WR 19-12 – MAINFRAME PROGRAMMING SERVICES
EXHIBIT A – SAMPLE WORK ORDER, VERSION 2

Washington State Department of Retirement Systems
ITPS Work Order

Mainframe Program Services

Contract Number: DRS Work Order 19-12

Purchaser: Washington State Department of Retirement Systems

Contractor: <insert successful bidder’s company name>

Effective Date: <insert date>

Solicitation Coordinator: Jilene Siegel

Title: Rules and Contracts Manager

Phone: 360.664.7291

Email: Jilene.siegel@drs.wa.gov

ITPS Category:

- ITPS_08215_01. IT Funding and Financial Analysis
- ITPS_08215_02. IT Business Analysis
- ITPS_08215_03. Continuity of Operations & Disaster Recovery
- ITPS_08215_04. IT Project Management
- ITPS_08215_05. Project Quality Assurance
- ITPS_08215_06. Software Testing
- ITPS_08215_07. Client/Server and Web Services
- ITPS_08215_08. Database Services
- ITPS_08215_09. Geographic Information Systems (GIS) Services
- ITPS_08215_10. Infrastructure Services
- ITPS_08215_11. Mainframe Services
- ITPS_08215_12. Mobile Services
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1. **PARTIES**

This ITPS Work Order ("Contract") is made and entered into by and between the state of Washington acting by and through Washington State Department of Retirement Systems (DRS), a Washington state governmental entity, and <insert Contractor’s name>, a <insert Contractor’s legal status (e.g. corporation, partnership, sole proprietorship, etc.)> ("Contractor") and is effective as of the date of execution <insert effective date>.

2. **RECITALS**

This Contract is part of the IT Professional Services Master Contract program (Contract No. 08215) administered by the Washington State Department of Enterprise Services ("DES"). Accordingly, Contractor, as a participant in the IT Professional Services Master Contract program is subject to the program requirements including, but not limited to, the registration, reporting and evaluation obligations stated in this Contract.

DRS desires certain IT Professional Services that have been detailed in its Solicitation No. 19-12 dated August 23, 2019.

Contractor is capable of providing the desired IT Professional Services.

DRS and Contractor desire to contract for the IT Professional Services.

3. **AGREEMENT**

In consideration of the mutual promises, covenants, and conditions set forth herein, DRS and Contractor (collectively, the "Parties") agree to the following:

3.1. **Term**

The term of this Contract is from the execution date through June 30, 2021. DRS reserves the right at its discretion to extend the Work Order up to four (4) additional years.

DRS anticipates that assignment(s) resulting from this Work Order could begin as early as October 2019 and continue in duration through June 30, 2021, with the number of hours varying depending on the project. Estimated hours, specific project deliverables and anticipated completion dates will be negotiated upon assignment to a project.

3.2. **IT Professional Services**

Contractor shall perform and provide the IT professional services detailed in Attachment A – IT Professional Services. To the extent that Contractor subcontracts any of its rights or obligations, such subcontractors shall be deemed to be agents of Contractor and Contractor shall include the pertinent requirements of this Contract in any subcontract. In no event, however, shall any subcontract operate to release or reduce Contractor from liability to DRS for any breach in the performance of Contractor’s duties.
3.3. **Compensation, Records and Audit**

3.3.1. **Compensation**

DRS agrees to pay Contractor, as total compensation for Contractor’s complete performance of the IT professional services, the compensation detailed in Attachment B – Compensation. Compensation, including the timing, is subject to the performance metrics in Attachment B. Contractor shall invoice DRS in accordance with Attachment B.

3.3.2. **Records**

Contractor shall maintain and retain records relating to this Contract for six (6) years after the expiration or termination of this Contract; provided, however, that, in the event of litigation pertaining to this Contract, Contractor shall maintain and retain such records for one (1) year following the termination of litigation, including all appeals, or six (6) years from the date of expiration or termination of this Contract, whichever is later.

