policies except Workers Compensation and Auto and Professional Liability; and evidence of the Additional Insured endorsement shall be typed on the certificate.

f. Cancellation - All insurance policies required by this Contract shall be endorsed to include the following provision: "It is agreed that this policy is not subject to cancellation or non-renewal until thirty (30) days prior written notice has been given to the Purchasing Agent, Arlington County, Virginia." If there is a material change or reduction in coverage the Contractor shall notify the Purchasing Agent immediately upon Contractor's notification from the insurer. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be replaced with another policy consistent with the terms of this Contract, and the County notified of the replacement, in such a manner that there is no lapse in coverage. Not having the required insurance throughout the Contract Term is grounds for termination of the Contract.

g. Any insurance coverage that is placed as a "claims made" policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor's receipt of final payment.

h. Contract Identification - The insurance certificate shall state this Contract's number and title.

The Contractor must disclose the amount of any deductible or self insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of self-insurance, collateral, or other mechanism in the amount of the deductible to ensure protection for the County.

The Contractor shall require all subcontractors to maintain during the term
of this Contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' certificates of insurance to the County immediately upon request by the County.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the Work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity and the alternative coverages are submitted to and acceptable to the County. The Contractor must also provide its most recent actuarial report and provide a copy of its self insurance resolution to determine the adequacy of the insurance funding.

50. **ACCESSIBILITY OF WEB SITE**

If any work performed under this Contract results in design, development, maintenance or responsibility for content and/or format of any County websites, or County's presence on other third party websites, the Contractor shall perform such work in compliance with the requirements set forth in the U.S. Department of Justice document entitled "Accessibility of State and Local Government Websites to People with Disabilities." The document is located at: http://www.ada.gov/websites2.htm

51. **HIPAA COMPLIANCE**

The Contractor shall comply with all applicable legislative and regulatory requirements of privacy, security, and electronic transaction components of the Health Insurance portability and Accountability Act of 1996, as amended ("HIPAA"). Pursuant to 45 C.F.R. §164.502(e) and §164.504(e), the Contractor shall be designated a Business Associate pursuant and will be required to execute an Arlington County Business Associate Agreement. If Contractor engages a subcontractor or subcontractors in the performance of Work under this Agreement, Contractor shall enter into an agreement with each of its subcontractors pursuant to 45 C.F.R. § 164.308(b)(1) and the Health Information Technology for Economic and Clinic Health (HITECH) Act § 13401 that is appropriate and sufficient to require each subcontractor to protect Protected Health Information to the same extent required of Contractor under Arlington County’s Business Associate Agreement and in a form approved by the County. The Contractor shall ensure that its subcontractors notify
the Contractor, immediately, of any breaches in security regarding
Protected Health Information.

Contractor takes full responsibility for any failure to execute the
appropriate agreements with its subcontractors and for the failure of
its subcontractors to comply with the existing or future regulations of HIPAA
and/or HITECH, and shall indemnify County for any and all loss, damages,
liability, exposure, or costs resulting therefrom.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

CLIFTONLARSONALLEN, LLP

TAXPAYER
ID (EIN) 41-0746749

AUTHORIZED
SIGNATURE: ________________________
NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 4/9/13

AUTHORIZED
SIGNATURE: ________________________
NAME AND
TITLE: J. Michael Stephens, Partner
DATE: April 12, 2013
AGREEMENT NO. 629-13
EXHIBIT A

A. PERIODS TO BE AUDITED

July 1, 2012 through June 30, 2013 - Fiscal Year 2013
July 1, 2013 through June 30, 2014 - Fiscal Year 2014
July 1, 2014 through June 30, 2015 - Fiscal Year 2015

The County reserves the right to extend the Contract with the Contractor for an additional two (2) fiscal years to be audited under the same terms and conditions as the Base Contract, with the consent of the Contractor.

Periods covered by extension years

July 1, 2015 through June 30, 2016 - Fiscal Year 2016
July 1, 2016 through June 30, 2017 - Fiscal Year 2017

B. FINANCIAL TRANSACTIONS TO BE AUDITED

The scope of the audit shall include all financial transactions, financial statements, schedules and statistical tables pertaining to these functions under the jurisdiction of the County Board and administered by the County Manager and the Board of Trustees of the Arlington County Employees Retirement System or the Arlington County School Board (School Board), or under the jurisdiction of the Constitutional Officers of Arlington County. Refer to the financial statements and accompanying footnotes in the Comprehensive Annual Financial Report (See Section III) for an overview of the financial activities of the County.

The audit scope shall encompass suitable review of the internal controls surrounding the County’s automated financial systems. The core financial system is an Oracle platform implemented in 2006, hosted thru Oracle in its data center in Austin, Texas. The County is in the planning stages to upgrade Oracle to R12 in 2013. The system is made up of the following active modules:

- Finance
  - General Ledger
  - Purchasing
  - iProcurement
  - Payables
  - Cash Management
  - Fixed Assets
  - Public Sector Budgeting
  - iExpense
  - iSupplier
  - iSourcing
  - Property Manager

- Human Resources
  - Human Resources
Payroll
Oracle Time and Labor
Advanced Benefits
Manager Self Service
Employee Self Service
Learning Management

Other core systems that round out the County’s automated systems include but are not limited to the following:

• ACE (Assessment and Collection Enterprise System)
• CAPP (Customer Assessment Payment Portal)
• iNovah POS Cashiering system
• Real Estate Tax System (Assessments only)
• Parking Ticket System
• Business License System
• Utilities Billing System
• Section 8 Housing System
• Purchases of Services System

Additionally, most systems listed are integrated across the County. Integration includes over 100 interfaces across various systems, most developed and maintained by the County’s Department of Technology Services.

