

PROFESSIONAL SERVICES MASTER AGREEMENT



This Professional Services Master Agreement ("Agreement") dated as of ___/___/2017 ("Effective Date") is made by and between Tieton Group LLC, a Washington Limited Liability Company with its principal office located at 603 Ferncrest Drive, Yakima, WA, 98901 (Tieton Group) and Kittitas County, with its principal office located at 205 W 5th Ave, Ellensburg, WA 98926 (the "Client").

The parties hereto intending to be legally bound hereby, agree as follows:

1. Scope of Service

Tieton Group and Client will develop and enter into one or more work orders for Professional Services, incorporating a description of the specific services requested by Client (each, and as modified in writing by the parties from time to time, statements of work (SOW)). If applicable, each SOW will describe items specifically required to be delivered by Tieton Group to Client, if any (the "Deliverables"), and if applicable, the acceptance criteria for each of the Deliverables. Further, each SOW will set forth, among other things, project scope, various project activities and tasks to be performed by the parties, and roles and responsibilities of the parties. Each SOW shall specifically identify this Agreement and indicate that it is subject to the terms hereof. To the extent there are any conflicts or inconsistencies between this Agreement and any SOW, except as regards Sections 2 or 3 herein, the provisions of this Agreement shall govern and control.

Tieton Group will provide to Client those services described as its obligation in each SOW (collectively, the "Services").

2. Fees

Client shall pay to Tieton Group the fees and other compensation set forth in each SOW.

3. Invoicing and Payment

Unless otherwise specified and agreed to, Tieton Group will invoice Client for all fees, charges and reimbursable items on a monthly basis and upon completion of project or engagement. Client agrees to pay the invoiced amount in full within thirty (30) days of the date of each invoice. However, Client reserves the right to retain and/or withhold up to 25% of any amount owing to Tieton Group until Tieton Group has completed all duties under this Agreement to Client's satisfaction. Once Tieton Group has completed all duties to Client's satisfaction, the Client will pay any remaining balance within thirty (30) days of invoice.

Client's payment to Tieton Group shall be based upon billings, supported by documentation of

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units of work actually performed and amounts earned, including where appropriate, the actual number of days worked each month, total number of hours for the month, and the total dollar payment requested.

Failure to pay invoices by the due date, unless Tieton Group has been informed by said due date that an invoice is being contested and the reason therefore, may result in the imposition of interest charges to the extent allowable by law as well as any associated legal and collection fees incurred.

KITTITAS COUNTY WILL NOT PROCESS PAYMENT FOR SERVICES RENDERED UNDER THIS AGREEMENT UNTIL TIETON GROUP SUBMITS A COMPLETED W-9.

Client further agrees to pay amounts equal to any federal, state or local sales, use, excise, privilege or other taxes or assessments, however designated or levied, relating to any amounts payable by Client to Tieton Group under this Agreement or any other Agreement between the parties, exclusive of taxes based on Tieton Group's net income or net worth.

In the event Tieton Group has failed to perform any obligation to be performed under this Agreement within the time set forth in this Agreement, then the Client may, upon written notice, withhold all monies due and payable to Tieton Group, without penalty, until such failure to perform is cured or otherwise adjudicated.

4. Term, Termination, and Cancellation

This Agreement will commence on the Effective Date and will remain and continue in full force and effect, unless terminated by either party as set forth below. Termination of this Agreement or any SOW hereunder may occur upon any of the following:

- a) Thirty (30) days after a party's receipt of written notice from the other party that the Services shall be terminated; or
- b) Seven (7) days after one party notifies the other in writing that they are in breach or default of this Agreement, unless the negligent party cures such breach or default within such seven (7) day period; or
- c) Fifteen (15) days after the filing of a petition in bankruptcy by or against either party, any insolvency of a party, any appointment of a receiver for such party, or any assignment for the benefit of such party's creditors (a "Bankruptcy Event"), unless such party cures such Bankruptcy Event within the fifteen (15) day period.

In all events, Client shall be liable for full payment for Services and reimbursement of Tieton Group's expenses accrued through the effective date of termination.

