



## OFFICE OF THE WASHINGTON STATE AUDITOR

### CONTRACT COMPETITIVE SOLICITATION – No. K689-RFQQ-2303

#### INTRODUCTION

The Office of the Washington State Auditor (SAO) is issuing this Competitive Solicitation pursuant to RCW 39.26. Pursuant to this Competitive Solicitation, SAO intends to conduct a competitive procurement to award an Agency Contract for SAO to procure Security Assessment Services.

#### BACKGROUND

The State Auditor's Office (SAO) conducts cyber security performance audits. These cyber security audits involve assessing how well select state agencies and local governments are protecting their confidential information and systems from internal and/or external threats. The audits review certain state agencies' and local governments' information security posture or preparedness and exposure to cyber-attacks by performing such tests as covert and overt vulnerability assessment and penetration tests of select networks, applications and information systems. The audits could also include a review of state agencies' or local governments' systems to determine how well they are configured and monitored to detect and audit suspicious or unauthorized activity.

Local governments volunteer for these audits, then are prioritized based on the order they volunteer with some preference based on risk. State agencies are selected for these audits based on risk, with some preference given to volunteers.

State agencies and local governments provide Washington state citizens with a variety of services, such as education, law enforcement, regulatory oversight, utility services, and health services. Many state agencies and local governments also offer their customers web facing functionality, including web based reporting, payment, account management, and information searches. The state agencies and local governments that might be included in these audits can vary in size, from a few employees to thousands of employees.

In Washington, state law assigns the Office of the Chief Information Officer (OCIO) responsibility for developing and establishing IT security policies and standards and for monitoring state agency compliance with those standards. The state's Chief Information Officer (CIO) reports directly to the Governor and is the Director of Washington Technology Solutions (WaTech). Individual state agencies are responsible for complying with the state's Information Technology (IT) security standards. WaTech also provides state

agencies with enterprise IT security services and is the home of the state's Chief Information Security Officer (CISO).

Unlike the state, local governments are not required to adhere to standardized IT security guidance or report and coordinate with WaTech. The majority of local governments operate with a centralized IT organizational model with limited decentralization of selected functions. A common example would be a centralized IT department that provides IT security strategic direction, leadership and services with individual departments within the local government having responsibility for setting and maintaining application level security for selected applications.

### **OUR AUDIT AUTHORITY**

In November 2005, voters approved Initiative 900

<https://sao.wa.gov/performance-audits/about-performance-audits/> giving the Washington State Auditor's Office (SAO) the authority to conduct independent, comprehensive performance audits of government agencies on behalf of citizens. The purpose of these audits is to ensure accountability and help ensure that tax dollars are spent as cost effectively as possible. Performance audits can examine the economy, efficiency and effectiveness of the policies, management, fiscal affairs and operations of state and local governments.

### **PURPOSE**

The purpose of this Request for Quotations and Qualifications (RFQQ) is to competitively establish a contract with a qualified Vendor interested in performing work on information technology (IT) security penetration tests for multiple state agencies and/or local governments. This assessment will be used by the State Auditor's Office to report on the selected state agencies' and/or local governments' security posture and to make recommendations for improving State and local government IT security programs. The work may include, but not be limited to the following areas:

- reconnaissance of in-scope systems and networks
- simulate malicious computer and system attacks
- network, thick client, mainframe, operational technology and web application security testing
- wireless device assessments
- exploit development and execution
- firewall or other device configuration reviews
- Open-source intelligence assessment

### **SCOPE AND OBJECTIVES**

The contractor(s) will work collaboratively with the State Auditor's Office to conduct covert and/or overt penetration testing on select state agency and/or local government internal and external networks, applications, and information systems. The purpose of the penetration testing is to both assess select agencies' and local governments' risk of being compromised by a malicious attacker and to identify and recommend steps for preventing such attacks.

It is the intent of these audits to focus on systems impacting financial resources and confidential data, or on mission-critical systems that serve state agency or local government operations, from an external and internal perspective.

The State Auditor’s Office will identify up to 12 state agencies per year of varying sizes to be included in the state cyber security audits. The state agencies included in these audits are located in Olympia, Washington and, depending how the audits are scoped, may include work at one or more agencies’ remote sites located around the state of Washington.

The State Auditor’s Office will identify up to 40 local governments per year of varying sizes to be included in the local cyber security audits. Inclusion of a local government in an audit is subject to local government approval. If more local governments are interested, the total number of local governments in this contract could be increased. If no local governments agree to have this work done, the local government component of this contract will be cancelled. The local governments included in these audits may be located anywhere in Washington State.

Work will be performed by the apparent successful proposer unless there is a conflict with a state agency or local government in accordance with Exhibit A-1 - Bidder Certification in which case the work for that state agency or local government may be awarded to an additional vendor. See 3.12.

The State Auditor’s Office will collaborate with the contractor and state agencies or local governments to identify the networks, applications, operational technology and information systems to be included in the scope of testing for each state agency or local government.

## **Deliverables**

### Identify areas for testing.

Together with the State Auditor’s Office and the state agency or local government, perform preliminary analysis and identify areas to focus penetration testing. Testing may also include a review of prior testing findings to confirm remediation.

### Develop Rules of Engagement (ROE) for external and internal penetration testing for each state agency and local government.

Each ROE includes detailed guidelines and constraints regarding the internal and external penetration testing execution including but not limited to targets, time frames, testing rules and points of contact. The ROE documents will be tailored to include specific details for each state agency or local government and must be established and approved by SAO and the state or local government under audit. For state agencies, the state Chief Information Security Officer (CISO) or the state CISO’s designee must also approve the ROE before testing begins.

### Conduct Testing

The consultant will conduct testing in accordance with the rules of engagement. Testing will be completed in close consultation with the SAO audit manager, or the Audit Manager’s designee, and the SAO IT Security Specialist Manager or the Specialist Manager’s designee. It is estimated that for each engagement testing will take approximately two weeks but may be longer or shorter depending on the scope of work.

The consultant will update SAO and the state agency or local government on the progress of the work daily throughout testing. Any critical findings will be communicated to SAO within 24 clock hours of their identification. Critical findings are those defined as potentially having an extreme impact to an entire entity and very likely to be exploited.

The SAO will schedule and oversee all meetings and interactions with state agency and/or local government executives and staff. A representative from SAO will accompany the vendor on any interviews or site visits.

#### Provide knowledge transfer

The contractor will provide the training to transfer knowledge in the area of penetration testing to the SAO staff upon request by the SAO. Successful knowledge transfer will be verified by SAO IT security specialist staff.

#### Report Results

Detailed results should be reported to SAO assigned audit manager, or designee, on an ongoing basis as testing progresses:

- a. Communicate any critical findings within 24 clock hours of their identification
- b. Participate in status meetings.
- c. Provide daily progress reports to the auditee and the SAO throughout the duration of the ongoing individual penetration engagements.
- d. Draft a detailed results document for each individual state agency and/or local government selected for audit and discuss results with the audit manager.
- e. Work in partnership with the audit manager to establish an agreed-upon standard reporting format. The report will include:
  1. Separate sections for management and technical audiences;
  2. An executive summary that presents findings, conclusions and recommendations;
  3. Testing methodology and a description of procedures used - testing methodologies should be described at a level of detail so that they are re-creatable using screen prints as necessary;
  4. All test results and findings, including identification of tests performed that did not identify issues;
  5. Ranked results with a standard rating scale (likelihood and significance) detailing the seriousness of each finding and remediation prioritization;
  6. Detailed information about how each issue can be fixed and the level of effort to fix;
  7. A description of the implications or impact of not fixing each of the issues noted; and
  8. An overall assessment based on the work performed for each agency and/or government including strengths and opportunities for improvement.

SAO will review the contractor's written products and provide feedback on desired changes. Written products are not considered complete until SAO has accepted the work. The contractor will be available to discuss results and information in the detailed results document with the SAO audit manager and state agency and/or local government staff on an ongoing basis by phone, and if deemed necessary, in face meetings.

## STANDARD DEFINITIONS

A. AUDITED ENTITY

The state agency or local government to be audited.

B. AUDIT MANAGER/PROGRAM MANAGER

The State Auditor's Office employee or their delegate assigned to review the work and coordinate with the contractor.

C. CONTRACT

Refers to the legally enforceable agreement between the State Auditor's Office and the contractor.

D. CONTRACTOR

The firm, provider, organization, individual or other entity, performing service(s) under this contract, and shall include all personnel of the contractor.

E. CONTRACTOR'S REPRESENTATIVE

An individual designated by the proposer or contractor to act on its behalf and with the authority to legally bind the proposer or contractor concerning the terms and conditions set forth in the solicitation and contract documents.

F. CONSULTANT

An independent, outside party able to provide SAO with work product, ideas, alternatives, best practices, data, and information related to the project(s).

G. GAO

The United States Government Accountability Office.

H. GOVERNMENT AUDITING STANDARDS

Standards established for audits of government organizations, programs, activities, and functions, and of government assistance received by contractors, nonprofit organizations, and other nongovernmental organizations. These standards, often referred to as Government Auditing Standards (GAGAS) or the Yellow Book, are to be followed by auditors and audit organizations when required by law, regulation, agreement, contract, or policy. These standards pertain to auditors' professional qualifications, the quality of audit effort, and the characteristics of professional and meaningful audit reports.

Government Auditing Standards can be accessed at: [GAO-21-368G, Government Auditing Standards: 2018 Revision Technical Update April 2021](#)

I. PERFORMANCE AUDIT

Performance audit is defined in the Government Auditing Standards, Yellow Book.

J. PROPOSAL

A written response to this solicitation.

K. PROPOSER

An individual or organization submitting a response to this solicitation.

L. REQUEST FOR QUOTATIONS AND QUALIFICATIONS (RFQQ).

Formal procurement document in which services needed are identified and firms are invited to provide: 1) their qualifications and 2) hourly rates.

M. RCW

The Revised Code of Washington (laws of Washington State).

N. REPORTS

Detailed Findings A written detailed summary of results for each audited state agency or local government, including the methodologies used, observations, conclusions, and actionable recommendations for the audited entity(ies).

Final Report The State Auditor's Office will create and publish its own report.

O. RISK FACTOR

An observable or measurable indicator of conditions or events that could adversely affect an organization or the achievement of expected results or objectives.

P. SOLICITATION COORDINATOR

An individual designated by the State Auditor's Office to act on behalf of the state to administer the solicitation process.

Q. STATE AUDITOR'S OFFICE (SAO)

The State Auditor's Office shall mean any division, section, office, unit or other entity of the State Auditor's Office; or any of the officers or other officials lawfully representing the State Auditor's Office.

R. SUBCONTRACTOR

An individual or firm not in the employment of the contractor, who is performing all or part of the services under this contract under a separate contract with the contractor. The terms "subcontractor" and "subcontractors" means subcontractor(s) in any tier.

S. VULNERABILITY

Weakness in a system, system security procedures, internal controls, or implementation that could be exploited or triggered by a threat resulting in a negative impact to system confidentiality, integrity, or availability.

T. WAC

Washington Administrative Code. Regulations of executive branch agencies are issued by authority of statutes. Like legislation and the Constitution, regulations are a source of primary law in Washington State. The WAC codifies the regulations and arranges them by subject or agency. The administrative rules developed by the Washington Department of Commerce under WAC 194-37 are recognized as requirements of the Energy Independence Act.

U. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS)

An Internet vendor registration and bid notification system. The system offers one online site where vendors should register to receive State Auditor's Office and other governmental bid notifications.

V. YELLOW BOOK

Government Auditing Standards, July 2018 Revision, GAO-18-568G (or current version).

This Competitive Solicitation is divided into six (6) sections:

- [Section 1](#) provides a summary table of relevant deadlines for responding to the Competitive Solicitation and identifies contact information for SAO's Procurement Coordinator.
- [Section 2](#) provides important information about the procurement that is designed to help interested bidders evaluate the potential opportunity, including the purpose of the procurement, the form of the resulting Contract, and potential contract sales.
- [Section 3](#) identifies how SAO will evaluate the bids.
- [Section 4](#) identifies how to prepare and submit a bid for this Competitive Solicitation, including detailed instructions regarding what to submit and how to submit your bid.
- [Section 5](#) details the applicable requirements to file a complaint, request a debrief conference, or file a protest regarding this Competitive Solicitation.
- [Section 6](#) provides information pertaining to doing business with the State of Washington, including SAO's efforts to enable Washington's small and diverse businesses to compete for and participate in state procurements for goods/services.

In addition, this Competitive Solicitation includes the following Exhibits:

- *Exhibit A – Required Bidder Information:* These exhibits identify information that bidders must provide to SAO's to constitute a responsive bid. *See* Section 4, below.
  - Exhibit A-1 – Bidder's Certification
  - Exhibit A-2 – Bidder's Profile
- *Exhibit B – Performance Requirements:* This exhibit outlines the required specifications/qualifications for the service(s) that is/are the subject of this Competitive Solicitation.
- *Exhibit C – Quotations* – This exhibit provides the pricing information that bidders will complete as part of their bid and the price evaluation tool that SAO will use to evaluate and compare bids.
- *Exhibit D – Qualifications* – This exhibit provides the qualification information that bidders will complete as part of their bid and part of the evaluation that is scored and that SAO will use to compare bids.
- *Exhibit E – Contract:* This exhibit is a draft of the Contract that any successful bidder will execute with SAO.
- *Exhibit E1 – Contract Issues List:* This exhibit outlines the bidder's issues, if any, and proposed resolution for bidders who have business concerns with the form of the Contract. Note, however, that SAO reserves the right not to modify the Contract and to award the Contract on the basis of a bidder's willingness to agree to the Contract.
- *Exhibit F – Nondisclosure Form*
- *Exhibit G – Security Questionnaire*

**SECTION 1 – DEADLINES, QUESTIONS, PROCUREMENT COORDINATOR, AND MODIFICATION**

This section identifies important deadlines for this Competitive Solicitation, where to direct questions regarding the Competitive Solicitation, and the process for potential amendments or modifications to the Competitive Solicitation. SAO reserves the right to revise this schedule.

- 1.1. **COMPETITIVE SOLICITATION DEADLINES.** The following table identifies important dates for this Competitive Solicitation:

<b>COMPETITIVE SOLICITATION DEADLINES</b>	
<b>ITEM</b>	<b>DATE</b>
Competitive Solicitation Posting Date:	March 28, 2023
Pre-Bid Conference:	April 11, 2023 at 11:00 (Pacific Time) <i>Attend via Video Conference</i> <a href="#">Click here to join the meeting</a> Meeting ID: 253 232 230 068 Passcode: tSNdYz <a href="#">Download Teams</a>   <a href="#">Join on the web</a> <b>Or call in (audio only)</b> <a href="#">+1 253-372-2181,,509919356#</a> United States, Tacoma Phone Conference ID: 509 919 356# <a href="#">Find a local number</a>   <a href="#">Reset PIN</a>
Question & Answer Period:	March 28, 2023 – April 27, 2023
Deadline for submitting Bids:	May 5, 2023
Anticipated Interview	June 9, 2023 – June 15, 2023
Anticipated Announcement of Apparent Successful Bidder:	June 21, 2023
Anticipated Award of Contract:	July 6, 2023

- 1.2. **COMPETITIVE SOLICITATION QUESTIONS.** Questions or concerns regarding this Competitive Solicitation must be directed to the following Procurement Coordinator:

<b>Procurement Coordinator</b>	
Name:	Charleen Patten
Telephone:	564-999-0941
Email:	Contractmanager@sao.wa.gov

Questions raised at the pre-bid conference and during the Q&A period will be answered and responses posted to Washington’s Electronic Business Solution (WEBS).



- 1.3. **COMPLAINTS, DEBRIEFS, & PROTESTS.** The Competitive Solicitation (and award of any Contract) is subject to complaints, debriefs, and protests as explained in Section 5, which may impact the dates set forth above.
- 1.4. **COMPETITIVE SOLICITATION – AMENDMENT & MODIFICATION.** SAO reserves the right to amend and modify this Competitive Solicitation. **Only bidders who have properly registered and downloaded the original Competitive Solicitation directly via the Washington Electronic Business Solution WEBS will receive notifications of amendments and other correspondence pertinent to this Competitive Solicitation.** Visit [WEBS](#) to register.

## SECTION 2 – INFORMATION ABOUT THE PROCUREMENT

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This section describes the purpose of the Competitive Solicitation and provides information about this procurement, including the potential scope of the opportunity.

- 2.1. **PURPOSE OF THE PROCUREMENT – AWARD A CONTRACT.** The purpose of this Competitive Solicitation is to receive competitive bids to evaluate and, as appropriate, award a Contract for SAO to procure Security Assessment Services as set forth herein. Pursuant to Washington’s Procurement Code for Goods and Services, RCW chap. 39.26, state agency purchases of goods and services must be based on a competitive solicitation process in which the Contract is awarded to the lowest responsive, responsible bidder.
- 2.2. **CONTRACT.** The form of the Contract that will be awarded as a result of this Competitive Solicitation is attached as **Exhibit E – Contract**.
- 2.3. **CONTRACT TERM.** As set forth in the attached Contract for this Competitive Solicitation, the contract term is thirty (30) months. Bidders are to specify prices for the contract term. The Contract is subject to earlier termination.
- 2.4. **ESTIMATED CONTRACT VALUE.** Historically, for prior contracts, the total contracted amount ranged from \$4,100,000 – 4,871,000 for the services. Total potential or estimated contract award for this Competitive Solicitation are not known.
- 2.5. **WASHINGTON STATE PROCUREMENT PRIORITIES & PREFERENCES.** SAO will apply the following Washington State procurement priorities and preferences to this Competitive Solicitation which, as set forth in Section 3.5, will impact the evaluation of bids for this Competitive Solicitation:
  - Executive Order 18-03: 5 points
  - Washington Small Business/Certified Veteran-Owned Business: 5 points

## SECTION 3 – BID EVALUATION

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This section identifies how SAO will evaluate bids for this Competitive Solicitation.