Due to budget constraints, the Internal Audit function within the Department of Management and Finance was substantially reduced in FY 2011 through the elimination of positions. Since then the County has utilized existing staff resources as well as some contractor funding to provide internal audit support. The County conducts ongoing reviews to ensure the adequacy of internal controls, to identify the economy and efficiency with which resources are employed and to identify opportunities to improve operating performance. The audit reports shall be made available to the Contractor.

C. STANDARDS AND GUIDELINES

The audit shall be conducted in accordance with the standards set by the American Institute of Certified Public Accountants, the Auditor of Public Accounts - Commonwealth of Virginia, and the U.S. General Accounting Office. The financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated by various authoritative bodies through their statements, technical bulletins, interpretations, publications, and other pronouncements. These include the Governmental Accounting Standards Board, the Financial Accounting Standards Board, the Auditor of Public Accounts - Commonwealth of Virginia and the American Institute of Certified Public Accountants.

D. FINANCIAL AUDIT

The Contractor shall examine all funds of the County and the Retirement System in accordance with generally accepted auditing standards and the specifications of the Auditor of Public Accounts - Commonwealth of Virginia. (Copies of these specifications may be obtained from the Agreement 629-13)
Auditor of Public Accounts.) The examination shall result in the rendering of the Contractor's opinion on the financial statements prepared by the County and the Retirement System. The Contractor's opinion shall be unqualified unless the Contractor furnishes on a timely basis, to the County, the Retirement System, and to the Auditor of Public Accounts - Commonwealth of Virginia, its reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.

E. COMPLIANCE AUDITS

The Contractor shall also make the required compliance reviews in accordance with the audit requirements for states, local governments, and non-profit organizations which receive federal awards as established by the Federal Office of Management and Budget under Revised Circular A-133 as well as reviews required in the "Specifications for Audits of Counties, Cities and Towns" of the Auditor of Public Accounts - Commonwealth of Virginia.

F. TRANSMITTAL FORMS

The Auditor of Public Accounts requires all localities to complete transmittal forms in accordance with the provisions of the Uniform Financial Reporting Manual. An opinion on these forms must be submitted to the Auditor of Public Accounts. The County shall prepare the forms, and the Contractor shall render its opinion to the Auditor of Public Accounts - Commonwealth of Virginia within ten (10) calendar days of receipt of such forms from the County.

G. ADDITIONAL STATE MANDATES

The Auditor of Public Accounts has in the past required all localities to complete forms regarding the collection of Communications Taxes. An opinion on these forms must be submitted to the Auditor of Public Accounts. In addition the Auditor of Public Accounts has prepared audit requirements for all money received by the local Sheriff that will be included in the local audit specifications starting in fiscal year 2007. Chapter 3 of the 2006 Acts of Assembly requires the locality's independent auditor to submit a letter to the Auditor of Public Accounts annually providing assurance as to whether the sheriff has maintained a proper system of internal controls and records in accordance with the Code of Virginia. In addition, the Virginia Department of Environmental Quality (VDEQ) has required localities to complete forms in conjunction with their permit for a RMW Steam Sterilizer at the Department of Human Services. An opinion on these forms must be submitted to the VDEQ. The County shall prepare the forms, and the Contractor shall render its opinion to the Auditor of Public Accounts - Commonwealth of Virginia within ten (10) calendar days of receipt of such forms from the County.

H. ADDITIONAL FEDERAL MANDATE

The U.S. Department of Housing and Urban Development's Office of Public and Indian Housing - Real Estate Assessment Center (PIH-REAC) began in FY 2006 to require that the County's Department of Human Services - Section 8 Housing Bureau (the "PHA") provide special audited financial
information within nine months after fiscal year end according to the
following procedures: 1. Draft Status - The PHA creates a draft
submission by entering the financial information (including the
required attachments) into the FASS On-Line System and submits the
draft to the Contractor; 2. Contractor Review Status - The Contractor
performs the 'agreed upon procedures' to certify that the information
in the FASS On-Line System is true and correct in accordance with the
auditor's hard copy audit report. The Contractor may either agree or
disagree with the PHA's submission. 3. Contractor Agree/Disagree Status
- Once the PHA and the Contractor reach Agree Status, the PHA must
'SUBMIT' the FDS to PIH-REAC to begin the review and approval process.
Until the Audited FDS is submitted and received, the process will not
be considered complete. The Contractor shall perform the agreed upon
procedures required above to certify the information to (PIH-REAC) for
the County.

I. COMPLIANCE WITH LEGAL REQUIREMENTS

The Contractor shall comply with the provisions of any and all Federal,
State, and County statutes, ordinances, bond covenants and
administrative rules and regulations which may pertain to the work
required in the engagement.

J. AUDIT REVIEW

The audit shall not be limited to a specific review of the financial
transactions and statements of the County and the Retirement System.
It shall include an overall review of the County's and the Retirement
System's financial and accounting systems and procedures. In addition
to an annual review of the financial statements and the Comprehensive
Annual Financial Report, the Contractor may be required to ensure that
the County complies with GFOA Certificate of Achievement checklists and
can continue to receive Certificates of Achievement for Excellence in
the future. The County has received Certificates of Achievement for
Excellence for the past twenty-five fiscal years.

K. MANAGEMENT LETTER

The Contractor, upon completion of its examination and preparation of
the necessary reports, shall submit a management report of the findings
on the system of internal control and related budgeting and operating
procedures by November 30 of the fiscal year under audit. The report
shall also offer suggestions for improving administrative methods,
management operations and cost reductions, when considered by the
Contractor to be appropriate and able to be documented within the scope
of the audit.

L. The Contractor shall keep the County fully informed as to new
accounting and reporting requirements based on generally accepted
accounting principles (GAAP), including new Governmental Accounting
Standards Board (GASB) pronouncements, Financial Accounting Standard
Board (FASB) pronouncements, OMB Circular updates, Government
Accountability Office (GAO) Yellowbook changes, American Institute of
Certified Public Accountants (AICPA) guidance, and other required
changes that affect any part of the total reporting entity.
During each fiscal year of the Contract, the auditor will provide a minimum of four (4) hours of continuing professional education in governmental accounting and reporting and/or related subjects to the County and Arlington Public School ("APS") professional accounting staff.