3.3.3. **Audit**

All records shall be subject to examination, inspection, copying, or audit at reasonable times and upon prior notice by personnel authorized by DRS, the Office of the State Auditor, or federal officials, at no additional cost to DRS. If requested by DRS and located elsewhere, Contractor shall provide access to these items within Thurston County, Washington. Contractor shall be responsible for any audit exceptions or disallowed costs incurred by Contractor or its agents.

3.4. **Sales Reporting; Management Fee; Notices**

3.4.1. **Sales Reporting; Management Fee**

Contractor shall report all amounts invoiced pursuant to this Contract to DES as instructed in Master Contract 08215. In addition, Contractor shall remit the applicable management fee to DES. Contractor’s failure to report all amounts invoiced or remit the management fee when due shall constitute material breach of this Contract. Reference Master Contract 08215 for more details.

3.4.2. **Notices**

Any notices required or desired shall be in writing and delivered (i) by email; (ii) by mail; or (iii) personally or by messenger, and shall be sent to the addressee at the email or address below or to such other email or address the Parties may specify in writing:

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attn: &lt;insert contact&gt;</td>
<td>Attn: &lt;insert contact&gt;</td>
</tr>
<tr>
<td>Department of Retirement Systems</td>
<td>&lt;insert Contractor’s name&gt;</td>
</tr>
<tr>
<td>PO Box 48385</td>
<td>&lt;insert address&gt;</td>
</tr>
<tr>
<td>Olympia, WA 98504-8385</td>
<td>&lt;insert city, state zip&gt;</td>
</tr>
<tr>
<td>&lt;email&gt; @drs.wa.gov</td>
<td>&lt;insert email&gt;</td>
</tr>
</tbody>
</table>
3.5. **Representations and Warranties**

Contractor makes the following representations and warranties without which DRS would not enter into this Contract. Breach of any of these representations and warranties shall constitute material breach of this Contract.

3.5.1. **Compliance with Law**

Contractor represents and warrants that Contractor shall comply with all applicable laws, regulations, and licensing requirements pertaining to its activities and operations under this Contract. Contractor shall not commit any act or omission, nor shall it allow its personnel or agents to commit any act or omission that affects DRS or is in violation of any law, regulation or licensing requirement.

3.5.2. **Compliance with State Policies**

Contractor represents and warrants that Contractor shall comply with all applicable state policies pertaining to its activities under this Contract including, but not limited to, compliance with Washington state's IT, security, access, data protection and privacy policies.

3.5.3. **Qualified to do business**

Contractor represents and warrants that Contractor is qualified to do business in the state of Washington and shall provide written confirmation upon request. Reference Master Contract 08215 for more details.

3.5.4. **Registration**

Contractor represents and warrants that before Contractor shall register with the Statewide Payee Desk beginning work for DRS, and shall provide written confirmation upon request. Reference Master Contract 08215 for more details.

3.5.5. **Debarment**

Contractor represents and warrants that neither Contractor nor any of its personnel or agents are debarred or proposed for debarment from doing business with any state or local government in the United States or with the U.S. federal government.

3.5.6. **Insurance**

Contractor represents and warrants that, during the term of this Contract, Contractor shall maintain insurance, in full force and effect, to the levels and requirements detailed in *Attachment C – Insurance Requirements*.

3.5.7. **Industrial Insurance**

Contractor represents and warrants that Contractor shall have or obtain industrial insurance coverage for its employees before beginning any work under this Contract.
and will maintain the same throughout the term of this Contract. Contractor waives its Industrial Insurance immunity to the extent required to indemnify, defend, and hold harmless DRS and its personnel and/or agents.

3.5.8. **Taxes**

Contractor represents and warrants that Contractor is registered with the Washington State Department of Revenue. Contractor further understands and agrees that any and all applicable taxes pertaining to its activities shall be paid promptly by Contractor and are Contractor’s sole obligation.