- 3.1. **OVERVIEW.** SAO will evaluate bids for this Competitive Solicitation as described below.

- Bidder responsiveness, performance requirements, price factors, and responsibility, will be evaluated based on the process described herein.
- Any bidder whose bid is determined to be non-responsive will be rejected and will be notified of the reasons for this rejection.
- SAO reserves the right to: (1) Request clarification regarding any bid; (2) Waive any informality; (3) Reject any or all bids, or portions thereof; (4) Accept any portion of the bid unless the bidder stipulates all or nothing in their bid; (5) Cancel the Competitive Solicitation and, if desired, re-solicit bids; and/or (6) Negotiate with the lowest responsive and responsible bidder(s) to determine if such bid can be improved.
- SAO will use the following process and evaluation criteria to determine eligibility for an award of the Contract:

STEP	ITEM	POINTS
1	Bid Responsiveness	Pass/Fail
	Responsibility	Pass/Fail
<b>Bid Evaluation</b>		
2	Performance Exhibit B – Performance Requirements	Pass/Fail
	Exhibit D – Qualifications Firm Experience	35
	Exhibit D – Qualifications Staffing/Resumes	30
	Exhibit D – Qualifications Sample Report	15
3	Cost Factors Exhibit C – Quotations	10
	Total:	90
<b>State Procurement Priorities</b>		
4	Washington Small Business/ Certified Veteran- Owned Business	5
	Executive Order 18-03	5
Total:		10
<b>TOP-SCORED BIDDER(S) ADVANCE TO STEP 5</b>		
<b>Presentation Evaluation</b>		
5	Interview	10
<b>Contract Negotiations</b>		
6	Contract Negotiations	N/A

- 3.2. **BID RESPONSIVENESS/RESPONSIBILITY (STEP 1).** SAO will review bids – on a pass/fail basis – to determine whether the bid is ‘responsive’ to this Competitive Solicitation. This means that SAO will review each bid to determine whether the bid is complete – i.e., does the bid include each of the required bid submittals, are the submittals complete, signed, legible. SAO reserves the right – in its sole discretion – to determine whether a bid is responsive – i.e., to determine a bidder’s compliance with the requirements specified in this Competitive Solicitation and to waive informalities in a bid. An informality is an immaterial variation from the exact requirements of the Competitive Solicitation, having no effect or merely a minor or negligible effect on quality, quantity, or delivery of the goods or the quality, capability, or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial, to bidders. For responsive bids, SAO will perform a cursory review to determine Bidder’s ability to meet the minimum requirements. In determining responsibility, SAO will review *Exhibit B – Performance Requirements* on bidder’s ability to meet the minimum pass/fail requirements.
- 3.3. **PERFORMANCE REQUIREMENTS EVALUATION (STEP 2).** SAO will evaluate each bid to ensure that each bidder’s service(s) meet the specifications and/or performance requirements set forth in *Exhibit B – Performance Requirements*. SAO reserves the right to request additional information or perform tests and measurements before selecting the Apparent Successful Bidder. A bidder’s failure to provide requested information to SAO within five (5) business days may result in disqualification.
- 3.4. **BID PRICING EVALUATION (STEP 3).** SAO will evaluate bid pricing by reviewing and comparing the submitted bid prices provided in *Exhibit C-Quotations*.
- 3.5. **WASHINGTON STATE PROCUREMENT PRIORITIES & PREFERENCES (STEP 4).** SAO will apply the following Washington State procurement priorities and preferences, as set forth below, to this Competitive Solicitation.
- **PROCUREMENT PREFERENCE FOR EXECUTIVE ORDER 18-03 (Firms without Mandatory Individual Arbitration for Employees).** Pursuant to RCW 39.26.160(3) (best value criteria) and consistent with [Executive Order 18-03 – Supporting Workers’ Rights to Effectively Address Workplace Violations](#) (dated June 12, 2018), SAO will evaluate bids for best value and will provide a bid preference in the amount of 5 points to any bidder who certifies, pursuant to **Exhibit A-1 – Bidder’s Certification**, that their firm does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.
  - **WASHINGTON SMALL BUSINESSES OR CERTIFIED VETERAN-OWNED BUSINESS.** In furtherance of Washington’s business inclusion goals SAO will evaluate bids for best value and will provide a bid preference in the amount of 5 to any bidder who certifies, pursuant to **Exhibit A-1 – Bidder’s Certification**, that Bidder qualifies as a ‘Washington Small Business’ or as a Washington Department of Veterans’ Affairs Certified Veteran-Owned Business set forth in **Exhibit A-1 – Bidder’s Certification**.
- 3.6. **PRESENTATION EVALUATION (STEP 5).** SAO may invite the bidder(s) with the top-scored proposals to interview with the evaluation committee. All key personnel will be required to participate in the interview process. SAO will contact the bidder(s) to schedule a date and time for interview. Bidder

is encouraged to secure the date(s) indicated in Competitive Solicitation Section 1.1. SAO will provide further instruction at the time of scheduling interviews. There will be a maximum of 10 points awarded based on bidder's interview.

3.7. **BIDDER RESPONSIBILITY ANALYSIS.** For responsive bids, SAO must determine whether the bidder is a 'responsible bidder.' In determining bidder responsibility, SAO will consider the following statutory elements:

- Bidder's ability, capacity, and skill to perform the contract or provide the service required;
- Bidder's character, integrity, reputation, judgment, experience, and efficiency;
- Bidder's ability to perform the contract within the time specified;
- Bidder's performance quality pertaining to previous contracts or services;
- Bidder's compliance with laws relating to the contract or services;
- Whether, within the three-year period immediately preceding the date of the Competitive Solicitation, bidder has been determined by a final and binding citation and notice of assessment issued by the Washington State Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW; and
- Such other information as may be secured having a bearing on the decision to award the Contract.

See RCW 39.26.160(2)(a)-(g). In addition, SAO may consider the following:

- References: SAO reserves the right to use references to confirm satisfactory customer service, performance, satisfaction with service/product, knowledge of products/service/industry and timeliness. Any negative or unsatisfactory reference can be reason for rejecting a bidder as non-responsible.

3.8. **CONTRACT NEGOTIATIONS (STEP 6).** SAO may negotiate with the highest scored responsive, responsible bidder to finalize the Contract and to determine if the bid may be improved. If, after a reasonable period of time, SAO, in its sole judgement, cannot reach agreement on acceptable Contract terms with such bidder, SAO may suspend negotiations and undertake negotiations with the next highest scored responsive, responsible bidder as determined by the evaluations.

3.9. **ANNOUNCEMENT OF APPARENT SUCCESSFUL BIDDER.** SAO will determine the Apparent Successful Bidder ("ASB"). The ASB will be the responsive and responsible bidder(s) that best meet(s) the Competitive Solicitation requirements and presents the best total value, including price, as calculated consistent with the instructions set forth in **Exhibit C – Quotations**, and other factors as set forth in this Competitive Solicitation including any applicable state procurement priority or preference.

- Designation as an ASB does not imply that SAO will issue an award for a Contract. Rather, this designation allows SAO to perform further analysis and ask for additional documentation. The bidder must not construe ASB designation as an award, impending award, attempt to negotiate, etc. If a bidder acts or fails to act

as a result of such notification or designation, it does so at its own risk and expense.

- Upon ASB announcement, bidders may request a debrief conference as specified in Section 5.

3.10. **AWARD OF CONTRACT.** Subject to protests, if any, SAO and the ASB will enter into a Contract as set forth in **Exhibit E – Contract**. A contract award is made and a contract formed by signature of SAO and awarded bidder on the Contract. SAO reserves the right to award on an all-or-nothing consolidated basis. Following the award of the Contract, all bidders registered in WEBS will receive a Notice of Award delivered to the bidder’s email address provided in the bidder’s profile in WEBS.

3.11. **BID INFORMATION AVAILABILITY.** Upon SAO’s announcement of ASB, all bid submissions and all bid evaluations are subject to public disclosure pursuant to Washington’s Public Records Act. See RCW 39.26.030(2).

3.12. **ADDITIONAL AWARDS.** SAO reserves the right, during the resulting Contract term, to make additional Contract awards to responsive, responsible bidders who provided a bid but who were not awarded a Contract. Such awards would be on the same or substantially similar terms and conditions and would be designed to address an awarded Contractor vacancy (e.g., an awarded contractor is terminated or goes out of business) or be in the best interest of the State of Washington.

## **SECTION 4 – HOW TO PREPARE AND SUBMIT A BID FOR THIS COMPETITIVE SOLICITATION**

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This section identifies how to prepare and submit your bid to SAO for this Competitive Solicitation. In addition, bidders will need to review and follow the Competitive Solicitation requirements including those set forth in the exhibits, which identifies the information that bidders must provide to SAO to constitute a responsive bid. By responding to this Competitive Solicitation and submitting a bid, bidders acknowledge having read and understood the entire Competitive Solicitation and accept all information contained within this Competitive Solicitation.

4.1. **PRE-BID CONFERENCE.** SAO will host a Competitive Solicitation pre-bid conference at the time set forth in Section 1.1 of this Competitive Solicitation. Attendance is not mandatory. Bidders, however, are encouraged to attend and participate. The purpose of the pre-bid conference is to clarify the Competitive Solicitation as needed and raise any issues or concerns that bidders may have. If changes to the Competitive Solicitation are required as a result of the pre-bid conference, the Procurement Coordinator will post an amendment to this Competitive Solicitation to WEBS. Assistance for disabled, blind, or hearing-impaired persons who wish to attend the pre-bid conference is available with prior arrangement by contacting the Procurement Coordinator.

4.2. **BIDDER COMMUNICATIONS REGARDING THIS COMPETITIVE SOLICITATION.** During the Competitive Solicitation process, all bidder communications regarding this Competitive Solicitation must be directed to the Procurement Coordinator specified in Section 1.2 of this Competitive Solicitation. Bidders should rely only on this Competitive Solicitation and written amendments to this

Competitive Solicitation issued by the Procurement Coordinator. In no event will oral communications regarding this Competitive Solicitation be binding.

- Bidders are encouraged to make any inquiry regarding the Competitive Solicitation as early in the process as possible to allow SAO to consider and, if warranted, respond to the inquiry. If a bidder does not notify SAO of an issue, exception, addition, or omission, SAO may consider the matter waived by the bidder for protest purposes.
- If bidder inquiries result in changes to the Competitive Solicitation, written amendments will be issued and posted on WEBS.
- Unauthorized bidder contact regarding this Competitive Solicitation with other state employees involved with the Competitive Solicitation may result in bidder disqualification.

4.3. **PRICING.** Bid prices must include all cost components needed for the services as described in this Competitive Solicitation. See *Exhibit C – Quotations*. A bidder’s failure to identify all costs in a manner consistent with the instructions in this Competitive Solicitation is sufficient grounds for disqualification.

- Inclusive Pricing: Bidders must identify and include all cost elements in their pricing. In the event that bidder is awarded a Contract, the total price for the services shall be bidder’s price as submitted. Except as provided in the Contract, there shall be no additional costs of any kind.

4.4. **BID SUBMITTAL CHECKLIST – REQUIRED BID SUBMITTALS.** This section identifies the bid submittals that must be provided to SAO to constitute a responsive bid. The submittals must be delivered as set forth below. Bids that do not include the submittals identified below may be rejected as nonresponsive. In addition, a bidder’s failure to complete any submittal as instructed may result in the bid being rejected. Bidders may not provide unsolicited materials. For any supplemental materials expressly required by SAO in writing, bidders must identify such supplemental materials with the bidder’s name.

**EXHIBIT A-1 – BIDDER’S CERTIFICATION**

This document is the Bidder’s Certification.

Complete the certification, along with any exceptions or required explanations, and submit it with the bid to SAO.

Note: The Certification must be complete. Where there are choices, bidder **must** check a box. The certification must be signed and submitted by a duly authorized representative for the bidder.

**EXHIBIT A-2 – BIDDER’S PROFILE**

This document is required bidder information for SAO’s contract administration purposes.

Complete as instructed and submit it with the bid to SAO.

**EXHIBIT B – PERFORMANCE REQUIREMENTS**

Bidder will need to confirm that bidder’s goods and/or services and/or bidder’s

performance meets or exceeds the detailed specifications/qualifications set forth in **Exhibit B – Performance Requirements** and submit it with the bid to SAO.

**EXHIBIT C – QUOTATIONS**

Bidder will need to complete the price worksheet tools as instructed in **Exhibit C – Quotations** and submit it with the bid to SAO.

**EXHIBIT D – QUALIFICATIONS**

Bidder will need to complete the Qualifications Section and it must contain information that will demonstrate to the evaluation committee the Firm/Staff understanding of the types of services proposed, the ability to accomplish them, and the ability to meet tight timeframes. As instructed in **Exhibit D – Qualifications** and submit it with the bid to SAO.

**EXHIBIT E-1 – CONTRACT ISSUES LIST**

This document is a required submittal IF bidder has business issues with the Contract attached as **Exhibit D – Contract**. If so, bidder must complete and submit to SAO. Note, however, that SAO reserves the right not to modify the Contract and to award the Contract on the basis of a bidder’s willingness to agree to the Contract.

**EXHIBIT F – NONDISCLOSURE AGREEMENT**

This document is required to be signed by the bidder. Complete as instructed and submit it with the bid to SAO.

**EXHIBIT G – SECURITY QUESTIONNAIRE**

Questions and requests for information are in support of SAO compliance requirements derived from OCIO Standard No. 141.10. This standard can be retrieved from: <https://ocio.wa.gov/policies/141-securing-information-technology-assets/14110-securing-information-technology-assets>. Complete as instructed and submit it with the bid to SAO.

4.5. **BID FORMAT.** Bids must be complete, legible, signed, and follow all instructions stated in the Competitive Solicitation (including the exhibits). Unless otherwise specified in writing by SAO, documents included with an electronic bid must be prepared in MS Word, MS Excel, or Adobe PDF. Where required to do so, bidders may sign using either a physical or electronic signature. **Exhibit C – Quotations and Exhibit D – Qualifications should not exceed 25 combined total pages.**

4.6. **SUBMITTING BIDS.** Bidder’s electronic bid must be emailed to [contractmanager@sao.wa.gov](mailto:contractmanager@sao.wa.gov). SAO’s email only can accept emails (including attachments) that total less than 30MB in size. Bidders are cautioned to keep email sizes to less than 25MB to ease delivery. Zipped files cannot be accepted.

4.7. **LATE PROPOSALS.** Bidder’s electronic bid will not be accepted if submitted past the deadline and will be automatically disqualified from further consideration. The proposals must respond to the procurement requirements. Failure to respond to any portion of the procurement document may result in rejection of the proposal as nonresponsive.

## SECTION 5 – COMPLAINT, DEBRIEF, & PROTEST REQUIREMENTS

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This section details the applicable requirements for complaints, debriefs, and protests.

- 5.1. **COMPLAINTS.** This Competitive Solicitation offers a complaint period for bidders wishing to voice objections to this Competitive Solicitation. The complaint period ends five (5) business days before the bid due date. The complaint period is an opportunity to voice objections, raise concerns, or suggest changes that were not addressed during the Question & Answer Period or, if applicable, at the Pre-Bid Conference. Failure by the bidder to raise a complaint at this stage may waive its right for later consideration. SAO will consider all complaints but is not required to modify or cancel the Competitive Solicitation. If bidder complaints result in changes to the Competitive Solicitation, written amendments to the Competitive Solicitation will be issued and posted on WEBS.
- a. **CRITERIA FOR COMPLAINT.** A complaint may be based only on one or more of the following grounds: (a) The Competitive Solicitation unnecessarily restricts competition; (b) The Competitive Solicitation evaluation or scoring process is unfair or flawed; or (c) The Competitive Solicitation requirements are inadequate or insufficient to prepare a response.
  - b. **INITIATING A COMPLAINT.** A complaint must: (a) Be submitted to and received by the Procurement Coordinator no less than five (5) business days prior to the deadline for bid submittal; and (b) Be in writing (see Form, Substance, & Other below). A complaint should clearly articulate the basis of the complaint and include a proposed remedy.
  - c. **RESPONSE.** When a complaint is received, the Procurement Coordinator (or designee) will consider all the facts available and respond in writing prior to the deadline for bid submittals, unless more time is needed. SAO is required to promptly post the response to a complaint on WEBS.
  - d. **RESPONSE IS FINAL.** The Procurement Coordinator's response to the complaint is final and not subject to administrative appeal. Issues raised in a complaint may not be raised again during the protest period. Furthermore, any issue, exception, addition, or omission not brought to the attention of the Procurement Coordinator prior to bid submittal may be deemed waived for protest purposes.
- 5.2. **DEBRIEF CONFERENCES.** A Debrief Conference is an opportunity for a bidder and SAO, through its Procurement Coordinator, to meet and discuss the bidder's bid (and, as further explained below, is a necessary prerequisite to filing a protest). Following the bid evaluation, SAO will issue an ASB announcement. That the ASB announcement may be made by any means, but SAO likely will use email to the bidder's email address provided in the Bidder's Profile. Bidders will have three (3) business days to request a Debrief Conference, if desired. If a Debrief Conference is timely requested, SAO will offer the requesting bidder one meeting opportunity and notify the bidder of the Debrief Conference place, date, and time. Please note, because the debrief process must occur before making an award, SAO likely will schedule the Debrief Conference shortly after the ASB announcement and the bidder's request for a Debrief Conference. SAO will not allow the debrief process to delay the Contract award. Accordingly, bidders should plan for contingencies and alternate representatives. **Bidders who wish to protest must first participate in a Debrief Conference. Bidders who are unwilling or unable to attend the Debrief Conference will lose the opportunity to protest. A debrief is a required prerequisite for a bidder wishing to file a protest.**



- a. **TIMING.** A Debrief Conference may be requested by a bidder following the Apparent Successful Bidder (ASB) announcement.
- b. **PURPOSE OF DEBRIEF CONFERENCE.** Any bidder who has submitted a timely bid response may request a Debrief Conference (see also Section 5.4 below). A Debrief Conference provides an opportunity for the bidder to meet with SAO to discuss bidder's bid and evaluation. It does not provide an opportunity to discuss other bids and evaluations.
- c. **REQUESTING A DEBRIEF CONFERENCE.** The request for a Debrief Conference must be made in writing via email to the Procurement Coordinator and received within three (3) business days after the ASB announcement. Debrief conferences will be conducted virtually (e.g., by telephone or web-based virtual meeting such as MS Teams), as determined by SAO, and may be limited by SAO to a specified period of time. A bidder's failure to request a Debrief Conference within the specified time and attend the Debrief Conference constitutes a waiver of the right to submit a protest. Any issue, exception, addition, or omission not brought to the attention of the Procurement Coordinator before or during the Debrief Conference may be deemed waived for protest purposes.