M. AUDIT CONFERENCE

The Contractor shall confer with the Director of the Department of Management and Finance or his/her designee for the purpose of reviewing its audit findings and recommendations prior to the issuance of management letters, certifications or reports. The Contractor shall also make its management personnel available to present the Comprehensive Annual Report to the County Board at a regularly scheduled meeting and answer questions from County Board members, if requested to do so.

N. SCHEDULING AND PROCEDURES

Prior to the beginning of each audit, a pre-audit conference between the County and the Contractor will be scheduled for on or about May 1 of each contract year. At this conference, the Contractor and the County will develop a time schedule and procedures to be observed from the commencement of fieldwork to the publication of the Comprehensive Annual Financial Report. The Commonwealth of Virginia imposes a November 30 deadline for publication of this Report. The time schedule and procedures shall be developed in conjunction with County staff, School Board staff, and Constitutional Offices staff and shall be subject to approval by the County. The Contractor shall also develop a time schedule and procedures in conjunction with the Retirement Office staff to be observed from the commencement of fieldwork to the publication of the Arlington County Employees' Retirement System Comprehensive Annual Financial Report.

O. TIMING OF DELIVERABLES

1. The Contractor shall complete all fieldwork prior to October 15 for the audit of the County and for the audit of the Retirement System.

2. The Contractor shall disclose the rationale for all proposed adjusting entries prior to October 15 for the audit of the County and for the audit of the Retirement System.


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4. The Contractor shall, by November 25, furnish a written opinion on the transmittal forms for the Uniform Comparative Cost Report submitted to the Auditor of Public Accounts.

5. The Contractor shall prepare the auditor’s section of the Data Collection Form as required by OMB Circular A-133 by November 30 for submission by the County to the Federal Clearinghouse as part of its Reporting Package.

6. The Contractor shall furnish its management report no later than November 30.

P. Arlington County Responsibilities

1. Arlington County staff will prepare the following information for the Contractor in a format acceptable to both parties:
   a. Trial balance of each fund;
   b. Trial balance of each subsidiary ledger;
   c. Schedules or work sheets showing the composition or detail breakdown of the balance of each general ledger account in all funds;
   d. Copy of the approved County budget, the original appropriation ordinance and all amendments;
   e. Schedule of insurance in force during the year and insurance expenditures for the fiscal year;
   f. Schedule of investment activity for the fiscal year;
   g. Schedule of all capital outlays during the fiscal year;
   h. Schedule of all capital asset dispositions during the fiscal year;
   i. Schedule of accounts payable at statement date;
   j. Copies of all contracts with governmental grantor of grantee agencies;
   k. Copies of all other contracts of material amount in force at statement date;
   l. Schedule of general fixed assets, showing beginning balance, additions, disposals and the ending balance by major asset category;
m. Schedule of budgeted versus actual revenues for all funds;

n. Schedule of appropriations, expenditures and encumbrances for all funds;

o. Schedule of County's pension plan contributions;

p. Such other reasonable financial schedules as the Contractor requests and are agreed to by County staff.

2. The County will provide bank reconciliations and supporting documents for transactions as needed for examination.

3. The County will provide access to all appropriate files and records of the County departments. The Retirement System will provide access to all appropriate files and records of the Retirement System.

4. Upon agreement between the County and the Contractor on final audit adjustments to be recorded, the County will prepare the financial statements. The County will prepare and reproduce the necessary copies of:

   a. the Arlington County Comprehensive Annual Financial Report;

   b. the Ballston Public Parking Garage Fund (An Enterprise Fund of Arlington County, Virginia) Financial Statements and Supplemental Schedule;

   c. the Ballston Public Parking Garage Fund (An Enterprise Fund of Arlington County, Virginia) Schedules of Net Cash Flow and MCI Area's and MCI Lease Area's Net Cash Flow;

   d. the Alexandria/Arlington Waste Disposal Trust Fund (A Trust Fund of Arlington County, Virginia) Financial Statements. This fund is eliminated December 31, 2012. A new trust fund will be created January 1, 2013 for the supervision and oversight of the Waste to Energy facility during the merchant era (2013 to 2025);

   e. the Industrial Development Authority Investment Bond Fund Ballston Skating Facility Project (A Private-Purpose Trust Fund of Arlington County, Virginia) Financial Statements.

   f. The Retirement System will prepare the Arlington County Employees' Retirement System Comprehensive Annual Financial Report

5. The County will prepare the required transmittal forms for the Commonwealth of Virginia's Auditor of Public Accounts.

6. The County will close its books, reconcile subsidiary ledgers to control accounts and reconcile all bank accounts no later than September 10. The Retirement System will close its books and reconcile all accounts no later than September 10.
7. County administrative staff will be available to prepare schedules and pull or reproduce source documents for the Contractor.

8. Working space for the Contractor and their equipment will be available in the Department of Management and Finance.

Q. ADMINISTRATIVE REQUIREMENTS

1. TIME OF DELIVERY

Time of delivery is of the essence. DELIVERY OF SERVICES SHALL BE MADE WITHIN THE TIME STIPULATED IN SECTION II.N.

2. CONTRACT MODIFICATIONS

No modifications to this Agreement shall be valid or binding upon Arlington County, unless made in writing and signed by the County and the Contractor.

R. PAYMENT MILESTONES

The following are definitions of the Payment Milestones identified in Section 6 of the Agreement:

1. Interim - Pre audit and preliminary planning; identify major funds; document policies, process, procedures; review prior workpapers; initial risk identifications and assessment; determine materiality; document & evaluate controls; entrance conference & training; establish goals/timelines/milestones. Interim fieldwork takes place before the end of the fiscal year and includes internal control, IT, transaction cycles, compliance testing, and substantive procedures. Audits assess results, re-focus for final fieldwork.