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5. Working Arrangements

All Services shall be performed on the Client's premises, unless otherwise agreed by the parties. Client shall provide the following to Tieton Group personnel: (i) a suitable and adequate work environment, including space for work and equipment for performance of the Services; (ii) access to and use of Client's facilities and relevant information, including all necessary software, hardware and documentation; (iii) timely assistance in the correction of any hardware or software problems that would affect the performance of Services; and (iv) any other items set forth in each SOW. Upon receipt of notice from Client that a consultant is not suitable, Tieton Group shall remove such consultant from the performance of Services, and will provide a qualified replacement as quickly as possible.

Client will ensure that all Client's personnel who may be necessary or appropriate for the successful performance of the Services will, on reasonable notice: (i) be available to assist Tieton Group personnel by answering business, technical and operational questions and providing requested documents, guidelines and procedures in a timely manner; (ii) participate in the Services as reasonably necessary for performance under a SOW; and (iii) be available to assist Tieton Group with any other activities or tasks required to complete the Services in accordance with the SOW.

6. Tieton Group Personnel

Neither Tieton Group nor its personnel are or shall be deemed to be employees of Client. Tieton Group shall be responsible for the compensation of its personnel, in addition to any applicable employment taxes, workmen's compensation and any other taxes, insurance or provisions associated with the employment of personnel.

Client agrees not to directly or indirectly solicit, offer employment to, or accept any services outside of this Agreement from, any employee or independent contractor of Tieton Group during the term of this Agreement, and for twelve (12) months thereafter. Tieton Group, in its sole discretion, may waive this provision in writing for an individual. In consideration for such waiver, Client agrees to pay Tieton Group a placement fee equal to twenty five percent (25%) of such person's new total annual compensation from Client. This permanent placement fee shall be due immediately upon such person's commencement of services for Client.

7. Confidential Information

This Agreement is subject to public disclosure laws. This Agreement is considered a public document and will be available for inspection and copying by the public. If Tieton Group considers any portion of the items delivered to the Client to be protected under the law, Tieton Group shall clearly identify each such portion with words such as "CONFIDENTIAL", "PROPRIETARY", OR "BUSINESS SECRET". If a request is made for disclosure of such portion the Client will determine whether the material should be made available under the law. If the material is not exempt from public disclosure law, the Client will notify Tieton Group of the request and allow Tieton Group ten (10) business days to take whatever action it deems necessary to protect its interests. If Tieton Group fails or neglects to take such action within

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said period, the Client will release the portions of the information deemed subject to disclosure.

Tieton Group assents to the procedure outlined in this paragraph and shall have no claim against the Client on account of actions taken under such procedure. Tieton Group's failure to specifically identify items as "CONFIDENTIAL", "PROPRIETARY", OR "BUSINESS SECRET" will not diminish Tieton Group's proprietary rights in its trade secrets and other confidential information provided. If Tieton Group fails to specifically label protected items, the Client will not be liable to Tieton Group for inadvertently releasing such items pursuant to a disclosure request.

Tieton Group, its employees, sub-Contractors, and their employees shall maintain the confidentiality of all information provided by the Client or acquired by Tieton Group in performance of this Agreement, except upon the prior written consent of the Kittitas County Prosecuting Attorney or an order entered by a court after having acquired jurisdiction over the Client. Tieton Group shall immediately give to the Client notice of any judicial proceedings seeking disclosure of such information. Tieton Group shall indemnify and hold harmless the Client, its Additional Insured's, officials, agents or employees from all loss or expense, including, but not limited to settlements, judgments, setoffs, attorneys' fees and costs resulting from Tieton Group's breach of this provision.