**5.3. PROTESTS.** Following a Debrief Conference, a bidder may protest the award of a Contract.

- a. **CRITERIA FOR A PROTEST.** A protest may be based only on one or more of the following: (a) Bias, discrimination, or conflict of interest on the part of an evaluator; (b) Error in computing evaluation scores; or (c) Non-compliance with any procedures described in the Competitive Solicitation.
- b. **INITIATING A PROTEST.** Any bidder may protest an award to the ASB. A protest must: (a) Be submitted to and received by the Protest Officer specified below, within five (5) business days after the protesting bidder's Debriefing Conference (see also Section 5.4 below); (b) Be in writing; (c) Include a specific and complete statement of facts forming the basis of the protest; and (d) Include a description of the relief or corrective action requested.
- c. **PROTEST RESPONSE.** After reviewing the protest and available facts, SAO's Protest Officer will issue a written response within ten (10) business days from receipt of the protest, unless additional time is needed.
- d. **DECISION IS FINAL.** The protest decision is final and not subject to administrative appeal. If the protesting bidder does not accept SAO's protest response, the bidder may seek relief in Thurston County Superior Court.

**5.4. COMMUNICATION DURING COMPLAINTS, DEBRIEFS, AND PROTESTS.** With the exception of protests, all communications about this Competitive Solicitation, including complaints and debriefs, must be addressed to the Procurement Coordinator unless otherwise directed. Protests must be addressed to the Protest Officer.

- a. **FORM, SUBSTANCE, & OTHER.** All complaints, debrief conference requests, and protests must:
  - i. Be in writing;
  - ii. Be signed by the complaining, requesting, or protesting bidder or an authorized agent;
  - iii. Be delivered within the time frame(s) outlined herein;
  - iv. Identify the Competitive solicitation number;

- v. Conspicuously state “Complaint,” “Debrief,” or “Protest” in any subject line of any correspondence or email; and
  - vi. Be sent to the address identified in section 5.6.
- b. COMPLAINTS & PROTESTS. All complaints and protests must (a) State all facts and arguments on which the complaining or protesting bidder is relying as the basis for its action; and (b) Include any relevant documentation or other supporting evidence.

#### 5.5. GENERAL STANDARDS FOR INDEPENDENCE AND IMPAIRMENTS (REFERENCE GAO-12-331G)

All properly submitted proposals will be screened for GAO Government Auditing Standards 2018 or latest ([GAO-21-368G, Government Auditing Standards: 2018 Revision Technical Update April 2021](#)) General Standards for Independence. GAO Government Auditing Standards **Chapter 3 - Ethics, Independence, and Professional Judgement** defines independence as:

“In all matters relating to the GAGAS engagement, auditors and auditor organizations must be independent from an audited entity.” Independence comprises:

**Independence of Mind:** The state of mind that permits the conduct of an engagement without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.

**Independence in Appearance:** The absence of circumstances that would cause a reasonable and informed third party to reasonably conclude that the integrity, objectivity, or professional skepticism of an audit organization or member of the engagement team had been compromised.

As part of their response to solicitations, proposers will be required to identify nonaudit services (see chapter 3 of [GAO-21-368G, Government Auditing Standards: 2018 Revision Technical Update April 2021](#)) let and/or performed within the last four years on behalf of all in-scope audited Washington state or local governments (defined in Government Auditing Standards). Proposers will include a list as part of **Exhibit A-1, Bidder Certification**. This includes any subcontractors that may be employed by the proposer in performance of the contract. If no such services were performed for the audit entity, proposers will so indicate in **Exhibit A-1, Bidder Certification**. Failure of proposers to so identify non-audit services performed on behalf of the audited WA state or local governments as specified in this section will be deemed nonresponsive and their bids will be rejected. If the State Auditor’s Office learns of such non-audit services subsequent to awarding the contract, and those non-audit services were not disclosed to the State Auditor’s Office by the proposer, the State Auditor’s Office may choose not to pay the proposer for work performed under the contract.

#### 5.6. HOW TO CONTACT SAO.

- a. TO SUBMIT A COMPLAINT. Send an email message to the Procurement Coordinator listed in this Competitive Solicitation (see Section 1.2, above). The email message must include “Complaint” in the subject line of the email message.
- b. TO REQUEST A DEBRIEF CONFERENCE. Send an email message to the Procurement Coordinator listed in this Competitive Solicitation (see Section 1.2, above). The email message must include “Debrief” in the subject line of the email message.

- c. TO SUBMIT A PROTEST. Send an email message to the Protest Officer at the following email address: Janel.Roper@SAO.wa.gov. The email message must include “Protest” and the Solicitation number in the subject line of the email message.

## SECTION 6 – DOING BUSINESS WITH THE STATE OF WASHINGTON

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This section provides additional information regarding Washington’s Public Records Act and doing business with the State of Washington, including SAO’s efforts to enable Washington’s small, diverse, and veteran-owned businesses to compete for and participate in state procurements for goods/services.

### 6.1. WASHINGTON’S PUBLIC RECORDS ACT – PUBLIC RECORDS DISCLOSURE REQUESTS.

- All documents (written and electronic) submitted to SAO as part of this procurement are public records. Unless statutorily exempt from disclosure, such records are subject to disclosure *if* requested. See [RCW 42.56](#), Public Records Act. SAO strongly discourages bidders from unnecessarily submitting sensitive information (e.g., information that bidder might categorize as ‘confidential,’ ‘proprietary,’ ‘sensitive,’ ‘trade secret,’ etc.).
  - If, in bidder’s judgment, Washington’s Public Records Act provides an applicable statutory exemption from disclosure for certain portions of bidder’s bid, please mark the precise portion(s) of the relevant page(s) of the bid that bidder believes are statutorily exempt from disclosure and identify the precise statutory basis for exemption from disclosure.
  - In addition, if, in bidder’s judgment, certain portions of bidder’s bid are not statutorily exempt from disclosure but are sensitive because these particular portions of bidder’s bid (NOT including pricing) include highly confidential, proprietary, or trade secret information (or the equivalent) that bidder protects through the regular use of confidentiality or similar agreements and routine enforcements through court enforcement actions, please mark the precise portion(s) of the relevant page(s) of bidder’s bid that include such sensitive information.
- In the event that SAO receives a public records disclosure request pertaining to information that bidder has submitted and marked either as (a) statutorily exempt from disclosure; or (b) sensitive, SAO, prior to disclosure, will do the following:
  - SAO’s Public Records Officer will review any records marked by bidder as statutorily exempt from disclosure. In those situations, where the designation comports with the stated statutory exemption from disclosure, SAO will redact or withhold the document(s) as appropriate.
  - For documents marked ‘sensitive’ or for documents where SAO either determines that no statutory exemption to disclosure applies or is unable to determine whether the stated statutory exemption to disclosure properly applies, SAO will notify bidder, at the address provided in the bid submittal, of the public records disclosure request and identify the date that SAO intends to release the document(s) (including documents marked ‘sensitive’ or exempt from disclosure) to the requester unless the bidder, at bidder’s sole expense, timely obtains a court order enjoining SAO from such disclosure. In the event bidder fails to timely file a motion for a court order enjoining such disclosure, SAO will

release the requested document(s) on the date specified. Bidder's failure properly to identify exempted or sensitive information and timely respond after notice of request for public disclosure has been given shall be deemed a waiver by bidder of any claim that such materials are exempt or protected from disclosure.

6.2. **SMALL & DIVERSE BUSINESSES.** SAO, in accordance with Washington law, encourages small and diverse businesses to compete for and participate in state procurements as contractors and as subcontractors to awarded bidders. See, e.g., [RCW 39.19](#) (OMWBE certified businesses); [RCW 43.60A.200](#) (WDVA certified veteran-owned businesses); and [RCW 39.26.005](#) (Washington small businesses). In support of the state's economic goals and to support a diverse supplier pool, Achievement of these goals is encouraged whether directly or through subcontractors.

- **OMWBE CERTIFICATION.** Bidders may contact the Washington State [Office of Minority and Women's Business Enterprises](#) (OMWBE) regarding information on Minority-Owned and Women-Owned certified firms, state and federal certification programs, or to become certified. OMWBE can be reached by telephone, 866-208-1064, or through their website at [OMWBE](#). OMWBE-Certified firms may provide their certification information on ***Exhibit A-2 – Bidder's Profile***.
- **WDVA CERTIFICATION.** Bidders may contact the [Washington State Department of Veterans' Affairs](#) (WDVA) for information regarding Certified Veteran-Owned businesses or to become a Certified Veteran-Owned Business. The WDVA can be reached by telephone, (360) 725-2169, or through their website at [WDVA](#). The qualification requirements to be a Certified Veteran-Owned Business are set forth in ***Exhibit A-1 – Bidder's Certification***.
- **WASHINGTON SMALL BUSINESSES.** Bidders may contact SAO about small and diverse business inclusion and qualification as a Washington Small Business. If you qualify as a Washington Small Business, identify yourself as such in WEBS. Call WEBS Customer Service at 360-902-7400. The qualification requirements to self-certify as a Washington Small Business are set forth in ***Exhibit A-1 – Bidder's Certification***.

6.3. **WEBS REGISTRATION.** Individuals and firms interested in state contracting opportunities with SAO or any state agency should register for competitive solicitation notices at the Washington Electronic Business Solution (WEBS) [WEBS Registration](#). Note: There is no cost to register on WEBS. In WEBS, the RFQQ can be located under the following commodity codes:

918-28 Computer Hardware Consulting  
918-29 Computer Software Consulting  
918-30 Computer Network Consulting  
918-71 IT consulting  
918-93 Security/Safety Consulting  
920-65 System Requirements Quality Assurance Review

## INCLUDED EXHIBITS

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### EXHIBIT A-1 – BIDDER’S CERTIFICATION

*See attached Exhibit A-1 – Bidder’s Certification.*

Note: As set forth above, Bidder must complete, sign, and return the Bidder’s Certification to SAO.

### EXHIBIT A2 – BIDDER’S PROFILE

*See attached Exhibit A-2 – Bidder’s Profile.*

Note: As set forth above, Bidder must complete and return the Bidder’s Profile to SAO.

### EXHIBIT B – PERFORMANCE REQUIREMENTS

*See attached Exhibit B – Performance Requirements.*

Note: As set forth above, Bidder must complete and return *Exhibit B – Performance Requirements* to SAO.

### EXHIBIT C – QUOTATIONS

*See attached Exhibit C – Quotations.*

Note: As set forth above, Bidder must complete and return *Exhibit C – Quotations* to SAO.

### EXHIBIT D – QUALIFICATIONS

*See attached Exhibit D – Qualifications.*

Note: As set forth above, Bidder must complete and return *Exhibit D – Qualifications* to SAO.

### EXHIBIT E – CONTRACT

*See attached Exhibit E – Contract for Competitive Solicitation No. K689-RFQQ-2301 – Security Assessment Services.*

### EXHIBIT E-1 – BIDDER’S CONTRACT ISSUES LIST (IF APPLICABLE)

*See attached Exhibit D-1 – Bidder’s Contract Issues List.*

Note: As set forth above, Bidder must complete and return *Exhibit E-1 – Bidder’s Contract Issues List* to SAO if bidder has any issues with the Contract set forth as *Exhibit E – Contract*.

### EXHIBIT F – NONDISCLOSURE FORM

*See attached Exhibit F – Confidentiality and Nondisclosure Form*

Note: As set forth above, Bidder must complete and return *Exhibit F – Confidentiality and Nondisclosure Form* to SAO.

EXHIBIT G – SECURITY QUESTIONNAIRE

*See attached Exhibit G – Security Questionnaire*

Note: As set forth above, Bidder must complete and return *E Exhibit G – Security Questionnaire* to SAO.



**EXHIBIT A-1 – BIDDER’S CERTIFICATION**

Competitive Solicitation:	No. <b>K689-RFQQ-2303</b>		
Bidder:	Type/print full legal name of Bidder		
Bidder’s Address:	Type/print Bidder’s Address		
Bidder Organization Type: Check appropriate box	Corporation:	<input type="checkbox"/> Domestic	<input type="checkbox"/> Foreign
	Limited Liability Company (LLC):	<input type="checkbox"/> Domestic	<input type="checkbox"/> Foreign
	Partnership:	<input type="checkbox"/> Domestic	<input type="checkbox"/> Foreign
	Sole Proprietorship:	<input type="checkbox"/>	
<p><i>* Note: A sole proprietorship is an unincorporated business owned and run by an individual with no distinction between the business and the owner. It is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts and who pays personal income taxes on profits earned from the business. If you are a bidder who operates a business on your own, you automatically are a sole proprietor unless you have adopted a business structure (e.g., corporation, LLC, partnership).</i></p>			
State of Formation for Corp./LLC/Partnership:	Type/print the state where the corporation, LLC, or partnership is formed – e.g., ‘Washington’ if domestic and the name of the state if ‘Foreign’ (i.e., not Washington)		
Organization’s startup date			
Doing Business Under Another Name: Check appropriate box	<p>State whether Bidder has been doing business under another name during the past five years:</p> <p><input type="checkbox"/> Bidder has NOT done business under another name      <input type="checkbox"/> Bidder HAS done business under another name</p> <p>If Bidder HAS done business under another name, provide the name(s) and addresses:</p> <p>Name: _____</p> <p>Address: _____</p>		

Bidder, through the duly authorized undersigned, makes this certification as a required element of submitting a responsive bid. Bidder certifies, to the best of its knowledge and belief, that the following are true, complete, correct, and made in good faith:

1. **UNDERSTANDING.** Bidder certifies that Bidder has read, thoroughly examined, and fully understands all of the provisions in the Competitive Solicitation (including all exhibits) and the terms and conditions of the Contract and any amendments or clarifications to the Competitive Solicitation, and agrees to abide by the same.
2. **ACCURACY.** Bidder certifies that Bidder has carefully prepared and reviewed its bid and fully supports the accuracy of the same. Bidder further understands and acknowledges that SAO shall not be responsible for any errors or omission on the part of Bidder in preparing its bid. Bidder certifies that the facts declared here are true and accurate. Bidder further understands and acknowledges that the continuing compliance with these statements and all requirements of the Competitive Solicitation are conditions precedent to the award or continuation of the resulting Contract.
3. **NO COLLUSION OR ANTI-COMPETITIVE PRACTICES.** Bidder certifies that Bidder has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this Competitive Solicitation. Bidder certifies that Bidder's bid prices have been arrived at independently, without engaging in collusion, bid rigging, or any other illegal activity, and without for the purpose of restricting competition any consultation, communication, or agreement with any other bidder or competitor relating to (a) those prices, (b) the intention to submit a bid, or (c) the methods or factors used to calculate the prices offered. Bidder certifies that Bidder has not been and will not knowingly disclose its bid prices, directly or indirectly, to any other bidder or competitor before award of a Contract, unless otherwise required by law. Bidder certifies that Bidder has made no attempt and shall not make any attempt to induce any other person or firm to submit or not to submit a bid for the purpose of restricting competition. Bidder, however, freely may join with other persons or organizations for the purpose of presenting a bid.
4. **FIRM OFFER.** Bidder certifies that its bid, attached hereto, is a firm offer which cannot be withdrawn for a period of sixty (60) days from and after the bid due date specified in the Competitive Solicitation. SAO may accept such bid, with or without further negotiation, at any time within such period. In the event of a protest, Bidder's bid shall remain valid for such period or until the protest and any related court action is resolved, whichever is later.
5. **CONFLICT OF INTEREST.** Bidder certifies that, in preparing this bid, Bidder has not been assisted by any current or former employee of the State of Washington whose duties relate (or did relate) to this Competitive Solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this bid.
6. **NO REIMBURSEMENT.** Bidder certifies that Bidder understands that the State of Washington will not reimburse Bidder for any costs incurred in the preparation of this bid. All bids become the property of the State of Washington, and Bidder claims no proprietary right to the ideas, writings, items, or samples unless so stated in the bid.
7. **PERFORMANCE.** Bidder certifies that Bidder understands that its submittal of a bid and execution of this Bidder's Certification certifies Bidder's willingness to comply with the Contract, if awarded



such. By submitting this bid, Bidder hereby offers to furnish the goods and/or services solicited pursuant to this Competitive Solicitation in compliance with all terms, conditions, and performance requirements contained in this Competitive Solicitation and the resulting Contract or, if applicable, as detailed on a Contract Issues List, if permitted, in this Competitive Solicitation.

8. INSURANCE. Bidder certifies as follows (*must check one*):

- BIDDER HAS REQUIRED INSURANCE.* Bidder has attached a current, valid Certificate of Insurance for each and all of the required insurance coverages as specified in the Contract (note: Bidder must attach the Insurance Certificate).

OR

- BIDDER WILL OBTAIN REQUIRED INSURANCE.* Bidder does not have a current, valid Certificate of Insurance for each and all of the required insurance coverages as specified in the Contract but, if designated as the Apparent Successful Bidder, Bidder will provide such a Certificate of Insurance, without exception of any kind, to SAO within fifteen (15) days of such designation or notification by SAO or be deemed a nonresponsive bid.

OR

- BIDDER DOES NOT HAVE REQUIRED INSURANCE.* As detailed on the attached explanation (Bidder to provide), Bidder does not have a current, valid Certificate of Insurance for each and all of the required insurance coverages as specified in the Contract and, if designated as the Apparent Successful Bidder would not be able to provide such a Certificate of Insurance to SAO within fifteen (15) days of such designation.