2. Final Fieldwork - Includes analytical, substantive and compliance testing; tests of final year end accounts and balances; test debt covenants and other items for BPPG; WTE and Skating Facility; initial engagement reviews; final evaluation of controls and control errors; draft recommendations. These activities take place in the fall, beginning 1 week prior to Labor Day and ending by October 15th.

3. Reporting - Subsequent events and commitments/contingencies procedures; workpaper wrap-up; final engagement reviews and GFOA checklist reviews, independent report review, final meetings with client, obtain management representations, issue reports (Sections F Transmittal Forms; Section G Additional State Mandates; Section K Management Letter; Section O Timing of Deliverables 3-6). These activities take place between October 15th - November 30th.

4. Completion of Section 8 - refers to completion of Section 8 Additional Federal Mandate in the Scope of Work. This is due in the next calendar year in the spring.
AGREEMENT NO. 629-13
EXHIBIT B

HOURLY BILLING RATES

The following hourly billing rates are fully burdened rates, including all of the Contractor’s direct labor, overhead and profit, to be as a basis for determining the cost of any Additional Services, as defined in Section 9 of this Agreement.

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<th>Rate</th>
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<tr>
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<tr>
<td>Sr. Associate</td>
<td>$125</td>
</tr>
<tr>
<td>Associate</td>
<td>$100</td>
</tr>
</tbody>
</table>
AGREEMENT NO. 629-13
EXHIBIT C

NONDISCLOSURE AND DATA SECURITY AGREEMENT (CONTRACTOR)

The undersigned, an authorized agent of the Contractor and on behalf of CliftonLarsonAllen LLP (Contractor) hereby agree that the Contractor will hold County provided information, documents, data, images, records and the like (hereafter “information”) confidential and secure and to protect it against loss, misuse, alteration, destruction or disclosure. This includes but is not limited to the information of the County, its employees, contractors, residents, clients, patients, taxpayers and property as well as information that the County shares with Contractor for testing, support, conversion or other services provided under Arlington County Agreement No. 627-12 (the “Project” or “County Agreement” as applicable) or which may be accessed through other County owned or controlled databases (all of the above collectively referred to herein as “information” or “County information”).

In addition to the DATA SECURITY obligations set in the County Agreement, the Contractor agrees that it will maintain the privacy and security of the County information, control and limit internal access and authorization for access to such information and not divulge or allow or facilitate access to County information for any purpose or by anyone unless expressly authorized. This includes but is not limited to information that in any manner describes, locates or indexes anything about an individual including, but not limited to, his/her (hereinafter “his”) Personal Health Information, treatment, disability, services eligibility, services provided, investigations, real or personal property holdings, and his education, financial transactions, medical history, ancestry, religion, political ideology, criminal or employment record, social security number, tax status or payments, date of birth, address, phone number or that affords a basis of inferring personal characteristics, such as finger and voice prints, photographs, or things done by or to such individual, and the record of his presence, registration, or membership in an organization or activity, or admission to an institution (also collectively referred to herein as “information” or “County information”).

Contractor also agree that it will not directly or indirectly use or facilitate the use or dissemination of information (whether intentionally or by inadvertence, negligence or omission verbally, electronically, through paper transmission or otherwise) for any purpose other than that directly associated with its work under the Project. Contractor acknowledges that any unauthorized use, dissemination or disclosure of information is prohibited and may also constitute a violation of Virginia or federal laws, subjecting it or its employees to civil and/or criminal penalties.

The Contractor agrees that it will not divulge or otherwise facilitate the disclosure, dissemination or access to or by any unauthorized person, for any purpose, of any information obtained directly, or indirectly, as a result of its work on the Project. Contractor shall coordinate closely with the County Project Officer to ensure that its authorization to its employees or approved subcontractors is appropriate, tightly controlled and that such person/s also maintain the security and privacy of information and the integrity of County networked resources. Contractor agrees to take strict security measures to ensure that information
is kept secure, properly stored, that if stored that it is encrypted as appropriate, stored in accordance with industry best practices and otherwise protected from retrieval or access by unauthorized persons or unauthorized purpose. Any device or media on which information is stored, even temporarily, will have strict security and access control. Any information that is accessible will not leave the Contractor's work site or the County's physical facility, if working onsite, without written authorization of the County Project Officer. If remote access or other media storage is authorized, Contractor is responsible for the security of such storage device or paper files.

Contractor will ensure that any laptops, PDA's, netbooks, tablets, thumb drives or other media storage devices, as approved by the County, and connected to the County network are secure and free of all computer viruses, or running the latest version of an industry standard virus protection program. Contractor will ensure that all passwords used by its employees or subcontractors are robust, protected and not shared. No information may be downloaded expect as agreed to by the parties and then only onto a County approved device. Downloading onto a personally owned device is prohibited. Contractor agrees that it will notify the County Project Officer immediately upon discovery, becoming aware or suspicious of any unauthorized disclosure of information, security breach, hacking or other breach of this Agreement, the County Contract, County policy, Contractor's security policies, or any other breach of Project protocols. The Contractor will fully cooperate with the County to regain possession of any information and to prevent its further disclosure, use or dissemination. The Contractor also agrees, if requested, to promptly notify others of a suspected or actual breach.

Contractor agrees that all duties and obligations enumerated in this agreement also extend to its employees, agents or subcontractors who are given access to County information. Breach of any of the above conditions by Contractor's employees, agents or subcontractors shall be treated as a breach by Contractor. Contractor agrees that it shall take all reasonable measures to ensure its employees, agents and subcontractors are aware of and abide by the terms and conditions of this Agreement and related data security provisions in the County Agreement.