8. Ownership

Unless otherwise specified in any Schedule, and upon payment in full, title to all materials, products and/or deliverables, including, but not limited to, reports, designs, programs, specifications, documentation, manuals, visual aids, and any other materials developed and/or prepared for Client by Tieton Group under any Schedule (whether or not such Schedule is completed), and all interest therein shall vest in Client and shall be deemed to be a work made for hire and made in the course of the services rendered hereunder. Tieton Group shall retain a non-exclusive, royalty-free, world-wide, perpetual license to use, sell, modify, distribute and create derivative works based upon any of the foregoing materials, products and/or deliverables in its information technology professional services business, provided that in so doing Tieton Group shall not use or disclose any Confidential Information unique to Client. To the extent that title to any such works may not, by operation of law, vest in Client or such works may not be considered works made for hire, all rights, title and interest therein are hereby irrevocably assigned to Client. All such materials shall belong exclusively to Client, except as set forth herein, with Client having the right to obtain and to hold in its own name, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Tieton Group agrees to give Client and any person designated by Client, reasonable assistance, at Client's expense, required to perfect the rights defined in this Section 8. Unless otherwise requested by Client, upon the completion of the services to be performed under each Schedule or upon the earlier termination of such Schedule, Tieton Group shall immediately turn over to Client all materials and deliverables developed pursuant to such Schedule, including, but not limited to, working papers, narrative descriptions, reports and data.

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Notwithstanding the foregoing, the following shall not constitute the property of Client: (i) software, including but not limited to any proprietary code (source and object), which is subject to third-party license agreements; (ii) those portions of the deliverables which include information in the public domain or which are generic ideas, concepts, know-how and techniques within the computer design, support and consulting business generally; and (iii) those portions of the deliverables which contain the computer consulting knowledge, techniques, tools, routines and sub-routines, utilities, know-how, methodologies and information which Tieton Group had prior to or acquired during the performance of its Services for Client and which do not contain any Confidential Information (as hereinafter defined) of Client conveyed to Tieton Group by Client. To the extent that any portion of the deliverables includes information or material that falls within the exceptions to property of Client described in Subsection (iii) above, Tieton Group shall be deemed to have granted Client a paid up, world-wide, non-exclusive license to use any such information or material embedded in the deliverables for its internal business needs and a non-exclusive license to make copies thereof for use only in its and its affiliates' facilities, subject to third party license agreements, if any. Should Tieton Group, in performing any services hereunder, use any computer program, code or other materials developed by it independently of the services provided hereunder ("Pre-existing Work"), Tieton Group shall retain any and all rights in such Pre-existing Work.

Tieton Group hereby grants Client a paid up, world-wide, non-exclusive license to use and reproduce the Pre-existing Work for its internal business needs. Client understands and agrees that Tieton Group may perform similar services for third parties using the same personnel that Tieton Group may use for rendering Services for Client hereunder, subject to Tieton Group's obligations respecting Client's Confidential Information pursuant to Section 7.

9. Warranty

With respect to any Deliverable or Services, Tieton Group warrants the following for a period of thirty (30) days from the performance of Services or the delivery of a Deliverable (the "Warranty Period"):

- a) the Services rendered hereunder will be performed by qualified personnel.
- b) the Services performed will substantially conform to any applicable requirements set forth in the SOW.
- c) if any Deliverable is expressly included in a SOW, then the Deliverable will substantially conform to the applicable written specifications of such Deliverable.

Tieton Group does not warrant that the Services or Deliverables will be uninterrupted or error-free, provided that Tieton Group shall remain obligated pursuant to this Section 8. In the event that the Service fails to conform to the foregoing warranty in any material respect, Client's initial remedy will be for Tieton Group, at its expense, to promptly use commercially reasonable efforts to cure or correct such failure. Upon failure of the foregoing, Client's remedies, and Tieton Group's entire liability, as a result of such failure, shall be subject to the

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limitations set forth in Section 10 below. The foregoing warranty is expressly conditioned upon (i) Client providing Tieton Group with prompt written notice of any claim thereunder prior to the expiration thereof, which notice must identify with particularity the non-conformity; (ii) Client's full cooperation with Tieton Group in all reasonable respects relating thereto, including, in the case of modified software, assisting Tieton Group to locate and reproduce the non-conformity; and (iii) with respect to any Deliverable, the absence of any alteration or other modification of such Deliverable by any person or entity other than Tieton Group.

The parties acknowledge and agree that this Agreement relates solely to the performance of services (not the sale of goods) and, accordingly, will not be governed by the Uniform Commercial Code of any State having jurisdiction.

EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 8, Tieton Group DOES NOT MAKE OR GIVE ANY REPRESENTATION OR WARRANTY, WHETHER SUCH REPRESENTATION OR WARRANTY BE EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY REPRESENTATION OR WARRANTY FROM COURSE OF DEALING OR USAGE OF TRADE.

In the event that Client asserts any claim for warranty services hereunder and such claim relates to any matter that is determined by Tieton Group not to be Tieton Group's responsibility hereunder (including any problem with Client's computer hardware or software that was not caused by any Services performed by Tieton Group), Client will be responsible to pay Tieton Group for all costs incurred for all evaluation, correction or other services performed by Tieton Group relating to such claim on a time and materials basis at Tieton Group's then standard billing rates.

10. Limitation of Liability

In no event shall Tieton Group be liable for special, exemplary, incidental, or consequential damages (including, without limitation, lost revenues, profits, savings or business) or loss of records or data, whether or not the possibility of such damages has been disclosed to Tieton Group in advance or could have been reasonably foreseen by Tieton Group, and whether in an action based on contract, warranty, strict liability, tort (including, without limitation, negligence) or otherwise. Tieton Group's maximum aggregate liability for any claim, loss or other liability arising out of, or connected with, this Agreement, the Services contemplated hereunder or Client's use of any such Services or Deliverables, and whether based upon contract, warranty, strict liability, tort (including, without limitation, negligence), or otherwise, shall in no case exceed the aggregate amounts paid to Tieton Group by Client under any SOW giving rise to such claim during the last six (6) months, except as stated in the SOW and provided for under section for *Insurance*. Tieton Group will not be liable for any damages claimed by Client based upon any third-party claim. Tieton Group's entire liability and Client's remedies under this Agreement shall be subject to the limitations contained in this Section 10. The limitations on warranty and liability specified in Sections 9 and 10 hereof will survive and apply even if any limited remedy herein is found to have failed of its essential purpose. The parties acknowledge that the limitation of warranties and liabilities as set out in this

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Agreement is an essential basis of this Agreement and that the prices agreed to be paid by Client for Services reflect these limitations. No action arising out of this Agreement, regardless of the form thereof, may be brought by either party more than one (1) year following the date the cause of action arose, provided, however, that Tieton Group may bring an action for non-payment of amounts required to be paid by Client hereunder at any time.

11. Indemnification / Hold Harmless

Tieton Group shall defend, indemnify and hold the Client, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Tieton Group in performance of this Agreement, except for injuries and damages caused by the sole negligence of the Client.

Moreover, Tieton Group will defend and indemnify the Client from any claimed action, cause or demand brought against the Client to the extent such action is based on the claim that information supplied by Tieton Group infringes any patent or copyright. Tieton Group will pay those costs and damages attributable to any such claims that are finally awarded against the Client in any action.

12. Notices

All notices, demands and other communications required or permitted hereunder or in connection herewith shall be in writing and shall be deemed to have been duly given if delivered (including by receipt verified facsimile transmission) or mailed in the Continental United States by first class mail, postage prepaid, to a party at the following address, or to such other address as such party may hereafter specify by notice:

If to Tieton Group

Tieton Group LLC
603 Ferncrest Drive
Yakima, WA 98901
Attn: Gene F Pugnetti

If to Client

Kittitas County
205 W 5th Avenue
Ellensburg, WA 98926
Attn: Lisa Young

13. Miscellaneous

This Agreement will be governed by the laws of the State of Washington, without reference to the principles of conflicts of law. Neither party may assign or otherwise transfer any of its rights, duties or obligations under this Agreement without the prior written consent of the other party. Either party, however, without any requirement for prior consent by the other, may assign this Agreement and its rights hereunder to any party or entity who succeeds (by purchase, merger, operation of law or otherwise) to all or substantially all of the capital stock, assets or business of such party, if the succeeding party or entity agrees in writing to assume and be bound by all of the obligations of such party under this Agreement. This Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective

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successors and permitted assignees. This Agreement may be modified only by a written amendment executed by duly authorized officers or representatives of both parties. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, then such provision shall be severed from this Agreement and the remaining provisions will continue in full force. This Agreement may be executed in several counterparts, each of which will be deemed an original, and all of which taken together will constitute one single agreement between the parties with the same effect as if all the signatures were upon the same instrument. Tieton Group may use the name of the Client, the existence of this Agreement and the nature of the associated services provided herein for marketing purposes. This Agreement and all SOWs attached hereto constitute the complete and exclusive statement of the agreement between the parties and supersedes all proposals, oral or written, and all other prior or contemporaneous communications between the parties relating to the subject matter herein.