3.5.9. **No Assignment**

Contractor represents and warrants that Contractor shall not assign its rights under this Contract without DRS’ prior written consent and DRS may consider any attempted assignment without such consent to be void, provided, however, that, if Contractor gives written notice to DRS within thirty (30) days, Contractor may assign its rights under this Contract in full to any parent, subsidiary, or affiliate of Contractor that controls or is controlled by or under common control with Contractor, is merged or consolidated with Contractor, or purchases a majority or controlling interest in the ownership or assets of Contractor. Unless otherwise agreed, Contractor guarantees prompt performance of all obligations under this Contract notwithstanding any prior assignment of its rights.

3.5.10. **No Endorsement or Publicity**

The Parties understand and acknowledge that this Contract is not in any way an endorsement of Contractor or Contractor’s IT Professional Services by DRS and shall not be construed or communicated as such in any advertising, promotional or other materials pertaining to Contractor. Unless prior written permission is granted by DRS, Contractor shall not reference DRS or this Contract in any advertising, promotional or other materials distributed or made available by Contractor, regardless of form or medium.

3.5.11. **No Wage Violations**

Contractor warrants that as of the execution of this Work Order, Contractor has not been determined by a final and binding citation and notice of assessment issued by the Washington Department of Labor & 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 chapters 49.46, 49.48, or 49.52 within three (3) years before the date of the above-referenced procurement solicitation date. Contractor further warrants that it will remain in compliance with these requirements during the life of this Work Order. Contractor will immediately notify DRS of any finding of a willful violation entered by the Washington Department of Labor & Industries or through a civil judgment entered by a court of limited or general jurisdiction entered during the life of this Agreement.
3.6. **Termination and Dispute Resolution**

3.6.1. **Termination for Default**

This Contract may be terminated for default. If Contractor violates any material term or condition of this Contract, or fails to fulfill in a timely and proper manner its obligations under this Contract, DRS shall give Contractor written notice of failure or violation, and the failure or violation shall be corrected by Contractor within thirty (30) calendar days or as otherwise agreed. If such breach is not capable of cure within thirty (30) days, Contractor must commence cure within such thirty (30) day period and diligently pursue completion of such cure. If Contractor’s failure or violation is not corrected, DRS may terminate this Contract by written notice. In the event of termination, DRS shall have the right to procure replacement IT Professional Services and Contractor shall be liable for all damages, including, but not limited to, the cost difference between the Contract price for the IT Professional Services and the replacement costs of such IT Professional Services, and any other costs to DRS resulting from Contractor’s breach. The Parties understand and agree that DRS shall have the right to deduct from any compensation due to Contractor an amount for damages that Contractor will owe DRS for Contractor’s default.

3.6.2. **Termination for Convenience**

DRS, at its sole discretion, may terminate this Contract for convenience when such termination is in the best interest of DRS.

3.6.3. **Termination for Lack of Funding or Authority**

In the event that DRS’ funding or authority to perform any of its duties pertaining to this Contract is withdrawn, reduced, or limited in any way after entering into this Contract and before normal completion, DRS may terminate this Contract.

3.6.4. **Termination for Conflict**

If, after reasonable investigation, DRS determines that either Contractor or DRS, including their respective personnel or agents, has violated the Ethics in Public Service law (RCW chapter 42.52), DRS shall terminate this Contract.

3.6.5. **Written Notice for Termination**

Any termination of this Contract shall be by written notice. With the exception of termination for default or for violation of the Ethics in Public Service law. In the event of termination, DRS shall be liable to Contractor for payment for IT Professional Services received and accepted by DRS before the effective date of the termination.

3.6.6. **Non-exclusive Remedies**

The remedies provided for in this Contract shall not be exclusive but are in addition to all other remedies available under law.

3.6.7. **Dispute Resolution**

To the fullest extent practicable, the Parties shall attempt to resolve disputes arising out of the performance of this Contract without litigation. Disputes shall be resolved
in a timely manner at the lowest level with the necessary authority. If a dispute persists and cannot be resolved, it may be escalated within each organization. If, however, within thirty (30) days of notice of any dispute, the Parties are unable to resolve the dispute, either party may begin litigation without further delay. In any such litigation, the prevailing party shall be entitled to an award of reasonable attorneys’ fees including any on appeal.

3.7. Claims

3.7.1. Claims between the Parties

Contractor assumes sole responsibility and all risks of injury or property damage to itself and its employees, representatives, or agents in connection with Contractor’s operations and activities under this Contract. Contractor shall pay for all damage to DRS’ property resulting directly or indirectly from its acts or omissions under this Contract, even if not attributable to negligence by Contractor or its agents.

3.7.2. Third-Party Claims; Indemnification

Contractor shall defend, indemnify, and hold harmless DRS and its employees and agents from and against all claims, demands, judgments, assessments, damages, penalties, fines, costs, liabilities or losses including, without limitation, sums paid in settlement of claims, attorneys’ fees, consultant fees, and expert fees (collectively “claims”) arising from any act or omission of Contractor or its successors, agents, and contractors under this Contract, except claims caused solely by DRS’ negligence. This includes, without limitation, any claims for injury to or death of persons; damage to property; nuisance; mechanics’ and materialmen’s liens; workers’ compensation and unemployment taxes; fines and penalties; and environmental damages, cleanups, and corrective actions. If DRS chooses to retain its own counsel, Contractor shall reimburse DRS for all costs reasonably incurred to defend against such claims through the attorneys of its choice. Contractor shall take all steps needed to keep DRS’ property free of liens arising from Contractor’s activities, and promptly obtain or bond the release of any such liens that may be filed. The foregoing indemnity and defense obligations shall survive the expiration or earlier termination of this Contract.

3.8. Other Provisions

3.8.1. Time is of the Essence

Time is of the essence for every provision of this Contract.

3.8.2. Integrated Agreement

This Contract constitutes the entire agreement and understanding of the Parties with respect to the subject matter and supersedes all prior negotiations, representations and understandings between them.

3.8.3. Amendment/Modification

This Contract may not be amended or modified except in writing and signed by a duly authorized representative of each Party hereto.
3.8.4. **Authority**

Each party to this Contract, and each individual signing on behalf of each party, represents and warrants to the other that it has full power and authority to enter into this Contract and that its execution, delivery and performance has been fully authorized and approved, and that no further approvals or consents are required to bind such party.

3.8.5. **No Agency**

The Parties agree that no agency, partnership or joint venture of any kind shall be, or is intended to be, created by or under this Contract. Neither party is an agent of the other party nor authorized to obligate it.

3.8.6. **Binding Effect; Successor and Assigns**

This Contract shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assignors.

3.8.7. **Severability**

If any provision of this Contract is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Contract, and to this end the provisions of this Contract are declared to be severable. If such invalidity becomes known or apparent to the Parties, the Parties agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this Contract.

3.8.8. **Waiver**

Failure of either Party to insist upon the strict performance of any of the terms and conditions hereof, or failure to exercise any rights or remedies provided in this Contract or by law, or to notify the other party in the event of breach, shall not release the other party of any of its obligations under this Contract, nor shall any purported oral modification or rescission of this Contract by either party operate as a waiver of any of the terms. No waiver by either party of any breach, default, or violation of any term, warranty, representation, agreement, covenant, right, condition, or provision in this Contract shall constitute waiver of any subsequent breach, default, or violation of the same or other term, warranty, representation, agreement, covenant, right, condition, or provision.

3.8.9. **Survival**

All representations, warranties, covenants, agreements, and indemnities stated in or otherwise made pursuant to this Contract shall survive and remain in effect following the expiration or termination of this Contract, provided, however, that nothing in this Contract is intended to extend the survival beyond any applicable statute of limitations periods.
3.8.10. **Governing Law**

The validity, construction, performance, and enforcement of this Contract shall be governed by and construed in accordance with the laws of the state of Washington, without regard to its choice of law rules.

3.8.11. **Jurisdiction and Venue**

In the event that any action is brought to enforce any provision of this Contract, the Parties agree to submit to exclusive in personam jurisdiction in Thurston County Superior Court for the state of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.

3.8.12. **Fair Construction and Interpretation**

The provisions of this Contract shall be construed as a whole according to their common meaning, and not strictly for or against any party, and consistent with the provisions contained in this Contract to achieve the objectives and purposes of this Contract. Each party and its counsel has reviewed and revised this Contract and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this Contract. Each term and provision of this Contract to be performed by either party shall be construed to be both a covenant and a condition.

3.8.13. **Further Assurances**

In addition to the actions specifically mentioned in this Contract, the Parties shall each do whatever may reasonably be necessary to accomplish the transactions contemplated in this Contract including, without limitation, executing any additional documents reasonably necessary to effectuate the provisions and purposes of this Contract.

3.8.14. **Captions and Headings**

The captions and headings in this Contract are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent nor the meaning of any provisions in this Contract.

3.8.15. **Attachments**

All attachments referred to in this Contract are deemed to be incorporated in their entirety.

3.8.16. **Counterparts**

This Contract may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument that may be sufficiently evidenced by one counterpart. Execution of this Contract at different times and places by the Parties shall not affect the validity of the Contract so long as all the Parties hereto execute a counterpart of this Contract.
EXECUTED AND EFFECTIVE as of the day and date first above written.

<insert name of Contractor>  
By: 
Name: 
Title: 
Date: 

Department of Retirement Systems  
By: 
Name: 
Title: Director 
Date: 

Washington State Department of Retirement Systems  
DRS Work Request - DRS-WO 19-12  
Exhibit A – Sample Work Order Version 2
Attachment A: IT Professional Services

This Exhibit sets forth the IT Professional Services and manner in which they are to be provided by Contractor.

1. Statement of Work

   a. Introduction/Background

      Contractor will provide mainframe programming services with expert-level proficiency with Natural/Adabas in developing system specifications/requirements, creating or modifying application programs, developing test scripts, testing and debugging application programs and developing system documentation to support the implementation and maintenance of legislative mandates and other agency projects/initiatives.

      Contractor will provide programmer/analyst services to assist project team(s) within the Project Management Office (PMO) and/or the Information Services Division (ISD) at DRS, producing deliverables subject to the approval of DRS within allotted timeframes. Contractor(s) will provide the services described in this document to support the automated system and related procedural changes required to implement legislative changes and/or other agency projects/initiatives. The key legislative, federally mandated compliance issues and agency initiatives the contract programmer(s) will be supporting include but are not limited to:

      **Legislative Implementation** – Changing the default retirement plan for new members, retiree return-to-work options, and other legislation that was passed into law.

      **Mainframe Rehosting Project** – A strategic project to move mainframe based Natural/Adabas applications to a Linux cloud environment.

   b. Work Requirements

      In consultation with DRS representatives, work requirements may include, but are not limited to:

      **Requirements definition** – Define requirements and levels of service needed by the business areas and develop conceptual design alternative models that meet defined needs and allow DRS technical staff and client representatives to select an appropriate technical approach.

      **System/program design** – Define the detail design aspects of the application system (modifications and/or new development) and business procedures so business requirements and project objectives are met.

      **Creation and/or modification of interfaces, online, or batch program modules** – Define the detail design aspects of the application system modules, and test the modules and control mechanisms as defined in the system/program design specifications and DRS standards.

      **System and user acceptance testing** – Participate in establishing a test environment to ensure all system verification and user acceptance testing efforts are successfully completed.
Contractor(s) must be available for consultation and react to problems or issues as they are identified and assist DRS technical staff as needed.

**Technical design and programming reviews** – Present Contractor’s own work products and evaluate the work products of others (specifications, requirements, test plans, etc.) to assure conformance to industry standards and established DRS standards and assure their fit into the objectives of the project.