It is the intent of this NonDisclosure and Data Security Agreement to ensure that the Contractor has the highest level of administrative safeguards, disaster recovery and best practices are in place to ensure confidentiality, protection, privacy and security of County information and County networked resources and to ensure compliance with all applicable local, state and federal law or regulatory requirements. Therefore, to the extent that this NonDisclosure and Data Security Agreement conflicts with the County Agreement or with any applicable local, state, or federal law, regulation or provision, the more stringent County Contract requirement, law, regulation or provision shall control.

At the conclusion of the Project, Contractor agrees to return all County information to the County Project Officer. These obligations remain in full force and effect throughout the Project and shall survive any termination of the County Agreement.

Authorized Signature: [Signature]
Printed Name and Title: J. Michael Stephens, Partner
Date: April 12, 2014

Agreement 629-13
AGREEMENT NO. 629-13

HIPAA BUSINESS ASSOCIATE AGREEMENT

EXHIBIT D

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into on, by and among the County Board of Arlington County, Virginia (herein "Covered Entity") and CliftonLarsonAllen LLP (herein "Business Associate") in order to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing protected health information ("PHI") and business associates under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191)("HIPAA"), 42 U.S.C. Section 1320d, et. seq., the Health Information Technology for Economic and Clinical Health Act (P.L. 111-005)("HITECH ACT") and any regulations promulgated thereunder, as amended from time to time. Further, this Agreement is entered into to protect the confidentiality and integrity of Protected Health Information (PHI) required by law, policy, professional ethics, and accreditation requirements. Parties to this Agreement shall fully comply with the provisions of the regulations implementing HIPAA.

RECITALS

WHEREAS the parties must comply with provisions of HIPAA, the Privacy Rule and Security Rule requirements and applicable provisions of the "HITECH standards" (defined below);

WHEREAS the parties agree and understand that the Covered Entity must receive satisfactory written assurance from the Business Associate that the Business Associate will safeguard all Protected Health Information, as defined by HIPAA;

WHEREAS the parties intend to protect the privacy and provide for the security of PHI disclosed to the BA pursuant to its contract with the Covered Entity in compliance with HIPAA and the HITECH Act and the regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws;

WHEREAS the Business Associate agrees to take all reasonable and accepted efforts to ensure that PHI is rendered unusable, unreadable or indecipherable to unauthorized individuals (e.g. encrypted, destroyed) whenever appropriate;

WHEREAS the Business Associate hereby provides such assurances;

In consideration of mutual promises and covenants below, the parties intending to be legally bound, agree as follows:

1. DEFINITIONS.

As used in this Agreement, the terms below will have the following meanings intended to be consistent with HIPAA and the HITECH Act:

1.1 Agreement.
"Agreement" shall mean this Business Associate Agreement.
1.2 Affected Individuals.
"Affected individuals" shall mean person who were affected by a Breach, as defined below, or whose unsecured protected health information has been, or is reasonably believed to have been, breached.

1.3 Breach.
"Breach" shall mean the unauthorized acquisition, access, use or disclosure of PHI in a manner not permitted by the HIPAA Privacy Rule which compromises the security or privacy of such information except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. And any other such exceptions to this definition as set forth at 42 USC 17921 section 13400 (1) and any guidance related thereto.

1.4 Business Associate.
"Business Associate" shall mean CliftonLarsonAllen LLP.

1.5 Covered Entity.
"Covered Entity" shall mean the County Board of Arlington County, Virginia.

1.6 Designated Record Set.
"Designated Record Set" shall mean a group of records maintained by or for a covered entity that is:

(a) The medical records and billing records about individuals maintained by or for a covered health care provider;

(b) The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan;

(c) Used, in whole or in part, by or for the covered entity to make decisions about individuals

1.7 Discovered.
"Discovered" shall mean the first day the Breach is known or reasonably should have been known by the Business Associate, including any person, other than the person committing the breach, that is an employee, officer or other agent of the Business Associate.

1.8 HITECH Standards.
"HITECH Standards" shall mean the privacy, security and security Breach notification provisions applicable to a Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITEC"), which is Title XIII of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) and any regulations promulgated thereunder.

1.9 Individual.
"Individual" shall have the same meaning as the term "individual" in 45 C.F.R. 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g){1}. This term includes "Covered Individual" and "Covered Person/s as used herein."

1.10 Plan.
"Plan" shall have the same meaning as set forth in HIPAA and HITECH Act,
1.11 Privacy Rule.
"Privacy Rule" shall mean the Standards for Privacy of Individually
Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts
A and E.

1.12 Protected Health Information.
"Protected Health Information" or "PHI" shall have the same meaning as the
term "protected health information" in 45 C.F.R. §160.103. PHI is limited
to information created or received by Business Associate from or on behalf of
Covered Entity. PHI means individually identifiable information created or
received by a health care provider, health plan, employer or health care
clearinghouse, that: (i) relates to the past, present, or future physical or
mental health or condition of an individual, provision of health care to the
individual, or the past, present or future payment for provision of health
care to the individual; (ii) 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 (iii) is transmitted or maintained in an
electronic medium, or in any other form or medium. PHI includes protected
information provided by Covered Entity to Business Associate or created or
received by Business Associate on Covered Entity's behalf.

1.13 Required by Law.
"Required by Law" shall have the same meaning as the term "required by law"
in 45 C.F.R. §164.103.

1.14 Secretary.
"Secretary" shall mean the Secretary of the Department of Health and Human
Services or his designee.

1.15 Summary Health Information.
"Summary Health Information" shall mean information, which may be Protected
Health Information, (i) that summarizes the claims history, claims expenses,
or types of claims and (2) from which the identifiers specified in 45 C.F.R.
§164.514(b)(2)(i) have been deleted (except that the zip code information
described in 45 C.F.R. §164.514(b)(2)(i)(B) may be aggregated to the level of
a five (5) digit zip code).