14. Cooperative Purchasing

The Washington State Interlocal Cooperation Act RCW 39.34 provides that other governmental agencies may purchase goods and services based on this Contract in accordance with the terms and prices indicated herein if all parties are agreeable. Each public agency shall formulate a separate contract with Tieton Group, incorporating the terms and conditions of this Contract with Client. Client shall incur no liability in connection with such contracts or purchases by other public agencies thereunder. It will be Tieton Group's responsibility to inform such public agencies of this Contract. Tieton Group shall invoice such public agencies as separate entities.

15. Assignment and Subcontracting

No portion of this Agreement may be assigned or subcontracted to any other individual, firm or entity without the express and prior written approval of the Client.

16. Right to Review

This contract is subject to review by any Federal or State auditor, or the Kittitas County Auditor. The Client or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the Client. Such review may occur with or without notice, and may include, but is not limited to, on-site inspection by Client agents or employees, inspection of all records or other materials which the Client deems pertinent to the Agreement and its performance, and any and all communications with or evaluation by service recipients under this Agreement. Tieton Group shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for 6 years after contract termination, and shall make them available for such review, within Kittitas County, State of Washington, upon request.

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17. Industrial Insurance Waiver

With respect to the performance of this Agreement and as to claims against the Client, its Additional Insured's, officers, agents and employees, Tieton Group expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligations to indemnify, defend and hold harmless provided in this agreement extend to any claim brought by or on behalf of any employee of Tieton Group. **This waiver is mutually negotiated by the parties to this Agreement.**

18. Tieton Group Commitments, Warranties and Representations:

Tieton Group represents and warrants to the Client as follows:

Tieton Group is duly incorporated, validly existing and in good standing under the laws of the State of Washington, and has all requisite corporate power and authority to enter into and to perform its obligations under this Agreement.

Tieton Group has the authority to execute this Agreement, to make the representations and warranties set forth in it and to perform the obligations under this Agreement in accordance with its terms.

This Agreement has been validly executed by an authorized representative of Tieton Group and constitutes a valid and legally binding and enforceable obligation of Tieton Group.

Tieton Group has or will obtain prior to the commencement date such licenses, permits and other authorizations from federal, state and other governmental authorities, as are necessary for the performance of its obligations under this Agreement.

Tieton Group is not in violation of any applicable law, ordinance or regulation the consequence of which will or may materially affect Tieton Group's ability to perform its obligations under this Agreement. Tieton Group is not subject to any order or judgment of any court, tribunal or governmental agency which materially and adversely affects its operations or assets in the State of Washington, or its ability to perform its obligations under this Agreement.

Tieton Group certifies that that it is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency.

None of the representations or warranties in this Agreement, and none of the documents, statements, certificates or schedules furnished or to be furnished by Tieton Group pursuant hereto or in connection with the performance of the obligations contemplated under this Agreement, contains or will contain any untrue statement of a material fact or omits or will

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omit to state a material fact necessary to make the statements of fact contained therein not misleading.

19. Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

20. Miscellaneous

The Client's failure or delay to insist upon strict performance of any of the provisions of this Agreement or to exercise any rights or remedies under this Agreement shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions, rights or remedies in that or any other instance; rather the same shall be and remain in full force and effect.

This Agreement embodies the entire Agreement between the Client and Tieton Group, and supersedes any and all prior agreements, regarding the Work. No change, amendment or modification of any provisions of this Agreement shall be valid unless set forth in a written instrument signed by the party to be bound thereby.