**Installation and stabilization of new and modified system components** – Support installation of new and/or modified application systems into the production environment assuring that either the old systems were successfully replaced or interfaces with existing processes’ functionality as anticipated. Contractor will also be responsible for reacting to and resolving problems as they arise.

**Documentation** – Document all work products according to DRS standards. Contractor may also be required to produce other technical system documentation according to DRS standards.

c. **Deliverables**

Specific deliverables are not yet identifiable, but DRS will define the deliverables and acceptance criteria upon award of a Work Order and as the work progresses.

2. **Other Contract Requirements**

a. **Compliance with DRS standards**

Contract Programmer must comply with all appropriate DRS process standards for deliverables (requirements development and management, project management methodology, configuration management, solutions delivery lifecycle, etc.) and agency policies when onsite (ethics, internet and email usage, security, harassment, etc.). Failure to comply on a continuing basis will result in Contract termination. DRS will supply a copy of all such policies to the awarded Contract Programmer(s).

b. **Programmer Assignments**

On acceptance of each assignment, the specifically named programmer(s) identified in the Response must be dedicated to the assignment until completion and acceptance of all deliverables for the assignment by DRS. If for some unforeseen event the proposed programmer becomes unavailable, replacement personnel may be proposed. Replacement personnel must have substantially similar qualifications as the programmer proposed in the Response, and DRS must agree to such replacement.

c. **Work Location**

All work will be performed on-site at DRS’ facility in Tumwater, Washington.
Attachment B: Compensation

1. **Compensation**

The deliverables associated with these projects cannot be clearly defined in advance. Therefore, compensation will be based on an hourly rate for work performed. Provide hourly rates in the table format shown below, including all costs. No additional charges for overhead, computer lease, travel or other expenses will be allowed.

As per Master Contract 08215, bidders may not bid higher rates than the hourly rates quoted to DES; however, rates proposed in this Response may reflect a lower price point.

<table>
<thead>
<tr>
<th>PROGRAMMER’S NAME</th>
<th>HOURLY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

The total compensation for the initial term of this Contract shall not exceed <total compensation amount>.

In the event additional funds become available, this Contract may be renegotiated to provide for additional services subject to continued satisfactory completion of the work as specified in this Contract.

2. **Invoicing Requirements**

Contractor shall submit properly itemized invoices to DRS for any and all work pertaining to this Contract. Incorrect or incomplete invoices will be returned by DRS to Contractor for correction and reissue. Invoices must clearly reference Contract <Contract No> and must be submitted to:

Attn: <Contract Manager>
Department of Retirement Systems
PO Box 48385
Olympia, WA 98504-8385
<email> @drs.wa.gov

3. **Payment**

Payments shall be due and payable within thirty (30) calendar days after provision and acceptance of Contractor’s IT Professional Services or thirty (30) calendar days after receipt of properly prepared invoices, whichever is later.

4. **No Advance Payment**

No advance payment shall be made for IT Professional Services provided by Contractor pursuant to this Contract.

5. **Completion Guarantee**

Washington State Department of Retirement Systems
DRS Work Request - DRS-WO 19-12
Exhibit A – Sample Work Order Version 2
Contract agrees that DRS may withhold ten percent (10%) from each payment until final acceptance of Contractor’s IT Professional Services. Upon final acceptance, such withheld compensation shall be paid to Contractor.

6. Overpayments

Contractor shall refund to DRS the full amount of any erroneous payment or overpayment within thirty (30) days of such notice.
Attachment C: Insurance Requirements

1. **Insurance Required**

Before beginning any activity under this Contract, Contractor, at Contractor’s sole expense, shall obtain and maintain in full force and effect during the term of this Contract and during any other period during which Contractor is acting pursuant to this Contract, the insurance coverages as defined in this Contract on Contractor’s operations and activities. Failure to purchase, maintain and provide evidence of the required insurance shall constitute material default.

   a. **Insurer**

      Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in the state of Washington and having a rating of A-, Class VII or better, in the most recently published edition of Best’s Reports.

   b. **Evidence of Coverage**

      Contractor shall furnish to DRS copies of certificates and endorsements of all required insurance within thirty (30) calendar days of this Contract’s effective date, and copies of renewal certificates and endorsements of all required insurance within thirty (30) calendar days after the renewal date. These certificates of insurance must expressly indicate compliance with each and every insurance requirement specified in this Attachment. Such policies also shall reference this Contract number.

   c. **Advance Notice of Revocation**

      Such policies shall have a condition that they not be revoked by the insurer until forty-five (45) calendar days after notice of intended revocation has been given to DRS by the insurer.

   d. **Cancellation**

      In the event of cancellation, non-renewal, revocation, or other termination of any insurance coverage required by this Contract, Contractor shall provide written notice to DRS within one (1) business day of Contractor’s receipt of the notice.

   e. **Additional Insured**

      With the exception of the Professional Liability, Automobile Liability, and Workers Compensation coverages, DRS shall be named as an Additional Insured and Contractor shall provide a copy of the policy endorsement(s) designating DRS as an additional named insured.

   f. **Primary Insurance**

      All insurance provided by Contractor shall be primary as to any other insurance or self-insurance programs afforded to or maintained by DRS and shall include a severability of interests (cross-liability) provision.
h. **Subcontractors**

Contractor shall include all subcontractors as insureds under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) shall comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor’s liability or responsibility.

i. **Contractor’s Liability**

By requiring insurance as defined in this Contract, DRS does not represent that coverage and limits will be adequate to protect Contractor. Such coverage and limits shall not limit Contractor’s liability under this Contract.

2. **Insurance Coverage: Minimum Acceptable Insurance Policy Limits**

The minimum acceptable limits shall be as stated below, with no deductible for each of the following categories:

a. **Commercial General Liability Insurance (including Employers’ Liability Coverage)**

Coverage form shall be equivalent to form CG00001. GL limits of liability shall be at least $1,000,000 per occurrence and a $2,000,000 annual aggregate. Employers’ Liability limits shall be Bodily Injury by Accident: $1,000,000 each accident/Bodily Injury by Disease: $1,000,000 policy limit/Bodily Injury by Disease: $1,000,000 each employee.

b. **Automobile Liability Insurance**

The Contractor/Programmer shall maintain automobile liability insurance that is equal to or greater than the statutory requirements for operating a vehicle on a Washington State highway. This insurance shall apply to all owned, non-owned and hired vehicles. Limits of liability shall not be less than $1,000,000 combined single limit per accident.

c. **Property Insurance**

Contractor shall provide evidence of “All-Risk” property insurance including coverage for earthquake and flood for all locations where state of Washington data is held. This coverage shall include all computer property. Property insurance shall also include coverage for business interruption and extra expense that extends to the loss of computer property. Limits shall be declared and subject to review and approval by the state of Washington.

d. **Umbrella Policy**

Providing excess limits over the primary policies in an amount not less than $3 million.

e. **Workers’ Compensation or Industrial Accident Insurance**

Statutory Workers Compensation insurance for all employees.

f. **Cyber Liability Insurance**

Limits of liability shall not be less than $5,000,000 per claim for first- and third-party coverage. A Contractor that offers a Software-as-a-Service type solution will be required to provide cyber liability insurance sufficient to cover the costs of a potential data security breach.
involving all SaaS customer’s data at any Contractor location or downstream Contractor location.

g.d. Professional Liability (Errors and Omissions) Insurance

Limits of liability shall not be less than $2,000,000 per claim and $5,000,000 annual aggregate.

h.e. Crime Insurance

To cover computer fraud and/or misuse of DRS’ data by Contractor’s personnel or agents. Limits of liability shall not be less than $1,000,000 per claim.