9. DEBARMENT. Bidder certifies as follows (*must check one*):

- NO DEBARMENT.* Bidder and/or its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from contracting with any federal, state, or local governmental entity.

OR

- DEBARRED.* As detailed on the attached explanation (Bidder to provide), Bidder and/or its principals presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from contracting with a federal, state, or local governmental entity.

10. CRIMINAL OFFENSE. Bidder certifies as follows (*must check one*):

- NO CRIMINAL OFFENSE.* Bidder and its officers, directors, and managers have not, within the three (3) year period preceding the date of this Competitive Solicitation, been convicted or had a civil judgment rendered against Bidder or such officers, directors, and managers for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a governmental contract; violation of any federal or state antitrust statute; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property. Bidder further certifies that Bidder and its officers, directors, and managers are not presently indicted or otherwise criminally or civilly charged by a governmental entity with commission of any of the offenses enumerated in this paragraph.

OR

- CRIMINAL OFFENSE.* As detailed on the attached explanation (Bidder to provide), within the three (3) year period preceding the date of this Competitive Solicitation, Bidder or its officers, directors, or managers have been convicted or had a civil judgment rendered against Bidder or such officers, directors, or managers for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a governmental contract; violation of any federal or state antitrust statute; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

11. WAGE THEFT PREVENTION. Bidder certifies as follows (*must check one*):

- NO WAGE VIOLATIONS.* Bidder has NOT been determined by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in [RCW 49.48.082](#), any provision of [RCW 49.46](#), [RCW 49.48](#), or [RCW 49.52](#) within three (3) years prior to the date of the above-referenced Competitive Solicitation date.

OR

- VIOLATIONS OF WAGE LAWS.* Bidder has been determined by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in [RCW 49.48.082](#), a provision of [RCW 49.46](#), [RCW 49.48](#), or [RCW 49.52](#) within three (3) years prior to the date of the above-referenced Competitive Solicitation date.

12. CIVIL RIGHTS. Bidder certifies as follows (*must check one*):

- COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS.* Bidder complies with all applicable requirements regarding civil rights. Such requirements prohibit discrimination against individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

OR

- NON-COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS.* Bidder does not comply with all applicable requirements regarding civil rights.

13. WORKERS' RIGHTS ([EXECUTIVE ORDER 18-03](#)). Bidder certifies as follows (*must check one*):

- NO MANDATORY INDIVIDUAL ARBITRATION CLAUSES AND CLASS OR COLLECTIVE ACTION WAIVERS FOR EMPLOYEES.* Bidder does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

OR

- MANDATORY INDIVIDUAL ARBITRATION CLAUSES AND CLASS OR COLLECTIVE ACTION WAIVERS FOR EMPLOYEES.* Bidder requires its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

14. TERMINATION FOR DEFAULT OR CAUSE. Bidder certifies as follows (*must check one*):

- NO TERMINATION FOR DEFAULT OR CAUSE.* Bidder has not, within the three (3) year period

preceding the date of this Competitive Solicitation, had one (1) or more federal, state, or local governmental contracts terminated for cause or default.

OR

- TERMINATION FOR DEFAULT OR CAUSE.* As detailed on the attached explanation (Bidder to provide), within the three (3) year period preceding the date of this Competitive Solicitation, Bidder has had one (1) or more federal, state, or local governmental contracts terminated for cause or default.

15. TAXES. Bidder certifies as follows (*must check one*):

- TAXES PAID.* Except as validly contested, Bidder is not delinquent and has paid or has arranged for payment of all taxes due to the State of Washington and has filed all required returns and reports as applicable.

OR

- DELINQUENT TAXES.* As detailed on the attached explanation (Bidder to provide), Bidder has not paid or arranged for payment of all taxes due to the State of Washington and/or has not timely filed all required returns and reports as applicable.

16. FINANCIALLY SOLVENT. Bidder certifies as follows (*must check one*):

- FINANCIALLY SOLVENT.* Bidder is financially stable and solvent, has adequate cash reserves to meet all financial obligations, has not commenced bankruptcy proceedings voluntarily or otherwise, and is not subject to any judgments, liens, or encumbrances of any kind affecting title to any Goods or Services that are the subject of this Competitive Solicitation.

OR

- NOT FINANCIALLY SOLVENT.* As detailed on the attached explanation (Bidder to provide), Bidder is not financially stable and solvent – i.e., Bidder does not have adequate cash reserves to meet all financial obligations, has commenced bankruptcy proceedings voluntarily or otherwise, or is subject to a judgment, lien, or encumbrance that affects title to the Goods or Services that are the subject of this Competitive Solicitation.

17. LAWFUL REGISTRATION. Bidder, if conducting business other than as a sole proprietorship certifies as follows (*must check one*):

- CURRENT LAWFUL REGISTRATION.* Bidder is in good standing in the State of Washington and the jurisdiction where Bidder is organized, including having timely filed all required annual reports.

OR

- DELINQUENT REGISTRATION.* As detailed on the attached explanation (Bidder to provide), Bidder currently is not in good standing in the State of Washington and/or the jurisdiction where Bidder is organized.

*NOTE:* This certification applies only to bidders that are organized as separate legal entities (e.g., a corporation, partnership, limited liability company). If bidder is a sole proprietor, this certification should not be answered.

18. REGISTRATION WITH WASHINGTON SECRETARY OF STATE. Bidder, is conducting business other than as a sole proprietorship, certifies as follows (*must check one*):

- BIDDER IS REGISTERED WITH WASHINGTON SECRETARY OF STATE.* Bidder is registered with the Washington Secretary of State, is in good standing, and has the following Unified Business Identifier (UBI) number: \_\_\_\_ \_\_\_\_ \_\_\_\_.

OR

- BIDDER WILL REGISTER WITH WASHINGTON SECRETARY OF STATE.* Bidder is not registered with the Washington Secretary of State but, if designated as the Apparent Successful Bidder, Bidder will register with the Washington Secretary of State and obtain a UBI number within twenty-four (24) hours of such designation or notification by SAO or be deemed a nonresponsive bid.

OR

- BIDDER IS NOT REGISTERED WITH WASHINGTON SECRETARY OF STATE.* Bidder is not registered with the Washington Secretary of State and Bidder declines to register with the Washington Secretary of State. *Note:* SAO requires all awarded bidders (including Washington firms and out of state firms) to be registered with the Washington Secretary of State. Bidders who are not registered will not be awarded a Contract.

*NOTE:* This certification applies only to bidders that are organized as separate legal entities (e.g., a corporation, partnership, limited liability company). If bidder is a sole proprietor, this certification should not be answered.

19. REGISTRATION WITH WASHINGTON STATE DEPARTMENT OF REVENUE. Bidder certifies as follows (*must check one*):

- BIDDER IS REGISTERED WITH WASHINGTON STATE DEPARTMENT OF REVENUE.* Bidder is registered with the Washington State Department of Revenue, has a business license to do business in Washington, and has the following Unified Business Identifier (UBI) number: \_\_\_\_ \_\_\_\_ \_\_\_\_.

OR

- BIDDER WILL REGISTER WITH WASHINGTON STATE DEPARTMENT OF REVENUE.* Bidder is not registered with the Washington State Department of Revenue but, if designated as the Apparent Successful Bidder, Bidder will register with the Washington State Department of Revenue and obtain a business license within twenty-four (24) hours of such designation or notification by SAO or be deemed a nonresponsive bid.

OR

- BIDDER IS NOT REGISTERED WITH WASHINGTON STATE DEPARTMENT OF REVENUE.* Bidder is not registered with the Washington State Department of Revenue and Bidder declines to register with the Washington State Department of Revenue. *Note:* SAO requires all awarded bidders (including Washington firms and out of state firms) to be registered with the Washington State Department of Revenue. Bidders who are not registered will not be awarded a Contract.

20. SUBCONTRACTORS. Bidder certifies as follows (*must check one*):

- NO SUBCONTRACTORS.* If awarded a Contract, Bidder will not utilize subcontractors to provide the goods and/or services subject to this Competitive Solicitation.

OR

- SUBCONTRACTORS.* As detailed on the attached explanation (A-2 Bidder Profile), if awarded a Contract, Bidder will utilize subcontractors to provide the goods and/or

services subject to this Competitive Solicitation. In such event, Bidder certifies that, as to SAO, Bidder shall retain responsibility for its subcontractors, including, without limitation, liability for any subcontractor's acts or omissions. Note: Bidder must provide the precise legal name (including state of organization), business address, and federal tax identification number (TIN) for each subcontractor. Note: Do not provide any SSN.

21. WASHINGTON SMALL BUSINESS. Bidder certifies as follows (*must check one*):

- WASHINGTON SMALL BUSINESS.* Bidder is a Washington Small Business as defined in RCW 39.26.010. To qualify as a Washington Small Business, Bidder must meet three (3) requirements:
  - *Location.* Bidder's principal office/place of business must be located in and identified as being in the State of Washington. A principal office or principal place of business is a firm's headquarters where business decisions are made and the location for the firm's books and records as well as the firm's senior management personnel.
  - *Size.* Bidder must be owned and operated independently from all other businesses and have either: (a) fifty (50) or fewer employees; or (b) gross revenue of less than seven million dollars (\$7,000,000) annually as reported on Bidder's federal income tax return or its return filed with the Washington State Department of Revenue over the previous three consecutive years.
  - *WEBS Certification.* Bidder must have certified its Washington Small Business status in Washington's Electronic Business Solution ([WEBS](#)).

OR

- NOT WASHINGTON SMALL BUSINESS.* Bidder is not a Washington Small Business as defined in RCW 39.26.010.

22. CERTIFIED VETERAN-OWNED BUSINESS. Bidder certifies as follows (*must check one*):

- CERTIFIED VETERAN-OWNED BUSINESS.* Bidder is a Certified Veteran-Owned Business under RCW 43.60A.190. To qualify as a Certified Veteran-Owned Business, Bidder must meet four (4) requirements:
  - *51% Ownership.* Bidder must be at least fifty-one percent (51%) owned and controlled by:
    - (a) A veteran as defined as every person who at the time he or she seeks certification has received a discharge with an honorable characterization or received a discharge for medical reasons with an honorable record, where applicable, and who has served in at least one of the capacities listed in RCW 41.04.007;
    - (b) A person who is in receipt of disability compensation or pension from the department of veterans affairs; or
    - (c) An active or reserve member in any branch of the

armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

- *Washington Incorporation/Location.* Bidder must be either an entity that is incorporated in the state of Washington as a Washington domestic corporation or, if not incorporated, an entity whose principal place of business is located within the State of Washington.
- *WEBS Certification.* Bidder must have certified its Veteran-Owned business status in Washington’s Electronic Business Solution ([WEBS](#)).
- *WDVA Certification.* Bidder must have provided certification documentation to the Washington Department of Veterans’ Affairs (WDVA) and be certified by WDVA and listed as such on WDVA’s website ([WDVA – Veteran-Owned Businesses](#)).

OR

- NOT A CERTIFIED VETERAN-OWNED BUSINESS.* Bidder is not a Certified Veteran-Owned Business under RCW 43.60A.190.

23. SOFTWARE, EQUIPMENT, PERSONNEL, & SUPPLIES. Bidder certifies as follows (must check one):

- HAS SOFTWARE, EQUIPMENT, PERSONNEL, & SUPPLIES.* Bidder currently possess all necessary software, equipment, qualified personnel, and supplies to provide the services as defined in the solicitation.

OR

- WILL OBTAIN SOFTWARE, EQUIPMENT, PERSONNEL, & SUPPLIES.* Bidder does not currently possess all necessary software, equipment, qualified personnel, and supplies to provide the services as defined in the solicitation, but, if designated as the Apparent Successful Bidder, Bidder will provide evidence satisfactory to SAO that it has obtained and possess all necessary software, equipment, qualified personnel, and supplies to provide the services as defined in the solicitation, without exception of any kind, to SAO within twenty-four (24) hours of such designation or notification by SAO or be deemed a nonresponsive bid.

OR

- DOES NOT HAVE SOFTWARE, EQUIPMENT, PERSONNEL, & SUPPLIES.* Bidder currently does not possess all necessary software, equipment, qualified personnel, and supplies to provide the services as defined in the solicitation.

24. REFERENCES. Bidder certifies that the references provided to SAO have worked with Bidder and that such individuals and firms have full permission, without any additional requirement or release, to provide such references and information to SAO. Bidder hereby authorizes SAO (or its agent) to contact Bidder’s references and others who may have pertinent information regarding Bidder’s prior experience and ability to perform the Contract, if awarded. Bidder hereby authorizes such individuals and firms to provide such references and release to SAO information pertaining to the same.

25. ETHICS. The proposer must be aware of and comply with the Washington State Ethics in Public Service laws and rules. Refer to Chapter 42.52 Revised Code of Washington and Chapter 292 Washington Administrative Code, The proposer must be aware of and comply with the

Washington State Ethics in Public Service laws and rules. Refer to Chapter 42.52 Revised Code of Washington and Chapter 292 Washington Administrative Code, [RCW 42.52](#) and [WAC 292](#).

26. NON-AUDIT SERVICES. Bidder certifies that non-audit services have not been performed on behalf of state agencies or local governments in Washington State see [GAO-21-368G, Government Auditing Standards: 2018 Revision Technical Update April 2021](#) at any time during the previous **four years** by our firm or by any individual relative to this proposal.

Or

Bidder is disclosing that non-audit services have been performed during the previous **four years** by our firm on behalf of state agencies or local governments in Washington State. The Bidder understands that additional assurances will be required related to the nature of the non-audit services provided to state agencies or local governments selected for inclusion in the audit to certify that I/we meet Government Auditing Standards 2018, General Standards for Independence.

Date	Audited Entity	Describe non-audit services provided	Audited entity contact

27. The contractor warrants that all persons performing work under this contract and any subcontracts are free from personal and external impairments to independence.
28. The project staff and subcontractors identified in Exhibit D - Qualifications will be assigned for the duration of the project. We agree that no substitutions or deletions of project personnel will occur without first requesting and the receiving approval, in writing, from the State Auditor’s Office
29. Bidder identifies the following firm principals as participants in the Washington State 2008 Early Retirement Factor Program...

**PARTICIPANTS**


Bidder further certifies that it shall provide immediate written notice to SAO if, at any time prior to a contract award, Bidder learns that any of its certifications set forth herein were erroneous when submitted or has become erroneous by reason of changed circumstances.

I hereby certify, under penalty of perjury under the laws of the State of Washington, that the certifications herein are true and correct and that I am duly authorized to make these certifications on behalf of the Bidder listed herein.

**BIDDER NAME:**

Print Name of Bidder – Print full legal entity name of the firm submitting the Bid

If Bidder is a sole proprietor, print the full legal name of the individual who is the Bidder submitting the Bid

**By:**

Signature of Bidder’s authorized person

Print Name of person making certifications for Bidder

**Title:**

Title of person signing certificate

**Place:**

Print city and state where signed

**Date:**





**EXHIBIT A-2 – BIDDER’S PROFILE**

Competitive Solicitation:	No. <b><u>K689-RFQQ-2303</u></b>
Bidder:	Type/print full legal name of Bidder

<b>BIDDER INFORMATION</b>	
Legal name of Bidder: Address of Bidder: <i>Note: This must match information from Bidder’s Washington Business License.</i>	Business Name  Address  City, State, Zip Code
Organization Summary: The proposer must provide a summary of the organization/firm/individual’s pertinent expertise, skills, client base and services that are available for this project	
Bidder’s Washington State Department of Revenue Registration Number/Unified Business Identifier (UBI) Number: <i>Note: A nine digit UBI number is assigned to each registered businesses in Washington.</i>	
Taxpayer Identification No. (TIN): <i>Note: Your TIN will be either a number issued by the IRS (e.g., Employer Identification Number, Federal Tax Identification Number) or a number issued by the Social Security Administration (i.e., your Social Security Number). If your TIN is a SSN, state that fact, but do NOT provide the SSN.</i>	
Is your firm certified as a minority or woman owned business with the Washington State Office	Yes <input type="checkbox"/> No <input type="checkbox"/>

BIDDER INFORMATION	
of Minority & Women’s Business Enterprises (OMWBE)?	If yes, provide Bidder’s MWBE certification no.:
<p>Is your firm a self-certified Washington Small Business?</p> <p><i>Note: See Exhibit A-1 – Bidder’s Certification for criteria to qualify as a Washington Small Business</i></p> <p><i>Note: Regardless of size, a qualifying business must be owned and operated independently from all other businesses. In regard to size, the gross revenue thresholds, as reported on Bidder’s tax returns, are as follows:</i></p> <ul style="list-style-type: none"> <li>▪ Microbusiness: Annual gross revenue of less than one million dollars.</li> <li>▪ Minibusiness: Annual gross revenue of more than one million dollars, but less than three million dollars.</li> <li>▪ Small Business: Annual gross revenue of less than seven million dollars over each of the three prior consecutive years.</li> </ul>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, provide the location for Bidder’s principal place of business:</p> <p>If yes, what is your business size (based on annual gross revenue)?</p> <p>Microbusiness <input type="checkbox"/></p> <p>Minibusiness <input type="checkbox"/></p> <p>Small Business <input type="checkbox"/></p>
<p>Is your firm certified as a Veteran-Owned Business with the Washington State Department of Veteran Affairs?</p> <p><i>Note: See Exhibit A-1 – Bidder’s Certification for criteria to qualify as a Certified Veteran-Owned Business.</i></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, provide Bidder’s WDVA certification no. _____.</p>

CONTRACT MANAGEMENT POINTS OF CONTACT	
<p>Authorized Representative</p> <p>Name: _____</p> <p>Email: _____</p> <p>Phone: _____</p>	<p>Contract Administrator</p> <p>Name: _____</p> <p>Email: _____</p> <p>Phone: _____</p>
PRIMARY CONTACT	
<p>Name: _____</p> <p>Title: _____</p> <p>Email: _____</p> <p>Phone: _____</p>	

FORMER EMPLOYEE STATUS	
<p>If any employee of the proposer was an employee of the State of Washington or a Washington local government during the past 24 months, or is now an employee of the State of Washington or Washington local government, identify the individual by name, state agency or local government previously or currently employed by, job title or position held and separation date.</p>	<p>Name: _____  Agency/Local Gov't: _____  Title: _____  Separation Date: _____</p>

Complete if using sub-contractors as indicated in Exhibit A-1

SUB CONTRACTOR				
Legal Name and TIN#	Address	Phone and E-mail	Services/Role	OMWBE/Small/Veteran Owned

**REFERENCES**

Provide a minimum of three (3) commercial or government references for which bidder has delivered goods and/or services similar in scope as described in the Competitive Solicitation.

<b>REFERENCE 1</b>	
Company Name:	_____
Contact:	_____
Phone:	_____
Email:	_____
Type of Services Performed:	_____
<b>REFERENCE 2</b>	
Company Name:	_____
Contact:	_____
Phone:	_____
Email:	_____
Type of Services Performed:	_____
<b>REFERENCE 3</b>	
Company Name:	_____
Contact:	_____
Phone:	_____
Email:	_____
Type of Services Performed:	_____



**EXHIBIT B – PERFORMANCE REQUIREMENTS**

Competitive Solicitation:	No. <b>K689-RFQQ-2303</b>
Bidder:	_____ Type/print full legal name of bidder company

The following minimum qualifications are intended to ensure the proposer has adequate experience and expertise. If the consultant uses subcontractors, each subcontractor will be required to meet the same data security and background check requirements and sign the same nondisclosure agreement in EXHIBIT F as the primary consultant.

**Instructions:**

Bidders submitting a proposal must complete and submit an Exhibit B for evaluation purposes.

**Performance Requirements:** Bidder must respond to each requirement as noted in the instructions below.

1. Review all requirements, priorities and provided definitions:
  - Mandatory Pass/Fail (M): Minimum requirement; Bidder that does not meet this requirement will not be considered any further.
  - Mandatory Scored (MS): Critical requirement; evaluators will score based on the degree to which Bidder's response meets the requirement.
  - Desirable Scored (DS): Desirable requirement; evaluators will score based on the degree to which Bidder's response meets the requirement.
2. Using the **Bidder Meets Requirement** column, Bidder must select either a "Yes" or "No" to indicate the Bidder's ability to meet the requirement. **Any entry that is not either a "Yes" or "No", may be deemed non-responsive and will not be considered any further.**

PERFORMANCE REQUIREMENTS AND FACTORS				
REQ ID	Performance Requirement and Stated Business Need	Points Available	Priority	Bidder's Compliance
1.	Proposers and the supervising proposed staff must possess at least five years of experience in providing the proposed penetration testing consulting services on a scale similar to a carrier class network.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	Experience with large and small organizations in both government and private industries.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.	<p>The proposer must demonstrate that their staff collectively possess recent experience conducting all the IT security assessment services described below:</p> <ul style="list-style-type: none"> <li>i. Vulnerability Assessments: Demonstrated experience in vulnerability assessments that include web applications, thick client applications, mainframes, operational technology, network, and source code. In addition to experience, qualifications could include at least one or more of the following certifications: certifications from Global Information Assurance Certification (GIAC) including GPEN Penetration Tester Certification, Web application Penetration Tester (GWAPT), Offensive Security Certified Professional (OSCP), Certified Ethical Hacker (CEH) or equivalent certifications as determined by SAO.</li> <li>ii. Wireless: Demonstrated experience in auditing and assessing wireless networks. In addition to experience, qualifications could include GIAC Assessing and Auditing Wireless Networks (GAWN) or equivalent certifications as determined by SAO.</li> <li>iii. Penetration testing experience with web applications, thick client applications, mainframes, network, source code, Industrial Control Systems (ICS), Medical equipment, Supervisory Control and Data Acquisition (SCADA) and other Operational Technology (OT) that resides within local government and medical facilities, including exploitation of discovered vulnerabilities in test environments or non-invasive/passive testing in production environments containing highly sensitive information or mission critical systems requiring high availability. In addition to experience, qualifications could include: certifications from Global Information Assurance Certification (GIAC) including GPEN Penetration Tester Certification, Web application Penetration Tester (GWAPT), Offensive Security Certified Professional (OSCP), Exploit Researcher and Advanced Penetration Tester (GXPN) or equivalent certifications as determined by SAO.</li> <li>iv. Expert-level knowledge and experience reviewing and providing recommendations to improve security over complex network design and architecture.</li> </ul>	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No

PERFORMANCE REQUIREMENTS AND FACTORS				
REQ ID	Performance Requirement and Stated Business Need	Points Available	Priority	Bidder's Compliance
4.	Ability and capacity to deliver services proposed.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.	Skills to communicate clearly and effectively both orally and in writing.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No
6.	Skills to communicate effectively to a highly technical and non-technical audience, to include executives.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No
7.	Contractor shall certify no contractor employee providing services to the state shall have been convicted of (a) a felony; or (b) a misdemeanor involving violence, sexual misconduct, or dishonesty. For each contractor employee (U.S. Citizen and Non U.S. Citizen) Contractor shall: Prior to the start date of any consultant employee hired in a "temporary to regular" status capacity, complete a Washington state criminal background check and a criminal background check covering all states of residence for: (a) ten year period or (b) for so long as the state records are available.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.	All services provided pursuant to this contract shall only be conducted within the United States. No data or confidential information shall be transmitted outside of the United States.	Pass/Fail	M	<input type="checkbox"/> Yes <input type="checkbox"/> No



Competitive Solicitation No: **K689-RFQQ-2303**  
**EXHIBIT C – QUOTATIONS**

**BIDDER:** \_\_\_\_\_

The size and complexity of each selected state agency and/or local government will vary. The evaluation process is designed to award a contract to the Consultant(s) whose proposal best meets the requirements of this RFQQ.

**Instructions:**

The State Auditor’s Office requires two price quotes and a sample proposal for a State Agency for this RFQQ.

1. Proposers must provide a single, not-to-exceed, “blended hourly rate” price quote for the contract term. Proposers shall be bound by the hourly rate they quote in this RFQQ. The rates quoted will be considered “not-to- exceed” rates. The blended hourly rate should include travel and any other anticipated expenses. Note: Travel is anticipated to be limited and will need to be pre-approved.
2. Because the specific state agencies and/or local governments are not identified, bidders are instructed to provide a bid (price quote) for the sample state agency listed below as well.
  - Proposers must consider the following when completing the Price Proposal: Overtime rates are not allowed.
  - Quote all-inclusive rates in United States dollars to include travel and all expenses to accommodate working with State Auditor’s Office. Consultants are required to collect and pay Washington State taxes as applicable.

**Columns left blank may be deemed nonresponsive and will not continue further in the process.**

	Blended Hourly Rate
Security Assessment Services	\$ -

	Sample State Agency Cost
Security Assessment Services	\$ -



3. The Proposal must contain a comprehensive description of services including the following elements:

**Project Approach/Methodology (MR)** – Include a description of the proposed approach and methodology for completing the testing, performing the analysis and preparing the report.

**Work Plan (MR)** – Include all project requirements and the proposed tasks, services, activities, etc. necessary to accomplish the testing in the scope of the project defined in this RFQQ. This section of the technical proposal must contain sufficient detail to convey to members of the evaluation team the proposer’s knowledge of the subjects and skills necessary to successfully complete the testing for this project. Include any required involvement of State Auditor’s Office staff.

**Project Schedule (MR)** – Include a project schedule indicating when the testing would be completed and when deliverables, would be provided. Bidders will consider that documentation detailing the testing completed to identify issues, including screen shots as necessary, is required to support the detailed testing results communicated to agencies.

**Deliverables (MR)** – Fully describe content and format of deliverables to be submitted under the proposed contract.

The sample state agency is defined as having 1,000 employees; with structured and unstructured data, servers, workstations, network devices, mobile systems, firewalls, virtual private networks and other systems prevalent in an enterprise environment; has some internal development of web facing functions with reliance on third party vendors for some functions; and has confidential data that includes PII, HIPAA, criminal justice and payment card information. The proposer should provide an estimated number of hours expected to be required to complete all deliverables for this sample state agency audit. All the work will be completed remotely, with the exception of the Industrial Control System, which will be completed on-site.

### **Penetration testing Scope: Internal and External**

#### **1. Internal Penetration testing**

Internal testing is performed on assets and networks owned by the government agency. Internal systems are used to conduct business internal to the organization.

Internal Application Testing:

- (I) Internal Application
  - Web application
  - Test environment
  - Hosted locally
  - Authenticated and unauthenticated
- (I) Internal Application
  - Thick Client
  - Test environment
  - Hosted locally
  - Authenticated and unauthenticated
  - Contains CJIS Data
- (II) Industrial Control System -Regulating water for a community of 20,000 users
  - The SCADA environment consists of a water treatment plant
  - 3 Human Machine Interfaces (HMI); one at each of public works, the treatment plant and maintenance facility.

- There are 15 remote sites with 2 Programmable logic controllers per site connecting back to public works over the internet using site-to-site VPN's.
- (III) Configuration and design review of a Firewall
- Configuration review of the rules on one firewall
  - design review of: 3 subnets, Business network, Guest network
- (IV) Internal Network Penetration Testing: the scope is limited to 500 internal IPs and includes a sample from the following:
- 1,000 Workstations
  - 75 Servers Windows and Linux (Virtual and Physical)
  - 10 Servers Windows and Linux (Cloud Hosted)
  - 50 Multifunction Printers
  - VLANs: management(IT), end user(business), VOIP, SCADA
  - 2 AD Domains

## 2. External Penetration testing

External testing is performed on applications and services owned by the government organization. External applications are those that are accessible by the public or select clientele by way of the internet.

(I) External Website Testing: Government's public website (e.g. GovernmentName.gov)

- Production environment
- Hosted locally
- Unauthenticated

External Application Testing:

(II) External Application 1

- Mobile application (iOS and Android)
- Production environment
- Hosted by vendor
- Authenticated only

(III) External Application 2

- Web Application
- Test environment
- Hosted in the cloud
- Authenticated and unauthenticated

## COMPUTATION

The cost proposal will be scored by multiplying the price weight by the best value ratio. The price weight is defined as the lowest proposed price divided by the vendor's proposed contract price.

The best value ratio is defined as all other scored components (excluding costs) divided by the total possible score for these components. This means that the overall score for the cost proposal will account for the robustness of the proposer's qualifications as well as their proposed price. We will include both the blended hourly rate and the price quote in scoring the cost proposal. The cost proposal will be worth up to 10 percent of the total possible points



Competitive Solicitation No: **K689-RFQQ-2303**  
**EXHIBIT D – QUALIFICATIONS**

**BIDDER:** \_\_\_\_\_

**QUALIFICATIONS SECTION**

The Qualifications Section of the proposal must contain information that will demonstrate to the evaluation committee the Firm/Staff understanding of the types of services proposed, the ability to accomplish them, and the ability to meet tight timeframes. Firm experience will be scored based on the capacity and experience of the firm to perform work similar to the tasks described in this RFQQ. Staffing will be scored on how the proposer staffs the project to perform work similar to the tasks described in this RFQQ, including the number of staff and the mix or make of the team and their various levels of experience. Staffing also includes the proposed staff or managers responsible for project oversight and their level of experience with tasks described in the RFQQ.

Recent experience with both government and private industries is a plus for both firm experience and staffing. Describe Vendor's experience and qualifications (in terms of Firm Experience and Staffing), especially with respect to performing work similar to the tasks described in this RFQQ.

Provide experiences comparable to:

- i. Vulnerability Assessments: Demonstrated experience in vulnerability assessments that include web applications, thick client applications, mainframes, operational technology, network, and source code. In addition to experience, qualifications could include one or more of the following certifications: certifications from Global Information Assurance Certification (GIAC) including GPEN Penetration Tester Certification, Web application Penetration Tester (GWAPT), Offensive Security Certified Professional (OSCP), Certified Ethical Hacker (CEH) or equivalent certifications as determined by SAO.
- ii. Wireless: Demonstrated experience in auditing and assessing wireless networks. In addition to experience, qualifications could include GIAC Assessing and Auditing Wireless Networks (GAWN) or equivalent certifications as determined by SAO.
- iii. Penetration testing experience with web applications, thick client applications, mainframes, network, source code, Industrial Control Systems (ICS), Medical equipment, Supervisory Control and Data Acquisition (SCADA) and other Operational Technology (OT) that resides within local government and medical facilities, including exploitation of discovered vulnerabilities in test environments or non-invasive/passive testing in production environments containing highly sensitive information or mission critical systems requiring high availability. In addition to experience, qualifications could include:

certifications from Global Information Assurance Certification (GIAC) including GPEN Penetration Tester Certification, Web application Penetration Tester (GWAPT), Offensive Security Certified Professional (OSCP), Exploit Researcher and Advanced Penetration Tester (GXPN) or equivalent certifications as determined by SAO.

iv. Expert-level knowledge and experience reviewing and providing recommendations to improve security over complex network design and architecture.

In scoring this section, SAO may favor those Vendors describing experience providing services to state agencies or local governments.

The Vendor must describe at least five (5) representative projects the Vendor has performed for customers during the three (3) years preceding the Proposal due date. Describe completed projects only; projects where the services are in the process of being put in place will not satisfy this requirement. The Vendor and their key team members must have had primary responsibility for the various phases of the projects including analysis, testing, document review, implementation and reporting. The project manager is expected to have past primary responsibility for the various phases of the projects including analysis, testing, document review, implementation and reporting. Do not exceed two (2) pages for each project's description. Each description should include, at a minimum, the project's purpose (i.e., Project Statement), the project's deliverables, the project's duration, and the results.

Scores for this section will be based upon, but not limited to, the degree to which the Vendor demonstrates direct experience with all aspects of performing penetration testing, vulnerability assessments, wireless assessments and providing expert-level knowledge and experience reviewing and providing recommendations to improve security over complex network design and architecture in large, medium and small networked organizations, and broad expertise with this type of work. Importance is given to the specific project role the Vendor has performed, as well as the scope and complexity of the projects in which the Vendor has participated. Both depth and breadth of experience are important.

- Demonstrate skills to communicate clearly, concisely and effectively both verbally and in writing.
- Describe the firm's methods for maintaining staff qualifications.
- Management approach, methodology and implementation strategies for managing and delivering their product.
- Describe their ability and capacity for delivering services proposed.

**QUALIFICATIONS (Optional and separate from section above)**

As a separate part of the response to this section we are interested to hear the consultant's perspective on what risks the potential contractor cannot control in this project.

Additionally, we would like the consultant's perspective on services that would add value to our proposed scope of work, but that we did not request.

**RESUMES**

The proposer must provide resumes for key staff and include information on each individual's specific

skills related to penetration testing, education, experience, certifications, significant accomplishments and responsibilities assumed on other similar projects related to the services proposed. U.S. federal government security clearance is a plus.

### **SAMPLE REPORT**

**Include a Sample report - Note: report should be cleansed of confidential information.**

The proposer must provide one sample report that discusses work, and its related results, in areas similar to those that are referenced in the first set of bulleted items above. This sample report may either be an actual report that the proposer has delivered to a previous client, as long as the contents have been redacted according to any applicable laws, regulations, or agreements with that client, or it may be a mock report that the proposer has generated specifically for their response to this RFQQ.

This sample report will be scored based on how well its components respond to items listed under item "e." under "Report Results" on page 4 of the RFQQ. The report will also be scored based on whether or not its content and suggested remediation steps are clear and actionable.

**EXHIBIT E – SAMPLE CONTRACT FOR PROFESSIONAL SERVICES**



**Office of the Washington State Auditor**

CONTRACT NO. [K###-C-YYMM]

CONTRACT FOR PROFESSIONAL SERVICES  
BETWEEN  
OFFICE OF THE WASHINGTON STATE  
AND  
[VENDOR NAME]

This Contract is made and entered into by and between the Washington STATE AUDITOR’S OFFICE and the below named CONTRACTOR.

[VENDOR NAME]  
[Vendor Street Address]  
[City, ST, Zip]  
[Phone Number]  
[Email or web address]

## **1. PURPOSE**

The purpose of this contract is to conduct penetration testing by a subject matter expert as part of a Yellow Book performance audit that addresses the performance audit objective contained in RFQQ No. K689-RFQQ-2303 in the manner specified in the final Performance Statement of Work within each Task Order.

## **2. SCOPE OF WORK**

- A. The contractor will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth each Performance Statement of Work, attached hereto and incorporated by reference. However, the State Auditor's Office reserves the right to modify the final Performance Statements of Work, including deleting tasks, after completing the planning process and at critical points during the course of the contract.
- B. All written work of the contractor will be expected to be of a professional quality acceptable to the State Auditor's Office. In written reports, the contractor's findings and conclusions must be clearly documented as resulting from fieldwork and data analysis done for this audit. Recommendations must be logically related to the findings and conclusions and must recognize practical and fiscal constraints.
- C. Attachment B, attached hereto and incorporated by reference, contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the State Auditor's Office and the contractor, and specific obligations of both parties.

## **3. PERIOD OF PERFORMANCE**

Any contract resulting from this RFQQ is tentatively scheduled to begin on or about July 1, 2023, with the period of performance ending December 31, 2025. For each audit, Task Orders will be issued (see Attachment B) with specific start and end dates for each engagement. Amendments extending the period of performance, if any, will be at the sole discretion of the State Auditor's Office up to three additional years. Contract extensions may include extending the number of state agencies and/or local governments covered under the contract, as well as changes to the total contract value.

## **4. COMPENSATION**

Total compensation payable to the contractor for satisfactory performance of the work under this contract will not exceed [\$Price]. The contractor's compensation for services rendered will be based on the schedule set forth in the budget. If the State Auditor's Office decides to modify the final Performance Statement of Work, including deleting tasks, after completing the planning process or at critical points during the course of the contract, the parties will negotiate in good faith whether to make an adjustment to the compensation set forth in the budget.