The rights and remedies of the Client set forth in any provision of this Agreement are in addition to and do not in any way limit any other rights or remedies afforded to the Client by any other provisions of this Agreement, or by law.

21. Waiver

Waiver of any breach or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No terms or conditions of this Agreement shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto.

22. Nondiscrimination

In the performance of this Agreement, Tieton Group will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. Tieton Group shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination,

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rates of pay or other forms of compensation, and programs for training including apprenticeships. Tieton Group shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

Tieton Group will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap.

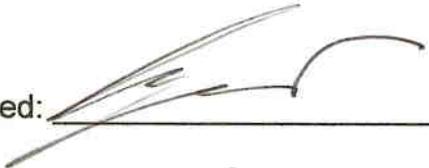
If any assignment and/or subcontracting has been authorized by the Client, said assignment or subcontract shall include appropriate safeguards against discrimination. Tieton Group shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year first above written.

Tieton Group LLC

Kittitas County

Signed:  _____

Signed: _____

Name: GENE RUBENETTI

Name: _____

Title: PRESIDENT

Title: _____

Date: 3/16/17

Date: _____



Statement of Work

Kittitas County HIPAA Security Rule Assessment

Submitted To:

Kittitas County

205 W 5th Ave
Ellensburg, WA 98926

Client Contact: Lisa Young
Human Resource Director/Risk Manager
lisa.young@co.kittitas.wa.us
(509) 962-7084

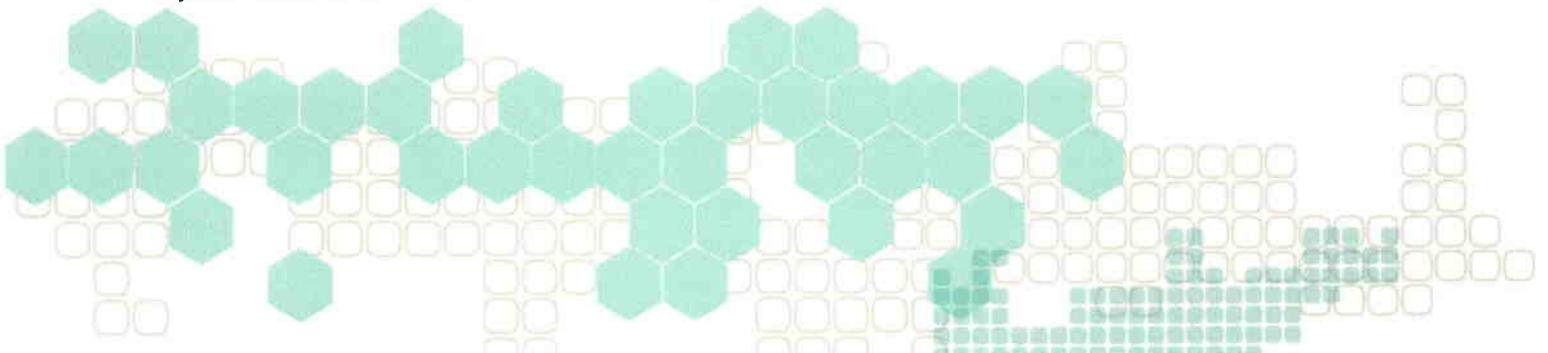
Submitted by:

Tieton Group LLC

603 Ferncrest Drive
Yakima, WA 98901

Engagement Contact: Gene F Pugnetti
E-mail: pugnetti@tieton.com
Phone: (509)962-7084

Notice: This proposal includes data that shall not be disclosed outside Client, except as required by public disclosure laws, and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offer or as a result of—or in connection with—the submission of this data, Client shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit Client's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in all sheets of this document.



Statement of Work

This Statement of Work is entered into and made effective this day ____/____/ 2017 ("Effective Date") by and between Tieton Group LLC ("Tieton Group") and Kittitas County ("Client").

This Statement of Work is governed by the terms and conditions set forth in the Tieton Group LLC Master Services Agreement, mutually executed between Tieton Group and Kittitas County on ____/____/ 2017.