1.16 Underlying Agreement.
"Underlying Agreement" refers to the County contract necessitating this
Business Associate Agreement.

1.17 Unsecured Protected Health Information.
"Unsecured Protected Health Information" or "Unsecured PHI" shall mean
Protected Health Information (PHI) that is not rendered unusable, unreadable,
or indecipherable to unauthorized individuals through the use of technology
or a methodology specified by the Secretary in guidance.

2. STATEMENT OF AGREEMENT.

2.1 HIPAA Compliance and Agents.
Business Associate hereby agrees to fully comply with the "Business
Associate" requirements under HIPAA, throughout the term of this Agreement.
Further, Business Associate agrees that to the extent it has access to PHI,
Business Associate will fully comply with the requirements of HIPAA and this
Agreement with respect to such PHI; and, further, that every agent, sub-
Business Associate, employee, subsidiary, and affiliate of Business Associate
to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will be required to fully comply with HIPAA, and will be bound by written agreement to the same or substantially similar restrictions and terms and conditions as set forth in this Agreement. Covered Entity shall have the option to review and approve all such written agreements between Business Associate and its agents and sub-Business Associates prior to their effectiveness.

2.2 Uses and Disclosures of PHI.
Business Associate shall not use PHI otherwise than as expressly permitted by this Agreement, or as required by law. However, Business Associate may use PHI for purposes of managing its internal business processes relating to its functions under this Agreement. Business Associate shall not disclose PHI to any member of its workforce except to those persons who have authorized access to the information, who have received privacy training in PHI, and who have signed an agreement to hold the information in confidence.

2.3 Required or Permitted Uses & Disclosures.
Business Associate agrees that it is permitted to use or disclose PHI only: (a) upon obtaining the authorization of the patient to whom such information pertains in accordance with 45 C.F.R. §164.502(a)(1)(iv) and §164.508, (b) upon obtaining the consent of a patient to whom such information pertains, if the use or disclosure is for purposes of treatment, payment, or health care operations, in accordance with 45 C.F.R. §164.502(a)(1)(ii) and §164.506, or (c) without an authorization or consent, if in accordance with 45 C.F.R. §164.506, §164.510, §164.512, §164.514(e), §164.514(f), §164.514(g), or as otherwise permitted or required by agreement or law.

2.3.1 Disclosure Tracking.
Business Associate will record each disclosure and Breach of Covered Persons’ Protected Health Information, which is not exempt from disclosure accounting that Business Associate makes to the Plan or to a third party.

The information about each disclosure that Business Associate must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (c) a brief description of the Protected Health Information disclosed, and (d) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Covered Persons’ Protected Health Information that Business Associate makes for a single purpose to the same person or entity (including the Plan), Business Associate may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.

2.3.2 Exceptions from Disclosure Tracking.
Business Associate is not required to record disclosure information or otherwise account for disclosures of PHI that this Agreement or the Plan in writing permits or requires: (i) for the purpose of the Business Associate’s payment activities or health care operations, (ii) to the individual who is the subject of the PHI disclosed, or to that individual’s personal representative; (iii) to persons involved in that individual’s health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a
limited data set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; and (x) for disclosures prior to April 14, 2003.

2.3.3. Disclosure Tracking Time Periods.

Business Associate will have available the disclosure Information required for the six (6) years immediately preceding the date of the Covered Entity’s request for the Disclosure Information.

2.3.4. Use and Disclosure; Rights.

Business Associate acknowledges that this Agreement does not in any manner grant Business Associate any greater rights than Covered Entity enjoys, nor shall it be deemed to permit or authorize Business Associate to use or further disclose PHI in a manner that would otherwise violate the requirements of HIPAA if done by Covered Entity.

2.4 Accounting for Disclosures.

Accounting of Disclosures. Business Associate shall maintain an ongoing log of the details relating to any disclosures of PHI it makes (including, but not limited to, the date made, the name of the person or organization receiving the PHI, the recipient’s address, if known, a description of the PHI disclosed, and the reason for the disclosure). Business Associate shall, within thirty (30) days of Covered Entity’s request, make such log available to Covered Entity, as needed for Covered Entity to provide a proper accounting of disclosures to its patients.

Disclosure to U.S. Department of Health and Human Services (DHHS). Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) available to the Secretary of DHHS or its designee for purposes of determining Covered Entity’s compliance with HIPAA and with the Privacy Regulations issued pursuant thereto. Business Associate shall provide Covered Entity with copies of any information it has made available to DHHS under this section of this Contract.

2.4.1. Report of Improper Use or Disclosure.

Business Associate shall report to Covered Entity within thirty (30) days of discovery any information of which it becomes aware concerning any use or disclosure of PHI that is not provided for by this Agreement. See also section 2.8 herein.

2.5 Administrative Obligations.

2.5.1 Safeguards.

Business Associate agrees to develop implement and maintain appropriate procedural, physical, and electronic safeguards to prevent the use, disclosure or misuse of PHI otherwise than as provided by this Agreement including but not limited to administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality and integrity and availability of the PHI, in accordance with 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and 164.315. Business Associate agrees to comply with policies and procedures and documentation requirement of the HIPAA Security Rule. Business Associate agrees to notify Covered Entity of the location of any PHI disclosed by Covered Entity or created by Business Associate on behalf of Covered Entity and held by or under the control of
Business Associate or those to whom Business Associate has disclosed such PHI.

2.5.2. Minimum Necessary.

Business Associate must limit any use, disclosure, or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of HIPAA. Business Associate represents that all uses, disclosures, and requests it will make shall be the minimum necessary in accordance with HIPAA requirements. Covered Entity may, pursuant to HIPAA, reasonably rely on any requested disclosure as the minimum necessary for the stated purpose when the information is requested by Business Associate. Business Associate acknowledges that if Business Associate is also a covered entity, as defined by HIPAA, Business Associate is required, independent of Business Associate’s obligations under this Agreement, to comply with the HIPAA minimum necessary requirements when making any request for PHI from Covered Entity.

2.5.3. Designated Record Set.

Business Associate shall maintain a designated record set, as defined by HIPAA, for each individual patient for which it has PHI. In accordance with an individual’s right to access to their own PHI under HIPAA, Business Associate shall make available all PHI in that designated record set to the individual to whom that information pertains, or such individual’s representative, all PHI in that designated record set, upon a request by such individual or such individual’s representative.

2.5.4. Records; Covered Entity Access.

Business Associate shall maintain such records of PHI received from, or created or received on behalf of, Covered Entity and shall document subsequent uses and disclosures of such information by Business Associate as may be deemed necessary and appropriate in the sole discretion of Covered Entity. Upon reasonable request Business Associate shall provide the Covered Entity with reasonable access to examine and copy such records and documents of Business Associate during normal business hours within 30 days of a request for such information. Business Associate agrees to fully cooperate in good faith with and to assist Covered Entity in complying with the requirements of HIPAA and any investigation of Covered Entity regarding compliance with HIPAA conducted by the U.S. Department of Health and Human Services ("DHHS"), Office of Civil Rights, or any other administrative or judicial body with jurisdiction.

2.5.5 Access to Protected Information.

Business Associate shall make PHI maintained by the Business Associate or its agents or subcontractors in Designated Record Sets available to the Covered Entity for inspection and copying within ten (10) days of the request by Covered Entity to enable Covered Entity to fulfill its obligations under the Privacy Rule, including but not limited to, 45 C.F.R. §164.524. If Business Associate maintains an electronic health record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act, including but not limited to, 42 USC §17935(e).
2.5.6 Accounting of Disclosures.

Within twenty (20) days of a request by the Covered Entity or individual, Business Associate shall provide information to the Covered Entity to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under the Privacy Rule, including but not limited to, 45 C.F.R. §164.528, and the HITECH Act, including but not limited to 42 USC §17935(C), as determined by the Covered Entity. Business Associate agrees to implement a process that allows for such an accounting to be collected and maintained by Business Associate and its agents or subcontractors for at least six (6) years prior to the request. Additional time may be extended so long as the Covered Entity remains in compliance with and the time periods outlined at 45 C.F.R. 164.5280(1)(ii).

2.6 Workforce Provisions.

2.6.1 Confidentiality Agreement.

Business Associate must have a confidentiality agreement in place with individuals of its workforce who have access to PHI. Issuing and maintaining these confidentiality agreements will be the responsibility of the Business Associate. Covered Entity shall have the option to inspect the maintenance of said confidentiality agreements.

2.6.2 Employee Sanctions.

Business Associate shall implement and maintain sanctions for any employee, sub-Business Associate, or agent who violates the requirements in this Contract or the HIPAA privacy regulations. Business Associate shall, as requested by Covered Entity, take steps to mitigate any harmful effect of any such violation of this Contract.

2.7 Amendment of and Access to PHI; Notification.

Business Associate shall make an individual’s PHI available to Covered Entity within thirty (30) days of an individual’s request for such information as notified by Covered Entity.

Business Associate shall make available PHI for amendment and shall incorporate any amendments to PHI within thirty (30) days of notification by Covered Entity. Business Associate shall make reasonable efforts to notify persons, organizations, or other entities, including other business associates, known by Business Associate to have received the erroneous or incomplete information and who may have relied, or could foreseeably rely, on such information to the detriment of the individual patient. Business Associate must update this information when notified by Covered Entity.

Business Associate shall make available PHI or any other information required to provide, or assist in preparing, an accounting of disclosures in accordance with HIPAA. Right of Access.

2.8 Compliance with HITECH Standards.

2.8.1 Breach Notification to Covered Entity.

To ensure proper and timely notification by Covered Entity following a breach of unsecured protected health information, the Business Associate shall in writing provided initial Notice of any Breach following Discovery of the Breach. Such initial Notice to the Covered Entity must be given immediately
or without delay, as applicable. Thereafter, no later than thirty (30) days after Discovery by the Business Associate, additional written Notice must be provided to Covered Entity, to the extent possible, to include the following information in the format and order provided below. If additional information becomes available later, it shall be promptly provided to the Covered Entity:

1. Total number of Affected Individuals per Breach;
2. A brief description of what happened, including the date of the breach, the date of the discovery of the breach and who impermissibly used or to whom the information was impermissibly disclosed;
3. A detailed description of the type of Unsecured PHI that was involved in the Breach (e.g. name, social security number, date of birth, health information etc.);
4. Any steps Affected Individuals should take to protect themselves from potential harm resulting from the Breach;
5. A description of the Business Associate's investigation into the Breach, efforts to mitigate of harm to affected individuals, and to protect against future breaches;
6. Contact procedure for follow-up, which must include a toll-free number, an email address and a website or postal address;
7. The identify of each Affected Individual whose unsecured protected health information has been, or is reasonably believed to have been, breached; and,
8. Any further information known to the Business Associate, which it determines in its discretion could assist the Covered Entity to comply with the HITECH Standards.

2.8.2 Other HITECH Standards.
The Business Associate shall also comply with the following HITECH Standards, including, but not limited to:

1. compliance with the requirements regarding minimum necessary under HITECH §13405(b);
2. requests for restrictions on use or disclosure to health plans for payment or health care operations purposes when the provider has been paid out of pocket in full confident with HITECH §13405(d)
3. the prohibition of sale of PHI unless an exception under HITECH §13405(d) applies;
4. the prohibition on receiving remuneration for certain communications that fall within the exceptions to the definition of marketing under 45 C.F.R. §164.501 unless permitted by this Agreement and Section 13406 of HITECH;
5. the requirements relating to the provision of access to certain information in electronic access under HITECH §13405(e);
6. compliance with each of the Standards and Implementation Specifications of 45 C.F.R. §§164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards) and 164.316 (Policies and Procedures and Documentation Requirements); and,
7. the requirements regarding accounting of certain disclosures of PHI maintain in an Electronic Health Records under HITECH §13405(c).