However, if the contractor violates the Government Auditing Standards independence standards during performance of the audit, the State Auditor's Office may choose not to compensate the contractor for work performed under this contract.

## **5. BILLING PROCEDURES AND PAYMENT**

The State Auditor's Office will pay the contractor upon State Auditor's Office acceptance of services provided and receipt of properly completed invoices, which will be submitted to the Contract Manager in accordance with the schedule in the budget.

The invoices will describe and document, to the State Auditor's Office's satisfaction, an itemized description of the work performed and the progress of the audit by deliverable as compared to the final Performance Statement of Work, and fees. The invoice will include reference to Contract \_\_\_\_\_.

Payment will be considered timely if made by the State Auditor's Office within thirty (30) calendar days after receipt and acceptance of properly completed invoices. However, payment for each billing will be made after the State Auditor's Office's determination that it is satisfied with the overall progress of the

contractor and the quality of each deliverable. If the State Auditor's Office determines the contractor has not made satisfactory progress in accordance with the budget, the State Auditor's Office may, in its sole discretion, withhold payments or terminate the contract.

#### **6. RETAINAGE**

Ten percent of each payment will be withheld pending completion of each Task Order. Thirty days after the deliverables for each Task Order are accepted, the SAO Contract Manager will authorize payment in full of all retainage.

#### **7. NO ADVANCE PAYMENT**

No payments in advance or in anticipation of services or supplies to be provided under this contract will be made by the State Auditor's Office.

#### **8. CONTRACT MANAGEMENT**

The Contract Manager for each of the parties will be the contact person for all communications and billings regarding the performance of this contract.

Contract Manager for the CONTRACTOR is:

Contract Manager Name

Contractor Address

City, State Zip Code

Phone: ( )

E-mail address:

Contract Manager for the STATE AUDITOR'S OFFICE is:

State Auditor's Office Contract Coordinator

3200 Sunset Way SE

P.O Box 40031

Olympia, WA, 98504-0031

Phone: (564) 999-0941

E-mail address: [contractmanager@sao.wa.gov](mailto:contractmanager@sao.wa.gov)

#### **9. CONTRACTOR'S PERSONNEL**

- A. State Auditor's Office reserves the right to reject any of the contractor's employees, or suppliers. Any and all costs or expenses associated with replacement of any person or entity will be borne by the contractor.
- B. State Auditor's Office may, in the exercise of its discretion and judgment, identify certain of the contractor's employees as key personnel, and if so, the contractor will take all necessary steps to assure that said contractor's employees are available and assigned to the work as long as said employees are employed by the contractor.
- C. The contractor may not change or replace any of the staff assigned to this contract without prior approval of State Auditor's Office, which approval will not be unreasonably withheld.
- D. The contractor warrants that it is available to perform the work within the time specified and that all work will be performed on a priority basis. The contractor will begin work promptly and will perform the work in a continuous and diligent manner, and contractor will not interrupt the work except as may be provided under this contract.
- E. The contractor will be responsible to ensure that all its employees are properly trained, certified, or licensed as appropriate and are properly qualified by education and experience to perform the work. The contractor will avoid overstaffing the work or shuffling personnel assigned to said work.
- F. The contractor and their employees agree not to recruit any personnel from the State Auditor's Office or from the audited entity for a period of 12 months after conclusion of the performance



audit.

- G. Parties performing, or offering to perform, professional services under this contract who are CPAs or CPA firms licensed in this or other states and/or jurisdictions may become subject to the authority of the Washington State Board of Accountancy, RCW 18.04 and WAC 4-25 and must be in good standing with said Board.

Accordingly, parties to this contract who are licensed individual CPAs and/or licensed CPA firms:

Consent to the jurisdiction of the Washington State Board of Accountancy for matters referred by the State Auditor provided such matters are within the Board's authority, and in such cases, if the individual licensee(s) offering or performing professional services hereunder and the firm that employs such persons are not licensed in this state said persons simultaneously consent, to the appointment of the state board which issued the certificate or license as agent for service of process in any action or proceeding against said individual CPAs, CPA firm, or representatives of the CPA firm arising from any transaction or operation connected with or incidental to professional services under this contract.

## **10. COORDINATION AND COOPERATION**

- A. The contractor will cooperate with the State Auditor's Office and other firms, if any, to ensure that the work is properly performed on schedule. Contractor will collaborate with any other firms and coordinate its work with the work of such other firm(s), if any, which could affect the work, the contractor will proceed in such manner as not to interfere or delay the progress of the work as a whole.
- B. If any part of the contractor's work depends for proper execution or results upon the work of any other contractor(s), the contractor will inspect and promptly report in writing to the State Auditor's Office any defects in the work of such other contractor that renders it unsuitable for such proper execution or results. Failure of the contractor to do so will constitute its acceptance of the other firm's work as fit and proper for the reception of contractor's work, except as to defects that may develop in the other firms' work after the execution of the contractor's work.
- C. In cases of disagreement or disputes between the contractor and other firm(s) which could delay or interfere with the work due to the failure to collaborate and cooperate or which cannot be resolved between contractor and the others involved, the State Auditor's Office will be given prompt written notice specifying in detail the disagreement or dispute. In such cases, the State Auditor's Office will have the right to determine the proper method of coordinating the work, and the State Auditor's Office's decisions in this regard will be final, binding, and conclusive.
- D. Notwithstanding the existence of a dispute or disagreement between the State Auditor's Office and the contractor, the contractor will diligently and without interruption proceed with the work at such rates of progress as will ensure full completion of the work on time.
- E. The contractor will accommodate the Audit Manager's monitoring and management of the contract by meeting weekly to discuss work progress and products as measured against the approved and final Performance Statement of Work. In these meetings, the contractor will communicate to the Audit Manager any issues or opportunities identified.
- F. The contractor will assist the Audit Manager in his or her communication with the audited agency. The contractor will accompany the Audit Manager as needed to meet with agency personnel to discuss the status of the audit, pending request for assistance, understanding of audit matters, and to communicate any potential issues.

## **11. FRAUD, IRREGULARITIES, OR OTHER AUDIT ISSUES**

If irregularities, fraud, or other significant audit issues, which may impact the audit, are suspected, the contractor must immediately notify the State Auditor's Office. The contractor will also notify State Auditor's Office of any other potential audit issues and topics that are discovered on a weekly basis as part of the weekly reporting process.

## 12. SUPERVISION AND COORDINATION

The contractor will:

- Comply with GAO Yellow Book requirements associated with the supervision of all employees in implementing and completing all audit requirements specified herein.
- Designate a representative(s) with the authority to legally commit the contractor's firm. All communications given or received from the contractor's representative will be binding on the contractor.
- Promote and offer to the State Auditor's Office only those services as stated herein and allowed for by contractual requirements. Violation of this condition will be grounds for contract termination.

## 13. INSURANCE COVERAGE

The successful proposer will provide insurance coverage, as set out in this section. Contractor (and any Subcontractor not covered under Contractor coverages that meet the insurance coverage requirements set out in this section) must meet insurance coverage requirements. The intent of the required insurance is to protect the State Auditor's Office and state and/or local government agencies selected for audit should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the contractor or its agents, while performing under the terms of this contract. The contractor will submit to the State Auditor's Office within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits defined in the Insurance section. The contractor will submit renewal certificates as appropriate during the term of the contract.

The contractor will maintain insurance coverage which will be maintained in full force and effect during the term of this contract, as set forth below. Contractor's insurance coverage shall include coverage of all subcontractors providing services under this contract or the contractor shall ensure that subcontractors obtain and maintain their own insurance of the same type in at least the amounts listed below.

- a. **Commercial General Liability Insurance.** Commercial General Liability Insurance (and, if necessary, commercial umbrella liability insurance) covering Bodily Injury and Property Damage on an 'occurrence form' in the amount of not less than \$2,000,000 per occurrence and \$4,000,000 general aggregate. This coverage shall include Contractual Liability insurance for the indemnity provided under this Contract.
- b. **Commercial Automobile Liability Insurance.** Commercial automobile liability insurance covering the ownership, maintenance, and/or use of all owned/leased, non-owned, and hired vehicles used in the performance of the Contract, with limits of not less than \$1,000,000 per accident, combined single limit for bodily injury and property damage liability. Coverage shall be provided on Insurance Services Office (ISO) form number CA 0001 or an equivalent. The required limits can be satisfied by any combination of primary, umbrella, or excess policy.
- c. **Errors and Omissions/Professional Liability:** Contractor shall maintain Errors and Omissions insurance covering contractor's services, without exclusion or limitation for claims arising out of data breaches which may arise as a result of the services. Coverage with limits of not less than \$5,000,000 per occurrence, continue such coverage for six (6) years beyond the expiration or termination of this Contract.
- d. **Cyber Security Insurance:** The Contractor shall maintain both first party and third party Cyber Security Insurance covering data breaches, network damage, cyber extortion and other claims or damages which may arise in connection with IT security assessment services with limits not less than \$5,000,000 per claim or occurrence. The contractor will continue to carry

this insurance for three years past the end of the engagement.

- e. **Workers' Compensation Insurance.** Contractor shall comply with applicable Workers' Compensation or Industrial Accident insurance providing benefits as required by law.
- f. **Employer's Liability (Stop Gap) Insurance.** Employer's liability insurance (and, if necessary, commercial umbrella liability insurance) with limits not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and \$1,000,000 bodily injury by disease policy limit.
- g. **Umbrella Insurance:** Commercial umbrella liability insurance affording excess coverage above the primary policies noted in above, with limits not less than \$1,000,000 per occurrence.
- h. **Additional Provisions:**
  - 1. **Additional Insured:** The insurance required will be issued by an insurance company/ies authorized to do business within the State of Washington, and, with the exception of the Errors and Omission policy, will name the State of Washington, its agents and employees as additional named insureds under the insurance policy/ies. All policies will be primary to any other valid and collectable insurance.
  - 2. **Cancellation:** The State Auditor's Office will be provided 30 calendar days written notice before cancellation or nonrenewal of any insurance referred to herein. The contractor will instruct the insurers to give the State Auditor's Office 30calendar days' advance notice of any insurance cancellation or nonrenewal action.
  - 3. **Identification:** Policy must reference the State's contract number and the State Auditor's Office.
  - 4. **Excess Coverage:** By requiring insurance herein, the State does not represent that coverage and limits will be adequate to protect the contractor, and such coverages and limits will not limit contractor's liability under the indemnities and reimbursements granted to the State in this contract.
- i. **Insurance Carrier Rating.** Coverages provided by the Contractor must be underwritten by an insurance company deemed acceptable to the State of Washington's Office of Risk Management. Insurance coverage shall be provided by companies authorized to do business within the State of Washington and rated A- Class VII or better in the most recently published edition of Best's Insurance Rating. The State Auditor's Office reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

#### **14. ASSURANCES**

The State Auditor's Office and the contractor agree that all activity pursuant to this contract will be in accordance with all the applicable current federal and state laws, rules, and regulations.

#### **15. ORDER OF PRECEDENCE**

Each of the documents listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency will be resolved by giving precedence in the following order:

Applicable federal and state of Washington statutes and regulations;

The terms of the basic contract and all attachments incorporated herein including

Special Terms and Conditions as contained in this basic contract instrument;

Attachment A – General Terms and Conditions;

Attachment B – Task Order

K689-RFQQ-2303

The contractor's proposal dated, and

Any other provision, term or material incorporated herein by reference or otherwise incorporated.

**16. ENTIRE AGREEMENT**

This contract, including referenced attachments and other documents, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, will be deemed a part hereof.

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

**17. APPROVAL**

This contract will be subject to the written approval of the State Auditor’s Office’s authorized representative and will not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT is executed by the persons signing below, who warrant they have the authority to execute the contract.

**[VENDOR NAME]**

**STATE AUDITOR’S OFFICE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name/Title:

Name/Title:

APPROVED AS TO FORM:

Assistant Attorney General

Date

# **ATTACHMENT A – GENERAL TERMS AND CONDITIONS**

## **1. Definitions**

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. “State Auditor’s Office” (SAO) shall mean any division, section, office, unit or other entity of the State Auditor’s Office, or any of the officers or other officials lawfully representing the State Auditor’s Office.
- B. “Agent” shall mean the State Auditor’s Office Contract Manager, and/or the delegate authorized in writing to act on the Manager’s behalf.
- C. “Contractor” shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the contractor.
- D. “Subcontractor” shall mean one not in the employment of the contractor, who is performing all or part of those services under this contract under a separate contract with the contractor. The terms “subcontractor” and “subcontractors” means subcontractor(s) in any tier.
- E. “Contract Manager” shall mean the State Auditor’s Office staff member assigned to oversee the work performed under this contract.

## **2. Access to Data**

In compliance with RCW 39.26.180 the contractor shall provide access to data generated under this contract to the State Auditor’s Office at no additional cost.

## **3. Advance Payments Prohibited**

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the State Auditor’s Office.

## **4. Amendments**

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

## **5. Americans with Disabilities Act (ADA) of 1990, Public Law 101-336, 28 CFR Part 35**

The contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

## **6. Assignment**

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the contractor without prior written consent of the State Auditor’s Office.

## **7. Attorneys’ Fees**

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

## **8. Confidentiality/Safeguarding of Information**

Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with this contract or its performance may consist of information that is exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other state or federal statutes (“Confidential Information”).

The contractor will not use or disclose any information concerning the State Auditor’s Office, information which may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the State Auditor’s Office, or as may be required for peer review or by law, legal process, or AICPA Consulting Standards.

Confidential information may include, but is not limited to, employee information such as residential addresses, e-mail addresses, and telephone numbers, Social Security Numbers, financial profiles, credit card information, driver's license numbers, medical data or protected health information, law enforcement records, agency source code or object code, or state agency and local government IT security data and information.

Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

Immediately upon expiration or termination of this contract, or upon request from the contract manager, contractor will destroy all information including Confidential Information not required to be retained by professional standards.

Any breach of this provision may result in termination of the contract and the demand for return of all Confidential Information. The contractor agrees to indemnify and hold harmless the State Auditor's Office for any damages related to the contractor's unauthorized use of confidential information.

## **9. Conflict Of Interest**

The State Auditor's Office may, in its sole discretion, by written notice to the contractor terminate this contract if it is found after due notice and examination by the State Auditor's Office that there is a violation of RCW 42.52, Ethics in Public Service.

## **10. Copyright Provisions**

Unless otherwise provided, all materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the State Auditor's Office. The State Auditor's Office shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, contractor hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the State Auditor's Office effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, contractor hereby grants to the State Auditor's Office a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The contractor warrants and represents that contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the State Auditor's Office. The contractor will maintain its ownership of its pre-existing materials, such as methodologies, including any improvements or enhancements the contractor makes to its pre-existing materials.

The State Auditor's Office recognizes that: (A) valuable formulae, designs, drawings, and research data obtained by the State Auditor's Office within five years of the request for disclosure are exempt from disclosure when disclosure would produce private gain and public loss (RCW 42.56.270(1)); and (B) intellectual property and proprietary information may also be covered by the Washington Trade Secrets Act, chapter 19.108 RCW.

Where a request for documents potentially protected under these laws is made, the State Auditor's Office shall notify the contractor that the request has been made and provide the contractor an opportunity to seek a court injunction against the requested disclosure. The contractor will have five (5) business days to respond to the State Auditor's Office's notice with its intent to seek a court injunction against the requested disclosure. If the State Auditor's Office receives no response from the contractor within five (5) business days, the materials and information will be released consistent with the State Auditor's Office policies and procedures under State law. Once notified of the contractor's intent to seek a court injunction, the contractor shall have ten (10) business days to obtain an injunction and provide a copy to the State Auditor's Office. If the State Auditor's Office does not receive a copy of an injunction within these ten (10) business days, it may release the requested documents.

Contractor shall exert all reasonable effort to advise the State Auditor's Office at the time of delivery of all known or potential copyright provisions or intellectual property or proprietary information protections applicable to any document or portion of any document produced in the performance of this contract. Contractor may mark any documents furnished to the State Auditor's Office as follows:

NOTICE: The information herein has been prepared for the use of the State Auditor's Office and no others. The information contains data that is copyrighted by © \_\_\_\_\_, all rights reserved, or may be subject to intellectual property or proprietary information protections.

Nothing contained in this section affects or modifies the State Auditor's Office obligation to disclose public records under Chapter 42.56 RCW or other applicable law.

The contractor shall exert all reasonable effort to advise the State Auditor's Office, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The State Auditor's Office shall receive prompt written notice of each notice or claim of infringement received by the contractor with respect to any data delivered under this contract. The State Auditor's Office shall have the right to modify or remove any restrictive markings placed upon the data by the contractor.

### **11. Covenant Against Contingent Fees**

The contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the contractor for securing business.

The State Auditor's Office shall have the right, in the event of breach of this clause by the contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

### **12. Disallowed Costs**

The contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

### **13. Disputes**

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved, either party may request a dispute hearing with a team of three (which shall be comprised of one independent individual selected by the contractor, one independent individual selected by the State Auditor's Office Director of Audit, and one shall be a State Auditor's Office Director not responsible for the contract.) Disputes shall be resolved as quickly as possible.

The request for a dispute hearing must:

- A. Be in writing;
- B. State the disputed issue(s);
- C. State the relative positions of the parties;
- D. State the Contractor's name, address, and contract number; and
- E. Be mailed or sent electronically to the State Auditor's Office Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.

The Contract Manager shall send a written answer to the Contractor's statement to the Contractor within 5 working days.

The panel shall review the written statements and reply in writing to both parties within 10 working days. The panel may extend this period if necessary by notifying the parties.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

The State Auditor's Office and contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract, which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

### **14. Duplicate Payment**

The State Auditor's Office shall not pay the contractor, if the contractor has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

## **15. Electronic Signatures**

An electronic signature or electronic record of this contract or any other ancillary agreement shall be deemed to have the same legal effect as delivery of an original executed copy of this contract or such other ancillary agreement for all purposes.

## **16. Force Majeure**

Neither party will incur any liability to the other if its performance of any obligation under this agreement is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, natural disasters, fire, epidemics and quarantines.

Each party shall notify the other orally within five (5) days and in writing within ten (10) days of the date on which the party becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance under the agreement. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The party claiming force majeure shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the other party may reasonably request.

## **17. Governing Law**

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

## **18. Indemnification**

To the fullest extent permitted by law, the contractor shall indemnify, defend, and hold harmless state, agencies of state and all officials, agents and employees of state, from and against all claims for injuries or death arising out of or resulting from the performance of the contract.

"Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from. The contractors' obligations to indemnify, defend, and hold harmless includes any claim by the contractors' agents, employees, representatives, or any subcontractor or its employees.

The contractor expressly agrees to indemnify, defend and hold harmless the State for any claim arising out of or incident to the contractor's or any subcontractor's performance or failure to perform the contract. The contractor's obligation to indemnify, defend, and hold harmless the state shall not be eliminated or reduced by any actual or alleged concurrent negligence of the State or its agents, agencies, employees and officials.

The contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officials, agents or employees.

## **19. Compliance Warranty**

In connection with the performance Service under this Agreement, CONTRACTOR represents and warrants that CONTRACTOR and all CONTRACTOR employees and personnel will comply with all applicable laws, statutes, regulations and orders, and shall have all the permits, licenses, permissions and consents necessary to perform the Services under this Agreement.

## **20. Independent Capacity of the Contractor**



The parties intend that an independent contractor relationship will be created by this contract. The contractor and his or her employees or agents performing under this contract are not employees or agents of the State Auditor's Office. The contractor will not hold himself/herself out as or claim to be an officer or employee of the State Auditor's Office or of the State of Washington by reason hereof, nor will the contractor make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the contractor.

## **21. Industrial Insurance Coverage**

The contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, the State Auditor's Office may collect from the contractor the full amount payable to the Industrial Insurance accident fund. The State Auditor's Office may deduct the amount owed by the contractor to the accident fund from the amount payable to the contractor by the State Auditor's Office under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's right to collect from the contractor.

## **22. Licensing, Accreditation and Registration**

The contractor shall comply with all applicable local, state and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

## **23. Limitation of Authority**

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

## **24. Noncompliance with Nondiscrimination Laws**

In the event of the contractor's non-compliance or refusal to comply with any nondiscrimination law, regulation or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the contractor may be declared ineligible for further contracts with the State Auditor's Office. The contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

## **25. Nondiscrimination**

During the performance of this contract, the contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

## **26. Public Records**

The contractor acknowledges that the State Auditor's Office is subject to Chapter 42.56 RCW and that this contract shall be a public record as defined in the Public Records Act. Any specific information claimed by the contractor to be proprietary information must be clearly identified as such by the contractor. To the extent consistent with Chapter 42.56 RCW, the State Auditor's Office shall maintain the confidentiality of all such information marked as proprietary information. If a public records request pursuant to Chapter 42.56 RCW is received for documents related to this agreement, the agency will give the contractor ten days' written notice before releasing those documents. It will be the contractor's responsibility to determine if any of the documents they have provided are confidential and to take legal action to enjoin their release. The contractor will indemnify, defend, and hold harmless the agency for release of documents related to this contract as required by law. Nothing contained in this section or any other portion of this agreement affects or modifies the SAO's obligation to disclose public records under Chapter 42.56 RCW or other applicable law.

All requests for information should be directed to the Public Records Officer at [PublicRecords@sao.wa.gov](mailto:PublicRecords@sao.wa.gov).

## **27. Publicity**

The contractor agrees to submit to the State Auditor's Office all advertising and publicity matters relating to this contract wherein the State Auditor's Office's name is mentioned or language used from which the connection of the State Auditor's Office's name may, in the State Auditor's Office's judgment, be inferred or implied. The contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the State Auditor's Office.

## **28. Records Maintenance**

The contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the State Auditor's Office, personnel duly authorized by the State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

## **29. Registration with Department of Revenue**

The contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

## **30. Right of Inspection**

The contractor shall provide right of access to its facilities to the State Auditor's Office, or any of its officers, or to any other authorized agent or official of the State of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance of the work performed.

## **31. Savings**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the State Auditor's Office may terminate the contract under the "Termination for Convenience" clause, without the ten day notice requirement, subject to renegotiation at the State Auditor's Office's discretion under those new funding limitations and conditions.

## **32. Severability**

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

## **33. Site Security**

While on the State Auditor's Office premises, contractor, its agents, employees or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

## **34. Subcontracting**

Neither the contractor nor any subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the State Auditor's Office. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the State Auditor's Office for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

The contractor is solely responsible and liable for ensuring that all of the terms, conditions, assurances and certifications set forth in this contract are incorporated into any partnering or subcontracting relationships with other entities for work related to this contract. Liability includes management responsibility and quality assurance for work performed and financial responsibility for payments to and by partner organizations or subcontractor to others. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to information obtained during performance of this contract without the express written consent of the State Auditor's Office or as provided by law.

### **35. Taxes**

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the contractor or its staff shall be the sole responsibility of the contractor.

### **36. Termination for Cause**

In the event the State Auditor's Office determines the contractor has failed to comply with the conditions of this contract in a timely manner, the State Auditor's Office has the right to suspend or terminate this contract. Before suspending or terminating the contract, the State Auditor's Office shall notify the contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The State Auditor's Office reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the contractor or a decision by the State Auditor's Office to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the State Auditor's Office provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

### **37. Termination for Convenience**

Except as otherwise provided in this contract, the State Auditor's Office may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the State Auditor's Office shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

### **38. Termination Procedures**

Upon termination of this contract, the State Auditor's Office, in addition to any other rights provided in this contract, may require the contractor to deliver to the State Auditor's Office any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The State Auditor's Office shall pay to the contractor the agreed upon price, if separately stated, for completed work and services accepted by the State Auditor's Office, and the amount agreed upon by the contractor and the State Auditor's Office for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the State Auditor's Office, and (iv) the protection and preservation of property, unless the termination is for default, in which case the agent shall determine the extent of the liability of the State Auditor's Office. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract.

The State Auditor's Office may withhold from any amounts due the contractor such sum as the agent determines to be necessary to protect the State Auditor's Office against potential loss or liability. The rights and remedies of the State Auditor's Office provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the agent, the contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to the State Auditor's Office, in the manner, at the times, and to the extent directed by the agent, all of the rights, title, and interest of the contractor under the orders and subcontracts so terminated, in which case

the State Auditor's Office has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the agent to the extent agent may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to the State Auditor's Office and deliver in the manner, at the times, and to the extent directed by the agent any property which, if the contract had been completed, would have been required to be furnished to the State Auditor's Office;
- F. Complete performance of such part of the work as shall not have been terminated by the agent; and
- G. Take such action as may be necessary, or as the agent may direct, for the protection and preservation of the property related to this contract, which is in the possession of the contractor and in which the State Auditor's Office has or may acquire an interest.


### **39. Treatment of Assets**

- A. Title to all property furnished by the State Auditor's Office shall remain in the State Auditor's Office. Title to all property furnished by the contractor, for the cost of which the contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the State Auditor's Office upon delivery of such property by the contractor. Title to other property, the cost of which is reimbursable to the contractor under this contract, shall pass to and vest in the State Auditor's Office upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the State Auditor's Office in whole or in part, whichever first occurs.
- B. Any property of the State Auditor's Office furnished to the contractor shall, unless otherwise provided herein or approved by the State Auditor's Office, be used only for the performance of this contract.
- C. The contractor shall be responsible for any loss or damage to property of the State Auditor's Office that results from the negligence of the contractor or that results from the failure on the part of the contractor to maintain and administer that property in accordance with sound management practices.
- D. If any the State Auditor's Office's property is lost, destroyed or damaged, the contractor shall immediately notify the State Auditor's Office and shall take all reasonable steps to protect the property from further damage.
- E. The contractor shall surrender to the State Auditor's Office all property of the State Auditor's Office prior to settlement upon completion, termination or cancellation of this contract.
- F. All reference to the contractor under this clause shall also include contractor's employees, agents or subcontractors.

### **40. Waiver**

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the State Auditor's Office.

ATTACHMENT B – SAMPLE TASK ORDER

<b>TASK ORDER</b> OFFICE OF THE WASHINGTON STATE AUDITOR (SAO)		<u>Task Order #</u>	<u>Contract #</u>		
		<u>Type of Services</u>	<u>Date Issued</u>		
		Subject Matter Expertise			
<b>Title:</b> Security Assessment Services		<b>Contractor:</b>			
This Task Order is issued under the provisions of an SAO agreement. The services authorized are within the scope of services set forth in the <i>Purpose</i> of the contract. All rights and obligations of the parties shall be subject to and governed by the terms of the contract, including any subsequent modifications, which are hereby incorporated by reference.					
<b>Purpose</b> Security Assessment Services:					
<b>Statement of Tasks/Objectives and Deliverables:</b> 1. <b>Objectives:</b>  2. <b>Deliverables:</b>  Deliverables are subject to review and approval by SAO prior to payment. Approval and payment of deliverables will indicate acceptance of complete deliverables.					
<b>Start Date</b>	x/x/20xx (or upon execution of this agreement)	<b>End Date</b>	x/xx/20xx		
<b><u>Budget</u></b>					
<b>Description / Task</b>			<b>Est. Hours</b>	<b>Unit Cost</b>	
SAO shall pay an amount up to but not to exceed					
<b>Contractor's Approval</b>			<b>State Auditor's Office Approval</b>		
_____ (Signature) Authorized Representative (Date) Name: Title:			_____ (Signature) SAO Authorized Representative (Date) Name: Title:		
<b>T/O Manager</b>			<b>T/O Manager</b>		
<b>Telephone No.</b>			<b>Telephone No.</b>		
<b>Email:</b>			<b>Email:</b>		

## ATTACHMENT C - Sample – DATA SHARING ADDENDUM

This Data Sharing Addendum is executed by and between the State Auditor’s Office (SAO) and Contractor name this \_\_\_\_\_day of Date (“Addendum”) and amends and supplements the Contract NO. \_\_\_\_\_ (“Agreement”) to define the data handling requirements associated with the Service provided by CONTRACTOR NAME and is otherwise subject to all terms and conditions of the Agreement.

### PURPOSE OF THE ADDENDUM

The purpose of this Addendum is to allow CONTRACTOR NAME, a contractor working for the State Auditor’s Office, to access information and operational technology infrastructure and computer security information from state agencies and local governments for the purpose of conducting IT Security testing in accordance with Contract NO. \_\_\_\_\_.

### DEFINITIONS

“state agencies” shall mean those state agencies specifically identified as assessment targets by SAO in the rules of engagement documents in connection with contract no.

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“local governments” shall mean those local governments specifically identified as assessment targets by SAO in the rules of engagement documents in connection with contract no.

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“Data Encryption” refers to enciphering data with a NIST-approved algorithm or cryptographic module using a NIST-approved key length. Encryption must be applied in such a way that it renders data unusable to anyone but the authorized users..

“Data Storage” refers to the state data is in when at rest. Data can be stored on removable or portable media devices such as a USB drive, contractor managed systems or OCIO/ State approved services.

“Data Transmission” refers to the methods and technologies to be used to move a copy of the data between systems, networks and/ or employee workstations.

“Personal Information” means information defined in RCW 42.56.590(10).

The State classifies data into categories based on the sensitivity of the data pursuant to the Security policy and standards promulgated by the Office of the state of Washington Chief Information Officer. The Data that is the subject of this DSA is classified as indicated below:

Category 1 – Public Information Public information is information that can be or currently is

released to the public. It does not need protection from unauthorized disclosure, but does need integrity and availability protection controls.

Category 2 – Sensitive Information Sensitive information may not be specifically protected from disclosure by law and is for official use only. Sensitive information is generally not released to the public unless specifically requested.

Category 3 – Confidential Information Confidential information is information that is specifically protected from disclosure by law. It may include but is not limited to: a. Personal Information about individuals, regardless of how that information is obtained; b. Information concerning employee personnel records; c. Information regarding IT infrastructure and security of computer and telecommunications systems;

Category 4 – Confidential Information Requiring Special Handling Confidential information requiring special handling is information that is specifically protected from disclosure by law and for which: a. Especially strict handling requirements are dictated, such as by statutes, regulations, or agreements; b. Serious consequences could arise from unauthorized disclosure, such as threats to health and safety, or legal sanctions.

“Disclosure” means to permit access to or release, transfer, or other communication of personally identifiable information contained in education or employment records by any means including oral, written, or electronic means, to any party except the party identified or the party that provided or created the record (34 CFR 99.3).

“Rules of Engagement” means the document developed and approved by SAO and the state agency or local government subject to security testing to define the terms of security testing conducted by CONTRACTOR NAME. A separate rules of engagement document will be developed for each state agency or local government.

“Washington State Office of the Chief Information Officer’s information technology security standards” refers to standards under 141.10 – Securing Information Technology Assets Standards, which all state agencies are required to follow per RCW 43.41A.027. The standards are found at this link <https://ocio.wa.gov/policies/141-securing-information-technology-assets/14110-securing-information-technology-assets>.

#### **DESCRIPTION OF DATA TO BE SHARED**

In the course of conducting security testing CONTRACTOR NAME may discover information regarding state agency and/or local government IT infrastructure and security of computer and telecommunications systems. This is classified as Category 3, confidential information, as described by the Washington State Office of the Chief Information Officer’s Information Technology Security Standards, 141.10. section 4.1 Data classification. Specific data requests will be limited to information needed for SAO audits, investigations and related statutory authorities as identified through auditor requests

#### **DATA TRANSMISSION**

Transmission of data between Contractor and SAO will use a secure method

that is commensurate to the sensitivity of the data being transmitted, compliant with OCIO 141.10 standards, and approved by the contract manager.

### **DATA SECURITY**

All IT security information provided by state agencies and/or local governments shall be stored on a secure environment with access limited to the least number of staff needed to complete the IT security work under contract.

#### **1. Protection of Data**

CONTRACTOR NAME agrees to store data on one or more of the following media and protect the data as described:

1) Workstation Hard disk drives. Data stored on local workstation hard disks. Access to the data will be restricted to authorized users by requiring logon to the local workstation using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. The workstation hard drive must be full-disk encrypted to protect state agency and/or local government data in the event the device is stolen.

2) Data stored on hard disks mounted on network servers or in a 'cloud' environment. Access to the data will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism. Backup copies for data recovery purposes must be encrypted if recorded to removable media.

3) Optical discs (e.g. CDs, DVDs, Blu-Rays) in local workstation optical disc drives. Data provided by SAO or the state agencies and/or local governments on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a secure area. When not in use for the Agreement purpose, such discs must be locked in a drawer, cabinet or other container to which only authorized users have the key, combination or mechanism required to access the contents of the container. Workstations which access state agency and/or local government data on optical discs must be located in an area which is accessible only to authorized individuals, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

4) Paper documents. Any paper records must be protected by storing the records in a secure area which is only accessible to authorized individuals. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.

5) Access via remote terminal/workstation over the Public Internet is permitted only in accordance with provisions outlined in the rules of



engagement document approved for each state agency and/or local government subject to testing.

6) Data storage on portable devices or media.

a) When state agency and/or local government data is stored by CONTRACTOR NAME on portable devices, the data shall be given the following protections:

i. Encrypt the data with a key length of at least 256 bits

ii. Control access to devices with a unique user ID and password or stronger authentication method such as a physical token or biometrics.

iii. Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.

iv. Physically protect the portable device(s) and/or media by:

- Keeping them in locked storage when not in use;
- Using check-in/check-out procedures when they are shared; and
- Taking frequent inventories.

b) When being transported outside of a secure area, portable devices and media with confidential state agency and/or local government data must be under the physical control of CONTRACTOR NAME staff with authorization to access the data.

c) Portable devices include, but are not limited to; handhelds/PDAs, Ultramobile PCs, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook computers, and smart phones.

d) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs, Blu- Rays), magnetic media (e.g. floppy disks, tape, Zip or Jaz disks), or flash media (e.g. CompactFlash, SD, MMC).

## 2. Safeguards Against Unauthorized Access and Re-disclosure

CONTRACTOR NAME shall exercise due care to protect all Personally Identifiable information from unauthorized physical and electronic access. THE CONTRACTOR shall establish and implement the following minimum administrative, technical and

physical safeguards for maintaining the confidentiality, availability and integrity of information provided by either party pursuant to this Agreement:

- 1) Access to the information provided by agencies will be restricted to only those authorized staff, officials, and agents of the parties who need it to perform their official duties in the performance of the work requiring access to the information as detailed in the purpose of this Agreement.
- 2) CONTRACTOR NAME will store the information in an area that is safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use.
- 3) CONTRACTOR NAME will protect the information in a manner that prevents unauthorized persons from retrieving the information by means of computer, remote terminal or other means.
- 4) CONTRACTOR NAME shall take precautions to ensure that only authorized personnel and agents are given access to on-line files containing confidential or sensitive data.
- 5) CONTRACTOR NAME shall instruct all individuals with access to the Personally Identifiable Information regarding the confidential nature of the information, the requirements of Use of Data and Safeguards Against Unauthorized Access and Re-Disclosure clauses of this Addendum, and the sanctions specified in federal and state laws against unauthorized disclosure of information covered by this Addendum.
- 6) CONTRACTOR NAME shall take due care and take reasonable precautions to protect state agency and/or local government data from unauthorized physical and electronic access. Both parties will strive to meet or exceed the requirements of the State of Washington's policies and standards for data security and access controls to ensure the confidentiality, availability, and integrity of all data accessed.