Project Scope

Tieton Group LLC will conduct an assessment of the current HIPAA information security controls implemented at Kittitas County. This will include interviews with County staff and review of County policies, standards, practices and processes. The assessment results will be compared with the HIPAA Security Rule standard of security controls in order to determine any gaps that may exist. The assessment and associated deliverable are intended to underscore those areas where the county is doing well in addressing HIPAA security requirements and also highlight those areas where further attention is needed.

Project Objectives:

- Provide rapid determination of the gaps between current practices and the HIPAA Security Rule requirements. The HIPAA Security Rule requirements include:
 - a. 164.308 Administration Safeguards
 - b. 164.310 Physical Safeguards
 - c. 164.312 Technical Safeguards
 - d. 164.314 Organizational Requirements
- Generate a summary list of recommended next steps that outlines a HIPAA compliance roadmap.
- Provide a prioritization to the current level of ePHI data risk by ranking issues found High, Medium and Low.
- Provide documentation of recommended corrective actions to mitigate the identified security exposures.
- Provide practical solutions to mitigate the deficiencies.
- As an initial phase of this project, Tieton Group will first confirm which county departments should be included in the scope of this HIPAA assessment.

The proposed HIPAA Gap Assessment is not a compliance audit. It is an assessment of the current state of Kittitas County documented and undocumented policies, standards, practices and processes as measured against the HIPAA Security Rule requirements.

Project Methodology:

Gene Pugnetti of Tieton Group will visit Kittitas County facilities and conduct interviews with Kittitas County personnel regarding their roles and responsibilities, and their view on the security of the County's HIPAA related information assets. These visits will also be conducted to observe, research and collect any current HIPAA policy documentation supporting information security at Kittitas County.

Tieton Group will conduct up to 16 hours of interviews with various groups or individuals at Kittitas County who fall under the HIPAA guidelines and requirements. These include, but may not be limited to:

1. Public Health
2. Department of Corrections
3. Juvenile Detention Services
4. Human Resources
5. Information Technology
6. Community Development Services

Note: As an initial phase of this project, Tieton Group will first confirm which county departments should be included in the scope of this HIPAA assessment.

Deliverable

Tieton Group will provide a written deliverable that summarizes the strengths and weaknesses found during the engagement. A ranking by risk of the gaps found will also be included, along with recommendations. The deliverable will include the following sections:

Introduction

Methodology

Results Summary

Results Detail

Maintaining Your Security Program

Identifying Your Assets

Managing Access to Your Assets

Managing the Integrity of Your ePHI

Managing Your Media

Managing Your Facilities

Managing Your Workforce

Educating Your Workforce

Managing Your Vendors

Continuing Your Operations

Auditing Your Operations

Managing Incidents

Upon approval of the draft deliverable, Tieton Group will conduct a de-brief session at the Client offices, which will review the findings and recommendations from the assessment.

Assumptions

In order to assure the success of the engagement, a Client representative will assist with scheduling all interviews and activities for the duration of the agreement.

During this engagement, Tieton Group will not conduct a vulnerability assessment, network mapping and network monitoring on control system networks. Any vulnerabilities, sensitive data, or configuration data found will not be exploited or disclosed except to specified client staff. This process should not interrupt any processes or services, or cause any impact to the availability of operations.

Change Control

Tieton Group has made every attempt to accurately estimate time required to successfully complete the project (see "Cost and Schedule"). Client acknowledges and agrees that if impediments, complications, or Client requested changes in scope arise, these factors are out of the control of Tieton Group, and the length of the project and associated price could be impacted.

Examples of valid impediments, complications, and changes in scope consist of (but are not limited to):

- Client or third party initiated delay where Client or third party (system or network provider) is not prepared to allow Tieton Group to begin work on the agreed upon start date thus resulting in additional cost to Tieton Group for resources that have been sent to Client site but cannot begin the services.
- Client provided information necessary for timely delivery by Tieton Group is not accurate.
- Inability to access equipment or personnel that are required to complete the project.
- Client increases the scope of services requiring additional labor, hardware, software, materials, travel, lodging, meals, or other direct costs.