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8. If an impermissible disclosure of PHI has occurred and is not subject to the notification requirements at section 2.8.1 above, Business Associate shall promptly notify Covered Entity of the disclosure and if the Business Associate determines that a disclosure is not a Breach under HITECH Standards, the Business Associate shall provide a brief explanation as to why the disclosure does not "pose significant risk of financial, reputational or other harm to the individual/s" as provided in the Interim Final Rule at 45 C.F.R. Parts 160 and 164.

2.9 Termination Rights.

This Agreement authorizes Covered Entity to terminate the Agreement, if Covered Entity determines, in its sole discretion, that Business Associate has violated a material term of the Agreement required by HIPAA, the HITECH Act or the regulations promulgated there under. This Agreement shall remain in effect throughout the Contract Term and any Subsequent Contract Term of the Underlying Agreement unless terminated for cause by Covered Entity with immediate effect, or until terminated by either party with not less than thirty (30) days prior written notice to the other party, which notice shall specify the effective date of the termination; provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement before the effective date of termination.

Within thirty (30) days of expiration or earlier termination of this Contract, Business Associate shall return or destroy all PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) that Business Associate still maintains in any form and retain no copies of such PHI. Business Associate shall provide a written certification that all such PHI has been returned or destroyed, whichever is deemed appropriate. If such return or destruction is infeasible, Business Associate shall use such PHI only for purposes that make such return or destruction infeasible and the provisions of this Contract shall survive with respect to such PHI.

2.10 Breach or Violation; Knowledge.

If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate’s obligations under this Agreement, Covered Entity shall take any steps reasonably necessary to cure such breach or end such violation, and, if such steps are unsuccessful, shall either (a) terminate this Agreement, if feasible, pursuant to §12, or (b) if termination is not feasible, report the breach or violation to DHHS. If Business Associate as a covered entity, defined by HIPAA, violates the terms and conditions of this Agreement in its capacity as a business associate of another covered entity, Business Associate will be in noncompliance with the standards, implementation specifications, and requirements of HIPAA.

2.11 Breach or Violation; Knowledge.

In compliance with 42 USC 17934 (b), if the Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement, Business Entity shall take any steps reasonably necessary to cure the breach or end the violation. If the steps are unsuccessful, Business Associate must terminate the Contract or if termination is not feasible, report the problem to the Secretary. Business Associate shall provide written notice to Covered Entity of any pattern of activity or practice of the Covered Entity that Business Associate believes constitutes a material breach or violation of the
Covered Entity's obligations under the Contract within five (5) days of discover and shall meet with the Covered Entity to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

3 MISCELLANEOUS.

3.1 Regulatory References.
A reference in this Business Associate Agreement to a section in the Privacy Rule, Security Rule, HIPAA or the HITECH Act means the section as in effect or as amended.

3.2 Amendment.
The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, HIPAA and the HITECH Act. Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or of Virginia relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Covered Entity may, by written notice to the Business Associate, amend this Agreement in such manner as Covered Entity determines necessary to comply with such law or regulation. If Business Associate disagrees with any such amendment, it shall so notify Covered Entity in writing within thirty (30) days of Covered Entity’s notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate this Agreement by written notice to the other.

3.3 Survival.
The respective rights and obligations of Business Associate under Section 2 of this Agreement shall survive the termination of this Agreement.

3.4 Interpretation.
This Business Associate Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule and to ensure compliance by the Covered Entity. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the above.

3.5 Data Ownership.
Business Associate acknowledges that business Associate has no ownership rights with respect to PHI.

3.6 Party Notices.
All notices and other communications under this Agreement to any Party shall be in writing and the following contact information shall be used:

For Business Associate
J. Michael Stephens CPA, CFE, CGFM, Partner
9515 Deereco Road, Suite 500
Timonium, Maryland 21093
Phone 410-453-0900 X35582
Fax 410-453-0914
(1) Barbara Wiley
Comptroller
2100 Clarendon Blvd. Suite 501
Arlington, VA 22201
Phone: 703/228-3425
Fax: 703/228-3401

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3.7 **Severability; Governing Law.**

With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court’s determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

3.8 **Further Assurances.**

Each Party shall execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other Party to carry out the purpose and intent of this Agreement.

3.9 **Entire Agreement.**

This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement.

3.10 **Conforming Amendment.**

This Agreement incorporates by reference the provisions of HIPAA, the Privacy Rule, Security Rule and the applicable provisions of HITECH, all regulations promulgated thereunder and other applicable laws relating to the security and confidentiality of PHI. To the extent that the law/s or governing regulations are amended thereto, those amendments are incorporated herein as if set forth in full text. The parties thereafter shall negotiate an amendment to this Agreement.

3.11 **Disclaimer.**

Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, the HITECH Act or regulations promulgated thereunder will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding safeguarding of PHI.

3.12 **Indemnification, Defense and Save Harmless.**

The indemnification provision in the Underlying Agreement applies to the breach, negligent or otherwise, of the terms of this Agreement, HIPAA or the
HITECH Act and any regulations promulgated thereunder. Any limitation of liability provision contained in the Underlying Agreement does not apply to this Business Associate Agreement.

IN WITNESS thereof this Business Associate Agreement acknowledged and agreed to by:

[Signature]
for the Covered Entity
Arlington County Privacy Officer

4/19/13
Date

County Department Privacy Representative

[Signature]

[Signature]
for the Business Associate
Authorized Representative
(print name) J. Michael Stephens, Partner

April 12, 2013
Date