### **3. Data Segregation**

- 1) State agency and/or local government data must be segregated or otherwise distinguishable from non-state agency and/or non-local government data. This is to ensure that when no longer needed by CONTRACTOR NAME, all state agency and/or local government data can be identified for return or destruction. It also aids in determining whether state agency and/or local government data has or may have been compromised in the event of a security breach.
- 2) State agency and/or local government data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-state agency and/or non-local government data. Or,
- 3) State agency and/or local government data will be stored in a logical container on electronic media, such as a partition or folder dedicated to

state agency and/or local government data. Or,

4) State agency and/or local government data will be stored in a database which will contain no non-state agency and/or non-local government data. Or,

5) State agency and/or local government data will be stored within a database and will be distinguishable from non-state agency and/or non-local government data by the value of a specific field or fields within database records. Or,

6) When stored as physical paper documents, state agency and/or local government data will be physically segregated from non-state agency and/or non-local government data in a drawer, folder, or other container.

7) When it is not feasible or practical to segregate state agency and/or local government data from non-state agency and/or non-local government data, then both the state agency and/or local government data and the non-state agency and/or non-local government data with which it is commingled must be protected as described in this Addendum.

#### **4. Incident Notification and Response**

The compromise of Confidential Information or reasonable belief that confidential information has been acquired and/or accessed by an unauthorized person that may be a breach that requires timely notice to affected individuals under RCW 42.56.590 or any other applicable breach notification law or rule must be reported to the contract manager. If the contractor does not have full details about the incident, it will report what information it has within 1 business day of discovery of the potential incident, and provide full details within 15 business days of discovery. To the extent possible, these initial reports must include at least:

- A. The nature of the unauthorized use or disclosure, including a brief description of what happened, the date of the event(s), and the date of discovery;
- B. A description of the types of information involved;
- C. The investigative and remedial actions the contractor or its subcontractor took or will take to prevent and mitigate harmful effects and protect against recurrence;
- D. Any details necessary for a determination of whether the incident is a breach that requires notification under RCW 42.56.590, or any other applicable breach notification law or rule.
- E. Any other information SAO reasonably requests.

#### **5. Non-Disclosure of Data**

- 1) Individuals will access data gained by reason of this Agreement only for the purpose of this Agreement. Section 8 of the General Terms and Conditions of this contract includes requirements for the handling of confidential information, in addition to, Exhibit F – Non-Disclosure Agreement is incorporated into the contract and is required to be signed.
- 2) SAO may at its discretion disqualify at any time any person authorized access to confidential information by or pursuant to this Agreement. Notice of disqualification shall be in writing and shall terminate a disqualified person's access to any information provided by SAO pursuant to this Agreement immediately upon delivery of notice to CONTRACTOR NAME. Disqualification of one or more persons by SAO does not affect other persons authorized by or pursuant to this Agreement.
- 3) Contractor staff shall not disclose, in whole or in part, the confidential data provided by SAO to any individual, state or local government, unless this Agreement specifically authorizes the disclosure. Confidential data may be disclosed only to persons and state and local governments that have the need to use the data to achieve the stated purposes of this Agreement. In the event of a public disclosure request for the SAO's data, the Contractor will notify the SAO.
- 4) The contractor shall not access or use the data for any commercial or personal purpose. Any exceptions to these limitations must be approved in writing by SAO. The Contractor shall ensure that all staff with access to the data described in this Agreement are aware of the use and disclosure requirements of this Agreement and will advise new staff of the provisions of this Agreement.

#### **USE OF DATA**

1. Data provided by the state agencies and/or local governments will remain the property of the state agencies and/or local governments and will be returned to the state agencies and/or local governments or destroyed when the work for which the information was required has been completed.
2. This Agreement does not constitute a release of the data for CONTRACTOR NAME's discretionary use, but may be accessed only to carry out the responsibilities specified herein. Any ad hoc analyses or other use of the data, not specified in this Agreement, is not permitted without the prior written agreement of SAO. CONTRACTOR NAME shall not disclose, transfer, or sell any such information to any party, except as provided by law. CONTRACTOR NAME shall maintain the confidentiality of all Personally Identifiable Information and other information gained by reason of this Agreement.
3. CONTRACTOR NAME is not authorized to update or change any state agencies' and/or local governments' data, and any updates or changes shall be cause for immediate termination of this Agreement.

4. Neither Washington State nor the agencies or local governments guarantee the accuracy of the data provided. All risk and liabilities of use and misuse of information provided pursuant to this Agreement are understood and assumed by CONTRACTOR NAME.
5. Data provided by state agencies and/or local governments cannot be linked with other data or data sets as a way to determine the identity of individuals or employers; the data in any data set shall be used for statistical purposes only.
6. Data provided by the state agencies and/or local governments cannot be re-disclosed or duplicated unless specifically authorized in this Agreement.
7. The requirements in this section shall survive the termination or expiration of this Addendum or any subsequent agreement intended to supersede this Addendum.

#### **DISPOSITION OF DATA**

- a. Upon termination of the agreement, or when directed by the SAO contract manager, CONTRACTOR NAME shall dispose of the data received and provide written notification of disposal. Failure to do so may prevent data sharing agreements with the organization in the future.
- b. Upon the destruction of State agencies' and/or local governments' data, CONTRACTOR NAME shall certify the disposition, and the process used to dispose of the data, and submit it to SAO within fifteen (15) days of the date of disposal.
- c. Acceptable destruction methods for various types of media include: Approved media sanitization methods found in National Institute of Standards and Technology Special Publication 800-88, Revision 1 (NIST SP-800- 88 R1) or as approved by the SAO Chief Information Security Officer.

#### **ON-SITE OVERSIGHT AND RECORDS MAINTENANCE**

CONTRACTOR NAME agrees that SAO shall have the right, at any time, to monitor, audit and review activities and methods in implementing the Agreement in order to assure compliance therewith, within the limits of CONTRACTOR NAME's technical capabilities.

The Office of the Washington State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access to and the right to examine any of these materials during this period.

#### **AWARENESS AND TRAINING**

The Contractor shall ensure that all staff with access to the data shared through this Agreement are aware of the use and disclosure requirements of OCIO 141.10 and RCW 42.56.590. Contractor will comply with all state requirements and training regarding handling, storage and transmission of confidential data.

**INDEMINIFICATION**

Contractor will defend, indemnify and hold the SAO harmless from (i) any claims that any products or Services provided by Contractor infringe or violate any patent, trademark, trade secret, copyright, intellectual property right or contract right of a third party, (ii) Any and all claims or costs which arise as a result of Contractor's actions resulting in a data breach, regardless of whether the breach involves confidential or non-confidential information, including but not limited to notice to persons impacted by the breach and costs for staff time and state resources to manage the breach. In the event of a claim, SAO and/or the Contractor will provide written notice to the other of the claim and the State shall reasonably cooperate, at Contractor's expense, in Contractor's defense and settlement of the claim.

**SIGNATURES**

The signatures below indicate agreement between the parties.

**OFFICE OF THE STATE AUDITOR**

Signature

Printed Name

Title

Date

**CONTRACTOR NAME**

Signature

Printed Name

Title

Date



**EXHIBIT E – BIDDER’S CONTRACT ISSUES LIST  
(OPTIONAL)**

Competitive Solicitation:	No. <b>K689-RFQQ-2303</b>
Bidder:	<div style="border-bottom: 1px solid black; width: 80%; margin-bottom: 5px;"></div> Type/print full legal name of Bidder

**INSTRUCTIONS**

***This Exhibit is optional.*** Bidders need only to complete and submit this Exhibit **IF** bidder has issues, concerns, exceptions, or objections to any of the terms or conditions contained in *Exhibit E – Contract*. In such case, bidder must use this *Bidder’s Contract Issues List* to identify the same as set forth below.

The *Bidder’s Contract Issues List* is designed to frame contract discussions, if any, between SAO and bidders regarding the Contract terms and conditions. In completing the *Bidder’s Contract Issues List*, bidders **must**:

- A. Identify the specific Contract section/subsection that creates a business issue, concern, exception, or objection;
- B. Describe, in business terms, the issue, concern, exception, or objection pertaining to the Contract section/subsection;
- C. Propose, in business terms, a solution that is reasonable in light of the Competitive Solicitation and the procurement solution being sought by Solutions; and
- D. Provide bidder’ reason or rationale supporting bidder’s proposed solution, including how the proposed solution is commercially reasonable for a public contract, benefits both the bidder and the SAO and equitably allocates contractual risk and return.

***Please be advised.*** The Contract(s) to be awarded is the result of a Competitive Solicitation developed pursuant to Washington’s Procurement Code for Goods/Services that is designed to meet governmental needs for eligible purchasers. SAO endeavors to develop commercially reasonable Contracts that incentivize performance and equitably allocate risk and return based on stakeholder input from eligible purchasers, vendors, procurement professionals, and others. Accordingly:

- Contract revisions, if any, may NOT be bidder-specific, but must apply to all bidders.
- Redlined Documents Will Not Be Reviewed. Do not provide a redlined Contract or sections/subsections. Redlined text may result in SAO making potentially inaccurate assumptions regarding bidder’s issue(s). Instead, bidders must follow the instructions set forth above.

- 'Standard' Bidder Contracts Will Not Be Reviewed. Do not provide a copy of bidder's (or a third party's) 'standard' contract or contract section. It will not be reviewed.
- No Substantial Changes. Bidders are cautioned that this is a competitive solicitation for a public contract and SAO **cannot and will not accept a bid or enter into a Contract that substantially changes the material terms and conditions set forth in this Competitive Solicitation and Contract**. Bids that are contingent upon SAO making substantial changes to material terms and conditions set forth in the Competitive Solicitation or Contract likely will be determined to be non-responsive.

SAO will consider the number and nature of the items on *Bidder's Contract Issues List* in determining the likelihood of completing a Contract with such bidder.



<b>BIDDER'S CONTRACT ISSUES LIST</b>				
<b>No.</b>	<b>A</b> CONTRACT SECTION	<b>B</b> ISSUE DESCRIPTION	<b>C</b> BIDDER'S PROPOSED SOLUTION	<b>D</b> BIDDER'S RATIONALE FOR PROPOSED SOLUTION
1.				
2.				
3.				
4.				
5.				

# EXHIBIT F – CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

## CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

This Confidential and Nondisclosure Agreement ("Agreement") is entered into by and between the State Auditor's Office, an agency of Washington State government ("SAO"), and ("Recipient").

Recipient acknowledges that SAO and the state agencies and local governments under audit have certain confidential or sensitive information and/or material. Recipient requires access to this information or material to complete the IT Security Audit. SAO agrees to release this information to Recipient for those purposes pursuant to the terms and conditions contained in this Agreement. Recipient agrees to the terms and conditions herein.

NOW THEREFORE, in consideration of the above premises and the promises contained herein, the parties agree as follows:

1. Whenever used in this Agreement, the term "Confidential Information" will mean (i) information exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other state or federal statutes, unless otherwise identified as non-confidential at the time of disclosure; or (ii) any other information which SAO has identified to Recipient in writing as confidential at the time of disclosure or within thirty (30) days after disclosure; or (iii) information which would ordinarily be considered confidential or proprietary in the light of the circumstances surrounding disclosure. Confidential Information may take the form of (but is not limited to) plans, calculations, charts, concepts, know-how, inventions, licensed technology, design sheets, design data, diagrams, system design, materials, hardware, manuals, drawings, processes, schematics, specifications, instructions, explanations, research, test procedures and results, equipment, identity and descriptions of components or materials used, social security numbers, protected health information, personally identifiable information, IT security test results or any other material or information supplied by or on behalf of SAO, or that is disclosed to or becomes known by Recipient as a result of its dealings with SAO. Confidential Information may be in tangible or intangible form. SAO's failure to expressly identify Confidential Information as such shall not in any way lessen or negate Recipient's obligation to keep such information confidential in accordance with this Agreement.
2. Notwithstanding the foregoing, the term "Confidential Information", shall not be construed to include information that (i) is or becomes readily available in public records or documents, other than as a result of a disclosure by Recipient or other entity acting on behalf of Recipient, or (ii) which can be documented to have been known by Recipient prior to its disclosure by SAO, or (iii) which is disclosed pursuant to applicable law, judicial action or government regulations, including without limitation the Washington State Public Records Act, RCW 42.56, et seq.
3. The Recipient acknowledges that the Confidential Information is confidential and proprietary information of State of Washington (SOW) and local governments and that its protection is essential to the security and mission of SOW and local governments. The purpose of this agreement is to enable SAO to make disclosure of the Confidential Information to the Recipient while still maintaining rights in and control over the Confidential Information. The purpose is also to preserve confidentiality of the Confidential Information and to prevent is unauthorized disclosure. It is understood that this agreement does not grant Recipient an express or implied license or an option on a license, or any other rights to or interests in the Confidential Information.
4. The Recipient shall, and require its employees, officers, independent contractors, and subcontractors, and any other entities acting on its behalf (collectively "Affiliates") to:

- (a) copy, reproduce or use Confidential Information only for the purpose described herein and not for any other purpose unless specifically authorized to do so in writing by SAO; and
  - (b) not permit any other person to use or disclose the Confidential Information for any purpose other than those expressly authorized by this Agreement; and
  - (c) disclose such Confidential Information only to those of its Affiliates who require knowledge of the same for the purpose described herein; provided such Affiliates are obligated to maintain the confidentiality of the Confidential Information and otherwise comply with the terms of this Agreement; and
  - (d) implement physical, electronic and managerial safeguards to prevent unauthorized access to or use of Confidential Information, including without limitation, providing Affiliates a copy of the terms of this Agreement. Such restrictions will be at least as stringent as those applied by the Recipient to its own most valuable confidential and proprietary information.
5. The acts or omissions of Recipient's Affiliates with respect to the Confidential Information shall be deemed to be acts or omissions of Recipient.
6. Recipient will not remove, obscure or alter any confidentiality or trade secret notation from the Confidential Information without SAO's prior written authorization.
7. Confidential Information will remain the exclusive property of SAO; upon completion of the project described in Section 1, or whenever requested by SAO, Recipient will promptly destroy or return to SAO all Confidential Information and all copies thereof, including summaries, reports or notes based thereon, unless otherwise expressly authorized by SAO in writing.
8. Recipient agrees that the breach of the terms of this Agreement would cause irreparable damage to SOW and/or local governments and their citizens. Therefore, Recipient agrees that if it should breach its obligations hereunder, Recipient will defend, indemnify, and hold SAO harmless from actual damages from losses that result from its breach, including the notification requirements of RCW 42.56.590. This includes attorneys' fees and costs of suit. Also, SAO has the right to seek an order to restrain Recipient from breaching this agreement. If SAO does seek such an order, Recipient agrees at this time to waive any claim or defense that SAO has an adequate remedy at law or in damages.
9. This Agreement will be construed and enforced in all respects in accordance with the laws of the State of Washington. The parties consent to the exclusive jurisdiction of the Superior Court of the State of Washington and exclusive venue in Thurston County, Washington.
10. Term. The Term of this Agreement shall be three years from the date of the last signature, provided however, the obligations of confidentiality shall continue and survive this Agreement.

**APPROVED**  
State of Washington  
State Auditor's Office

**APPROVED**

Recipient: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print or Type Name*

\_\_\_\_\_  
*Print or Type Name*

\_\_\_\_\_  
*Title* \_\_\_\_\_ *Date*

\_\_\_\_\_  
*Title* \_\_\_\_\_ *Date*

\_\_\_\_\_  
*Address*

\_\_\_\_\_

\_\_\_\_\_  
*Phone*

## EXHIBIT G – STATE AUDITOR’S OFFICE (SAO) SECURITY QUESTIONNAIRE

Please answer with as much description and detail as possible to the following questions. Questions and requests for information are in support of SAO compliance requirements derived from OCIO Standard No. 141.10. This standard can be retrieved from:

<https://ocio.wa.gov/policies/141-securing-information-technology-assets/14110-securing-information-technology-assets>.

### **Physical and Environmental Protection**

1. Please describe the physical attributes and controls used to protect computer hardware, documents and all related material that could or will be associated with any contracted data exchange between the State Auditor’s Office and the audited entity.
2. Will your organization be storing any contract related data on other systems in addition to workstations such as servers or cloud service providers? If so, describe the physical security and controls in order to protect contract related data.
3. Will your organization’s assigned agents associated with any contract with SAO be accessing and storing any contract data on mobile devices such as phones and tablets. If so, describe any controls used to protect contract related data on those devices.

### **Network Security** *(Regarding any systems that will be storing, processing or used for transitory (email for example) functions with contract related data)*

1. If applicable, how will your organization apply and enforce network controls to protect segments and individual systems with each segment in order to prevent unauthorized access to contract related data.
2. How does your organization ensure that systems are up-to-date with latest software security patches and updates? Please explain your organization’s patch management process and provide your organization’s patch management policy.
3. Please provide your organization’s password policy.

### **Operations Management**

1. Describe your organizations media handling and disposal process? Please provide your associated policy if applicable.
2. Does your organization have a data backup processes in place that will capture and backup any data related to the contract? If so, please describe the backup process and procedures and any controls (e.g., encryption) used to protect contract related data in backup systems? Please provide your associated policy if applicable.

### **Security Monitoring and logging**

1. What type of auditing capabilities, features and settings does your organization enable on systems such as security event logs? Please provide your organization’s policy associated to this question.
2. How long are logs retained on any system that will be handling contract related data?

**Incident Response** - In the event of any confirmed compromised or breach of data related to protected contract related data, explain or provide your organization’s Incident Response protocol or plan. Please provide all associated organizational policies with this question.

**Data Security**

1. Please describe your organization's use of multifactor authentication for onsite and remote users.
2. Please explain any controls (encryption; role-based security for example) your organization uses to protect contract related data on systems such as servers to prevent unauthorized access to data-at- rest.
3. Will your organization be using any system(s) for data transfer or transmission such as file transfer or email type systems to transmit contract related data? If so, please describe all controls that will ensure the data exchange is secure and that data cannot be deciphered during transmission.

**Security Review**

1. Please provide information about any certifications or external audits your organization has completed about your organization's security such as a System and Organization Controls (SOC) audit or a Cybersecurity Maturity Model Certification (CMMC).