If any change(s) from impediments, complications, or Client changes in the scope of services cause an increase or decrease in the price or level of effort of the Statement of Work, or the time required for the performance of any part of the work to be accomplished hereunder, whether or not such work is specifically identified in the written change, then the price, delivery schedules and other affected provision(s), if any, as applicable, shall be equitably adjusted and this Statement of Work shall be modified in writing by the mutual agreement of the parties in accordance with this section.

Cost and Schedule

Costs:

This SOW is priced at a fixed fee of \$20,000. Travel and other direct costs for the described effort are not included in this price and shall be reimbursed by Client at actual cost, provided such costs are approved in advance by Client. Meals shall be paid if the Tieton Group representative(s) are in travel status to/from the Client's place of business or while work is being performed at the Client's location. However, the total amount of costs billed to the Client shall not exceed \$500, unless otherwise approved by the Client, in writing, in advance.

Schedule:

Tieton Group will complete all work described in this Statement of Work, including a "de-brief session", within eight (8) weeks after execution of the Professional Services Master Agreement.

Insurance

Proof of Insurance:

The Contractor shall secure and maintain in effect at all times during performance of the Work such insurance as will protect Contractor, its Support and the Additional Insured's from all claims, losses, harm, costs, liabilities, damages and expenses arising out of personal injury (including death) or property damage that may result from performance of the work or this Agreement, whether such performance is by Contractor or any of its Support.

All insurance shall be issued by companies admitted to do business in the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports unless otherwise approved by the County. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

The Contractor shall provide proof of insurance for:

- Commercial General Liability covering the risks of bodily injury (including death), property damage and personal injury, including coverage for contractual liability, with a limit of not less than \$1 million per occurrence/\$2 million general aggregate;
- Professional Liability Errors and Omissions insurance as follows: Professional Liability Errors and Omissions, with coverage of not less than \$1 million per occurrence/\$2 million general aggregate.

Contractor shall furnish the Customer a Certificate of Insurance with Endorsement as evidence that policies providing insurance required by this Agreement are in full force and effect. Contractor hereby waives all rights of recourse, including any right to which another may be subrogated, against Kittitas County for personal injury, including death, and property damage. Contractor's insurance policies required above shall be primary insurance and shall be non-contributing with any other insurance maintained by Kittitas County.

The Contractor shall assume full responsibility for all loss or damage from any cause whatsoever to any tools, Contractor's employee-owned tools, machinery, equipment, or motor vehicles owned or rented by the Contractor, or the Contractor's agents, suppliers or contractors as well as to any temporary structures, scaffolding and protective fences.

The Contractor shall have sole responsibility for ensuring the insurance coverage and limits required are obtained by subcontractors.

NOTE: No contract shall form until and unless a copy of the Certificate of Insurance with Endorsement, properly completed and in the amount required, is attached hereto.

Project Contacts

Client Contact Information

Name:	Kittitas County, Washington
Client Project Sponsor:	Lisa Young, Human Resources Director/Risk Manager
E-Mail Address:	lisa.young@co.kittitas.wa.us
Mailing Address:	205 W 5 th Ave, Ellensburg, WA 98926
Phone Number:	(509) 962-7084

Tieton Group LLC Contact Information

Project Contact Name:	Gene F Pugnetti
E-Mail Address	pugnetti@tieton.com
Mailing Address:	603 Ferncrest Drive Yakima, WA 98901
Phone Number:	(509) 469-5566

Signatures

IN WITNESS WHEREOF, the parties have caused this Statement of Work to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Statement of Work duly authorized by all necessary and appropriate corporate action to execute this Statement of Work.

PAYMENT

___ A purchase order has been approved and a copy is attached to this SOW.

___ My organization does not issue purchase orders for these product and/or services ordered. In order to ensure correct and timely invoicing, I have provided a reference number and a billing address to be identified on the invoice

Reference # _____

Billing address: _____

Tieton Group LLC

Printed Name:

GENE RUGNETTI

Signature:



Title:

PRESIDENT

Date:

3/16/17

Kittitas County

Printed Name:

Signature:

Title:

Date:
