DOH Sole Source
Contract
CBO33127-0

STATE OF WASHINGTON
Washington State Department of Health
SOLE SOURCE POSTING

DATE: September 15, 2026

The Washington State Department of Health (DOH) contemplates awarding a sole source contract to Foundation for Health Care Quality for the establishment and implementation of governance structures for the Transformational Repository & Analytics eXchange (TRAX). TRAX is a public-private shared clinical data resource. Governance is at the core of TRAX, requiring a contractor with extensive experience in healthcare governance, established relationships with Washington's healthcare stakeholders, and the capacity to convene multi-sector partners without onboarding delays.

The Foundation for Health Care Quality (FHCQ) is justified and necessary for this contract due to its collaborative approach, and unique expertise in convening public-private partnerships to improve healthcare quality, patient safety, and data exchange. FHCQ has a demonstrated track record of successfully leading statewide healthcare initiatives, including the Bree Collaborative, Care Outcomes Assessment Programs (COAP), and the Washington Patient Safety Coalition (WPSC). These programs highlight its ability to convene diverse stakeholders, develop governance frameworks, and manage data-driven healthcare improvements. FHCQ's existing infrastructure, administrative capacity, and established relationships with key Washington healthcare entities, including members of the Washington Healthcare Forum, make it well-positioned to launch governance activities immediately, mitigating delays and risks.

DOH will enter into a 12 month contract with Foundation for Health Care Quality. The contract will be issued on or about October 6 th, 2026 and will continue through September 30, 2027, for the initial term. The cost of this contract is $45,000. DOH may opt to extend the contract for an additional THREE (3) times in ONE (1) year increments subject to the availability funding and if required. DOH determines that each optional additional ONE (1) year extension would result in equal (and/or slightly higher) consideration being added to the total contract value.

Offerors contemplating the above requirements are required to submit capability statements detailing their ability to meet the state's requirements within ten (10) working days of this announcement. The following information should be included in the capability statements:

- Experience leading statewide healthcare initiatives, including policy development and stakeholder convening within Washington State.
- Experience developing and implementing governance frameworks for healthcare data-sharing initiatives, ensuring compliance with HIPAA, state public health statutes, and industry best practices.
- Capacity to immediately begin governance implementation, with existing infrastructure and administrative systems in place to support TRAX governance activities within the required timeframe ***of the performance period that will end in September of 2027.***

In the absence of other qualified sources, it is the state's intent to make a sole source award of the contract. To submit capability statements or for questions, contact:

Name: Peter Coates
Email: Bids@doh.wa.gov *Include "CBO33127-0 Sole Source" in the subject line*

NOTE: DOH is posting this sole source notice per DES Policy 140-00. This notice is made available on the DOH web site and via WEBS under commodity codes:

<u>918-67-Human Services Consulting (To Include Mental Health Consulting Services)</u>

CONTRACT NUMBER: **CBO33127-0**	SUB-RECIPIENT ☐YES ☒NO
	FFATA FORM REQUIRED ☐YES ☒NO

THIS AGREEMENT is made by and between the State of Washington Department of Health, hereinafter referred to as DOH, and the party whose name appears below, hereinafter referred to as Contractor.

CONTRACTOR NAME and ADDRESS:
Foundation for Health Care Quality
400 University St, Suite 300
Seattle WA 98101

FEDERAL TAX ID#: 91-1419327
STATEWIDE VENDOR#: 0114184-00

PURPOSE: To develop, operationalize, and maintain the governance structure for **T**ransformational **R**epository & **A**nalytics e**X**change (TRAX), including convening stakeholders, formalizing agreements, and ensuring compliance with state and federal policies. Funds will be allocated towards providing updates on governance implementation, stakeholder engagement, and policy development. This is in alignment with the previously completed report summarizing governance achievements, challenges, and recommendations for TRAX sustainability delivered under previous DOH contract CBO31181.

IT IS MUTUALLY AGREED THAT:

STATEMENT OF WORK: The Contractor shall provide all the necessary personnel, equipment, materials, goods and services and otherwise do all things necessary for or incidental to the performance of the work as described in Exhibit A, attached hereto and incorporated herein.

PERIOD OF PERFORMANCE: Subject to its other provisions, the period of performance under this contract shall be from on or about **October 6th, 2026** *through* **September 30th, 2027** unless sooner terminated as provided herein. Any work done outside of the period of performance shall be provided at no cost to DOH.

DEPARTMENT OF ENTERPRISE SERVICES APPROVAL: This contract may be required to be filed with the Department of Enterprise Services (DES) for approval under the provisions of Chapter 39.26 RCW. No contract or amendment required to be so filed is effective and no work thereunder shall be commenced nor payment made therefore until fifteen (15) working days following the date of filing, and, if required, until approved by DES. In the event DES fails to approve the contract or amendment, the contract shall be null and void.

DOH will enter into an approximately year and a half contract with Foundation for Health Care Quality. The contract will be issued on October 1st, 2026 and will continue through September 30th, 2027, for the initial term. The cost of this contract is $45,000.00. DOH may opt to extend the contract for an additional THREE (3) times in ONE (1) year increments subject to the availability funding and if required. DOH determines that each optional additional ONE (1) year extension would result in equal (and/or slightly higher) consideration being added to the total contract value.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA): If checked above, this contract is supported by federal funds that require compliance with the Federal Funding Accountability and Transparency Act (FFATA or the Transparency Act). The purpose of the Transparency Act is to make information available online so the public can see how federal funds are spent.

To comply with the act and be eligible to enter into this contract, your organization must have a Unique Entity Identifier (UEI) number. A UEI number provides a method to verify data about your organization. If you do not already have one, you may receive a UEI number free of charge by contacting System for Award Management (SAM) at SAM.GOV.

Information about your organization and this contract will be made available on www.USASpending.gov by DOH as required by P.L. 109-282. DOH's form, Federal Funding Accountability and Transparency Act Data Collection Form, is considered part of this contract and must be completed and returned along with the contract.

CONSIDERATION: The maximum consideration available under this contract shall not exceed **$45,000.00** without a properly executed written amendment signed by representatives of both parties authorized to do so. Consideration includes but is not limited to all taxes, fees, surcharges, etc.

Source of Funds:

Federal: $0.00 State: $0.00 Other: **$45,000.00** **TOTAL: $45,000.00**

Contractor agrees to comply with all applicable rules and regulations associated with these funds.

Unless otherwise indicated in this contract, any State funds which are unexpended as of June 30th will not be available for carry over into the next State fiscal year (July – June).

INVOICES AND PAYMENT: Contractor will submit invoices to the DOH Project Manager for all amounts to be paid. Invoices must reference this contract number and provide detailed information as requested. All invoices must be approved by DOH prior to payment; approval will not be unreasonably withheld. DOH will authorize payment only upon satisfactory completion and acceptance of deliverables and for allowable costs as outlined in the statement of work and/or budget. DOH will return all incorrect or incomplete invoices and will not pay for services that occur outside the period of performance. The Contractor will not invoice for services if they are entitled to payment, have been, or will be paid by any other source for that service.

DOH will issue payment within 30 days of receiving a correct and complete invoice and approving the deliverable(s). DOH must receive correct and complete invoices within 60 days of the contract expiration date. Late invoices will be paid at the discretion of DOH and are contingent upon the availability of funds. Failure to submit a properly completed IRS form W-9 may result in delayed payments.

GOVERNANCE: In the event of an inconsistency in this contract, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

A. Federal statutes and regulations
B. State statutes and regulations
C. Contract amendments
D. The contract (in this order)
    1. Primary document (document that includes the signature page)
    2. Statement of Work (Exhibit A)

3. Standard/General Terms and Conditions (Exhibit B)
4. Subcontractor Utilization Form (Attachment 1)

Any conflict among these documents shall be resolved by giving authority to these documents in the order listed above.

UNDERSTANDING: This contract, including referenced exhibits, attachments and documents included herein by reference, contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this contract shall exist or bind any of the parties hereto.

APPROVAL: This contract shall be subject to the written approval of DOH Contracting Officer and shall not be binding until so approved. Only the Contracting Officer or his/her designee, by written delegation made prior to action, shall have the expressed, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver of any clause or condition of this contract is not effective or binding unless made in writing and signed by the Contracting Officer.

IN WITNESS WHEREOF: DOH and the Contractor have signed this contract.

CONTRACTOR SIGNATURE	DATE
PRINT OR TYPE NAME	TITLE
DOH CONTRACTING OFFICER SIGNATURE	**DATE**

This contract has been approved as to form by the attorney general.

STATEMENT OF WORK
DOH CONTRACT CBO33127-0
Foundation for Health Care Quality
Period of Performance: on or about October 6th 2026 through September 30th, 2027

Project Title: ***T****ransformational* ***R****epository &* ***A****nalytics e****X****change Governance*

1. Background

Chronic diseases are the leading cause of premature morbidity and mortality in the United States. Timely, population-level chronic disease data is essential to developing, improving, and evaluating prevention strategies. To address this need, the Washington State Department of Health (DOH) worked with the Washington Healthcare Forum to develop **T**ransformational **R**epository & **A**nalytics e**X**change *(*TRAX), an opt-in, secure electronic information exchange system that enables shared chronic disease data to support both public health surveillance and healthcare system improvements. A technical proof of concept has been initiated in collaboration with MultiCare and other TRAX partners. However, DOH will not be sharing any data with TRAX and will not be the owner or custodian of any TRAX data. Instead, DOH's role is to support the governance infrastructure while remaining a partner among many in this collaborative initiative.

However, while technology is essential, cooperative governance is at heart of the TRAX concept. Data alone is of little use without the infrastructure to cooperatively decide on the terms & conditions of its collection and use. Cooperative governance is essential for voluntary data sharing. Elements of governance include convening, facilitating agreement, and documentation to institutionalize practices and provide transparency for data contributors and users. The governance model envisioned for TRAX was developed through the existing partnership established between DOH and members of the Washington Healthcare Forum. It relies on cooperative governance to set terms and conditions of data sharing alongside thorough documentation of these conditions. The resulting terms and conditions set the standards to operationalize contractual data sharing through third-party health information exchange providers.

Across the TRAX project, public health is seeking to support the exchange infrastructure while remaining a partner-among-many in the project. To achieve this goal, DOH is seeking to work with the Foundation for Healthcare Quality[1], to lead TRAX governance activities. The Foundation works in a similar space with the Washington Healthcare Forum, as a trusted convener and administrator for at least one other major information exchange initiative, the Administrative Simplification program. Their understanding of this healthcare leadership Forum creates a bridge to a trusted partnership; and their experience convening in this environment is a unique opportunity.

2. Statement of Work

The Foundation will develop, operationalize, and maintain the governance structure for TRAX, including convening stakeholders, formalizing agreements, and ensuring compliance with state and federal policies.

I. Convene and facilitate the TRAX Executive Governance Team hereafter, EGT).
The Foundation will:
   A. Convene the core group of Washington Healthcare Forum (hereafter, the Forum) organization representatives
   B. Maintain an up-to-date list of Forum organization representatives to the TRAX EGT
   C. Set and maintain a regular schedule of EGT meetings with a minimum of 10 per year or as otherwise determined by the EGT

[1] FHCQ | Foundation for Health Care Quality (qualityhealth.org)

D. Identify EGT member agenda items in advance of each meeting and share agenda at least one week in advance
E. Record and distribute meeting minutes, ensuring transparency and continuity.
F. Maintain ongoing communication with EGT members between meetings to capture input, finalize agreements, and provide governance updates.

II. Operationalize a formal EGT structure with appropriate Memorandums of Understanding (MOUs)
The Foundation will:
A. Formalize the existing draft charter to establish the EGT as the executive governance team for the project
i. Meet with DOH TRAX sponsor to assure on-going EGT sponsor role
ii. Coordinate with the Washington Healthcare Forum Executive Director to define and document role of charter sponsorship for Forum board members; attend Forum Board meeting as needed.
B. Identify procedure(s) for admittance of new members using input from EGT and charter sponsors; document and implement procedure
C. Develop a consensus MOU to be signed by EGT member organizations, setting out commitments to shared data use and access to TRAX shared data through TEFCA infrastructure.

III. Document Terms and Conditions of data use as developed by the EGT
The Foundation will:
A. Lead discussion of necessary considerations at EGT meetings.
B. Document EGT considerations
C. Research and document implementation examples (e.g., related data system governance decisions from analogous organizations) and policy considerations (e.g., consistency with HIPAA, state public health statute, etc.)
D. Maintain approved terms and conditions for implementation and member organization access
E. Establish an ongoing review process to maintain and update governance policies as needed.

IV. Participate in progress updates to DOH executive leadership and the Forum Board.
The Foundation will:
A. Provide quarterly progress updates to DOH executive leadership.
B. Present governance updates to the Washington Healthcare Forum Board.
C. Maintain detailed documentation of governance decisions, stakeholder contributions, and policy implementation milestones.
D.

3. Period of Performance

The contract will be in effect from the October 1st, 2026 through September 30th, 2027.

4. Key Deliverables & Milestones

Deliverable	Description	Due Date	Cost
Implementation Plan	Detailed plan to execute work outlined in this SOW (#2 I - IV above). Advanced commitment to hire personnel needed to perform specified activities and produce ongoing quarterly status reports.	Previously Completed	Previously Completed
EGT Charter	Finalized governance charter outlining roles, responsibilities, and decision-making processes.	Previously Completed	Previously Completed
MOU for Initial Participants	Signed agreements between EGT and each participating organization, outlining commitments to shared data use and governance standards.	Previously Completed	Previously Completed
MOU for New Participants	MOUs signed by new participants as soon as they are onboarded.	Previously Completed	Previously Completed
EGT Meeting Documentation	Meeting agendas, minutes, and stakeholder communications.	Previously Completed	Previously Completed
Terms & Conditions for Data Use	Formalized governance policies ensuring compliance with regulatory frameworks.	Previously Completed	Previously Completed
Quarterly Progress Reports to DOH and Forum Board -1	Updates on governance implementation, stakeholder engagement, and policy development.	Previously Completed	Previously Completed
Quarterly Progress Reports to DOH and Forum Board -2	Updates on governance implementation, stakeholder engagement, and policy development.	Previously Completed	Previously Completed
Quarterly Progress Reports to DOH and Forum Board -3	Updates on governance implementation, stakeholder engagement, and policy development.	Previously Completed	Previously Completed
Quarterly Progress Reports to DOH and Forum Board -4	Updates on governance implementation, stakeholder engagement, and policy development.	Previously Completed	Previously Completed
Quarterly Progress Reports to DOH and Forum Board -5	Updates on governance implementation, stakeholder engagement, and policy development.	Previously Completed	Previously Completed
Monthly Progress Reports	Updates on governance implementation, stakeholder engagement, and policy development. ($5,000 per month October 2026 – June 2027)	Within the first week of each month for previous month's work	$45,000
Final Report	Comprehensive report summarizing governance achievements, challenges, and recommendations for TRAX sustainability.	Previously Completed	Previously Completed
Total			**$45,000**

GENERAL TERMS AND CONDITIONS
DOH CONTRACT CBO33127-0

I. DEFINITIONS

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

1. “Allowable Cost” shall mean an expenditure which meets the test of the Uniform Guidance (2CFR 200) (see “I. Federal Compliance”). The most significant factors affecting allowability of cost are; 1) they must be necessary and reasonable, 2) they must be allocable, 3) they must be authorized or not prohibited under State or local laws and regulations, and 4) they must be adequately documented. For more specifics see Selected Items of Cost 2 CFR 200.420).

2. "Client" shall mean an agency, firm, organization, individual or other entity applying for or receiving services under this contract.

3. "Cognizant State Agency" shall mean the State agency from whom the sub-recipient receives federal financial assistance. If funds are received from more than one State agency, the cognizant State agency shall be the agency who contributes the largest portion of federal financial assistance to the sub-recipient, unless a cognizant State agency has been designated by OFM.

4. “Confidential Information " shall mean information that is exempt from disclosure under chapter 42.56 RCW, and other State or Federal statutes and regulations.

5. "Contractor" shall mean that agency, firm, provider, organization, individual or other entity performing services under this contract. It shall include any subcontractor retained by the prime Contractor as permitted under the terms of this contract.

   A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the Contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a Contractor are when the non-Federal entity receiving the Federal funds:

   A. Provides the goods and services within normal business operations;

   B. Provides similar goods or services to many different purchasers;

   C. Normally operates in a competitive environment;

   D. Provides goods or services that are ancillary to the operation of the Federal program; and

   E. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

6. “Contracting Officer" shall mean that individual(s) of the Contracts and Procurement Office of DOH and his/her delegates within that office authorized to execute this contract on behalf of DOH.

7. "Department" shall mean the Department of Health (DOH) of the State of Washington, any division, section, office, unit or other entity of the department, or any of the officers or other officials lawfully representing DOH.

8. “Equipment” shall mean an article of non-expendable, tangible property having a useful life of more than one year and an acquisition cost of $5,000 or more.

9. “Noncompliance” shall mean if a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

    A. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
    B. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
    C. Wholly or partly suspend or terminate the Federal award.
    D. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
    E. Withhold further Federal awards for the project or program.
    F. Take other remedies that may be legally available.

10. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers. Personal information includes “protected health information” as set forth in 45 CFR § 164.50 as currently drafted and subsequently amended or revised and any other information that may be exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other State and Federal statutes.

11. "Reimbursement" shall mean that DOH will repay the Contractor for allowable costs incurred under the terms of this contract.

12. “Sensitive Data” shall mean data that is held confidentially, and if compromised, may cause harm to individual citizens or create a liability for the State.

13. “Specific Conditions”

    A. The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed, in accordance with paragraphs (b) and (c) of this section, under the following circumstances:

        1) Based on the criteria set forth in §200.205 Federal awarding agency review of risk posed by applicants;
        2) When an applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;
        3) When an applicant or recipient fails to meet expected performance goals as described in §200.210 Information contained in a Federal award; or
        4) When an applicant or recipient is not otherwise responsible.

B. These additional Federal award conditions may include items such as the following:

1) Requiring payments as reimbursements rather than advance payments;
2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
3) Requiring additional, more detailed financial reports;
4) Requiring additional project monitoring;
5) Requiring the non-Federal entity to obtain technical or management assistance; or
6) Establishing additional prior approvals.

C. The Federal awarding agency or pass-through entity must notify the applicant or non-Federal entity as to:

1) The nature of the additional requirements;
2) The reason why the additional requirements are being imposed;
3) The nature of the action needed to remove the additional requirement, if applicable;
4) The time allowed for completing the actions if applicable, and
5) The method for requesting reconsideration of the additional requirements imposed.

D. Any specific conditions must be promptly removed once the conditions that prompted them have been corrected.

14. "Subcontractor" shall mean a person, partnership, or company, not in the employ of or owned by the Contractor, who is performing all or part of those services under a separate contract with or on behalf of the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier

15. "Subrecipient" shall mean a non-Federal entity that received a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. (2 CFR 200.93)

    Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

    A. Determines who is eligible to receive what Federal assistance;
    B. Has its performance measured in relation to whether objectives of a Federal program were met;
    C. Has responsibility for programmatic decision making;
    D. Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
    E. In accordance with its contract, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of a pass-through entity.

16. "Successor" shall mean any entity which, through amalgamation, consolidation, or other legal succession becomes invested with rights and assumes burdens of the first Contractor/Vendor.

GENERAL TERMS AND CONDITIONS
DOH CONTRACT CBO33127-0

II. GENERAL CONDITIONS

1. **ACCESS TO DATA** – In compliance with chapter 39.26 RCW, the Contractor shall provide access to data generated under this contract to DOH, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models. The Contractor agrees to make personal information covered under this contract available to DOH for inspection or to amend the personal information, as directed by DOH. Contractor shall, as directed by DOH, incorporate any amendments to the personal information into all copies of such personal information maintained by the Contractor or its subcontractors.

2. **ADVANCE PAYMENTS PROHIBITED** – No payment in advance or in anticipation of services or supplies to be provided under this contract shall be made by DOH.

3. **AMENDMENTS** – This contract may be amended by mutual written contract 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.

4. **AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 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.

5. **ASSIGNABILITY** – Neither this contract nor any claim arising under this contract shall be transferred or assigned by the Contractor without prior written consent of DOH.

6. **ATTORNEYS' FEES** – In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.

7. **CHANGE IN STATUS** - In the event of substantive change in the legal status, organizational structure, or fiscal reporting responsibility of the Contractor, Contractor agrees to notify DOH of the change. Contractor shall provide notice as soon as practicable, but no later than thirty days after such a change takes effect.

8. **CONFIDENTIALITY/SAFEGUARDING OF INFORMATION** – The use or disclosure by any party, either verbally or in writing, of any Confidential Information shall be subject to Chapter 42.56 RCW and Chapter 70.02 RCW, as well as other applicable Federal and State laws and administrative rules governing confidentiality. Specifically, the Contractor agrees to limit access to Confidential Information to the minimum amount of information necessary, to the fewest number of people, for the least amount of time required to do the work. The obligations set forth in this clause shall survive completion, cancellation, expiration, or termination of this contract.

   A. Notification of Confidentiality Breach

      Upon a breach or suspected breach of confidentiality, the Contractor shall immediately notify the DOH Chief Information Security Officer at security@doh.wa.gov. For the purposes of this contract, "immediately" shall mean within one business day.

The Contractor will take steps necessary to mitigate any known harmful effects of such unauthorized access including, but not limited to sanctioning employees, notifying subjects, and taking steps necessary to stop further unauthorized access. The Contractor agrees to indemnify and hold harmless DOH for any damages related to unauthorized use or disclosure by the Contractor, its officers, directors, employees, subcontractors, or agents.

Any breach of this clause may result in termination of the contract and the demand for return of all Information.

B. Subsequent Disclosure

The Contractor will not release, divulge, publish, transfer, sell, disclose, or otherwise make the Confidential Information known to any other entity or person without the express prior written consent of the Secretary of Health, or as required by law.

If responding to public record disclosure requests under RCW 42.56, the Contractor agrees to notify and discuss with the DOH Chief Information Security Officer requests for all information that are part of this contract, prior to disclosing the information. The Contractor further agrees to provide DOH a minimum of two calendar weeks to initiate legal action to secure a protective order under RCW 42.56.540.

9. **CONFLICT OF INTEREST** – Notwithstanding any determination by the Executive Ethics Board or other tribunal, DOH may, in its sole discretion, by written notice to the Contractor, terminate this contract if it is found, after due notice and examination by DOH that there is a violation of the ethics in public service act, chapter 42.52 RCW, or any similar statute involving the Contractor in the procurement of, or performance of this contract.

   In the event this contract is terminated as provided above, DOH shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of DOH provided for in this section shall not be exclusive are in addition to any other rights and remedies provided by law. The existence of facts upon which DOH makes a determination under this section shall be an issue and may be reviewed as provided in the "disputes" section of this contract.

10. **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 the purpose of securing business. DOH 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.

11. **DEBARMENT** – The Contractor, by signature to this contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded in any Federal department or agency from participating in transactions. The Contractor agrees to include the above requirement in all subcontracts into which it enters to complete this contract.

12. **DISPUTES** – The parties shall use their best, good faith efforts to cooperatively resolve disputes and problems that arise in connection with this contract. Both parties will continue without delay

to carry out their respective responsibilities under this contract while attempting to resolve the dispute under this section. When a genuine dispute arises between DOH and the Contractor regarding the terms of this agreement or the responsibilities imposed herein which cannot be resolved, either party may submit a request for non-binding mediation to the other party through the DOH Contracts Unit and the DOH Contracts Unit will notify the other party of the request for non-binding mediation. DOH Contracts will act as the initial coordination point and manage the non-binding mediation communication to and from the parties.

Each party agrees that the DOH will identify three mediators who are neutral to both parties. Each party agrees that Contractor will identify one of the three mediators to engage in this process. Each party agrees that it will be responsible for one-half (1/2) the cost of the mediator. Each party agrees that the non-binding mediation will occur at a time and place convenient to all parties, including the mediator and that preference is for the mediation to occur in Olympia or Tumwater, Washington. Each party agrees the mediation is non-binding.

A party's request for a non-binding mediation must:

- Be in writing,
- Clearly state the disputed issues,
- State the relative positions of the parties, state the Contractor's name, address, and his/her contact number, the DOH Program Contract Manager.
- Be mailed to ATTN: DOH Contracts and Procurement Director, P.O. Box 47905, Olympia, WA 98504-7905 within 30 calendar days after the party could have reasonably be expected to have knowledge of the issue which he/she now disputes, or
- Be emailed to DOHCon.Mgmt@doh.wa.gov with the subject line clearly displaying the contract number and the word "DISPUTE."

The non-binding mediation process constitutes the sole administrative remedy available under this contract. The parties agree that this resolution process shall precede any action in a judicial and quasi-judicial tribunal. Both parties have a duty and responsibility to timely pursue and engage in non-binding mediation. However, the requesting party may pursue judicial or quasi-judicial action prior to the completion of non-binding mediation if the subject party unnecessarily delays or intentionally frustrates the mediation process.

13. **EFFECTIVE DATE** – Unless otherwise specified under period of performance, the effective date of this contract and subsequent amendments, if any, is the date of execution. The date of execution is the last date of signature of the parties to the contract. Contractor assumes all liability for any expenses incurred prior to the date of execution or in the event the contract/amendment is not executed.

14. **EXECUTIVE ORDER 18-03 – WORKERS' RIGHTS (MANDATORY INDIVIDUAL ARBITRATION).** This clause applies ONLY to those entities who have submitted a bid as part of a competitive procurement AND have certified that a mandatory individual arbitration and/or class or collective action waiver regarding employee disputes is not required as a condition of employment. Contractor represents and warrants, as previously certified in Contractor's bid submission, that Contractor 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. Contractor further represents and warrants that, during the term of this Contract, Contractor shall not, as a condition of employment, require its employees to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

15. **GOVERNING LAW** – This contract shall be governed by the laws of the State of Washington and applicable federal laws and regulations. The venue of any legal action or suit concerning this contract shall be the Thurston County Superior Court and all actions or suits thereon shall be brought therein.

16. **INDEMNIFICATION** – To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless the State of Washington, DOH, agencies of the State and all officials, and employees of the State, from and against all claims 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 therefrom. Contractor's obligation to indemnify, defend, and hold harmless includes any claim by Contractors' agents, employees, representatives, or any subcontractor or its employees.

    Contractor expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Contractor's or any subcontractor's performance or failure to perform the contract. 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 State or its agencies, employees and officials.

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

17. **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 the contract are not employees of DOH. The contractor shall not hold himself/herself out as nor claim to be an officer or employee of DOH or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

18. **INDUSTRIAL INSURANCE COVERAGE** – The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. Prior to performing work under this contract, the Contractor shall provide or purchase industrial insurance coverage for the Contractor's employees, as may be required of an "employer" as defined in Title 51 RCW, and shall maintain full compliance with Title 51 RCW during the course of this contract. 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, DOH may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. DOH may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by DOH under this contract, and transmit the deducted amount to the Department of Labor and Industries, Division of Insurance Services. This provision does not waive any of the Department of Labor and Industries rights to collect from the Contractor.

    Industrial insurance coverage through the Department of Labor & Industries is optional for sole proprietors, partners, corporate officers and others, per RCW 51.12.020.

19. INSURANCE – The Contractor shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the State should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the Contractor or subcontractor, or agents of either, while performing under the terms of this contract. The Contractor shall provide insurance coverage which shall be maintained in full force and effect during the term of this Contract, as follows:

A. **Commercial General Liability Insurance Policy** - Provide a commercial general liability insurance policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than $1,000,000 per occurrence. Additionally, the Contractor is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

B. **Automobile Liability** - In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the Contractor, automobile liability insurance shall be required. The minimum limit for automobile liability is:

1) $1,000,000 per occurrence, using a combined single limit for bodily injury and property damage

C. The insurance required shall be issued by an insurance company/ies authorized to do business within the State of Washington, and shall name the State of Washington, and its employees as additional insureds under the insurance policy/ies. All policies shall be primary to any other valid and collectable insurance. Contractor shall instruct the insurers to give DOH 30 days advance notice of any insurance cancellation.

Upon request, Contractor shall submit to DOH, a certificate of insurance which outlines the coverage and limits defined in the Insurance section. If a certificate of insurance is requested, Contractor shall submit renewal certificates as appropriate during the term of the contract.

20. 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.

21. LIMITATION OF AUTHORITY – Only the Contracting Officer or his/her 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 on behalf of DOH. No alteration, modification, or waiver of any clause or condition of this contract is effective or binding unless made in writing and signed by the Contracting Officer.

22. MATERIAL BREACH – Contract may be terminated for cause by DOH, at the sole discretion of the Contract Administrator, for failing to perform a contractual requirement or for a material breach of any term or condition. Material breach of a term or condition of the Contract may include but is not limited to:

A. Contractor failure to perform services or deliver materials, supplies, or equipment by the date required or by an alternate date as mutually agreed in a written amendment to the Contract;
B. Contractor failure to carry out any warranty or fails to perform or comply with any mandatory provision of the contract;

C. Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
D. Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors that endangers the Contractor's proper performance hereunder;
E. Appointment of any receiver, trustee, or similar official for Contractor or any of the Contractor's property and such appointment endangers the Contractor's proper performance hereunder;
F. A determination that the Contractor is in violation of federal, state, or local laws or regulations and that such a determination renders the Contractor unable to perform any aspect of the Contract.

23. NONDISCRIMINATION –

A. Nondiscrimination Requirement. During the term of this Contract, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.

B. Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Contract pursuant to RCW 49.60.530(3).

C. Default. Notwithstanding any provision to the contrary, DOH may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until DOH receives notification that Contractor, including any subcontractor, is cooperating with the investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), DOH may terminate this Contract in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. The contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.

D. Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Contract termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract 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, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. DOH shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe DOH for default under this provision.

24. OPPORTUNITY TO CURE – In the event Contractor fails to perform a contractual requirement or materially breaches any term or condition, DOH may issue a written cure notice. The Contractor may have a period of time in which to cure. DOH is not required to allow the Contractor to cure defects if the opportunity for cure is not feasible as determined solely within the discretion of DOH. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other

damages, or otherwise affect any other remedies available against Contractor under the contract or by law.

If the breach remains after Contractor has been provided the opportunity to cure, DOH may do any one or more of the following:

a) Exercise any remedy provided by law;
b) Terminate this contract and any related contracts or portions thereof;
c) Procure replacements and impose damages as set forth elsewhere in this contract;
d) Impose actual or liquidated damages;
e) Request that DES suspend or bar Contractor from receiving future solicitations or other opportunities;
f) Require Contractor to reimburse the state for any loss or additional expense incurred as a result of default or failure to satisfactorily perform the terms of the contract.

25. OVERPAYMENTS AND ASSERTION OF LIEN – In the event that DOH establishes overpayments or erroneous payments made to the Contractor under this contract, DOH may secure repayment, plus interest, if any, through the filing of a lien against the Contractor's real property, or by requiring the posting of a bond, assignment or deposit, or some other form of security acceptable to DOH, or by doing both.

26. PRIVACY – Personal information including, but not limited to "protected health information" collected, used or acquired in connection with this contract shall be used solely for the purposes of this contract. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of DOH or as provided by law. Contractor agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

DOH reserves the right to monitor, audit, or investigate the use of personal information collected, used or acquired by the contractor through this contract. The monitoring, auditing, or investigating may include but is not limited to "salting" by DOH. Contractor shall certify the return or destruction of all personal information upon expiration of this contract. Salting is the act of placing a record containing unique but false information in a database that can be used later to identify inappropriate disclosure of data contained in the database.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless DOH for any damages related to the Contractor's unauthorized use of personal information.

For the purposes of this provision, personal information includes but is not limited to information identifiable to an individual that relates to a natural person's health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and other identifying numbers.

27. PUBLICITY – The Contractor agrees to submit to DOH all advertising and publicity matters relating to this contract wherein DOH's name is mentioned or language used from which the connection of DOH's name may, in DOH'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 DOH.

28. RECORDS, DOCUMENTS, AND REPORTS –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 which 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 (6) 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 DOH, personnel duly authorized by DOH, the Office of the State Auditor, and Federal and State officials so authorized by law, regulation or agreement.

If the contract reimburses the Contractor for costs incurred in performance, the Contractor shall in addition maintain books, records, documents and other evidence of procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

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, if applicable, and be responsible for payment of all taxes due on payments made under this contract.

30. REMEDIES – If Contractor is in breach under any provision of this Contract, DOH shall have all of the remedies listed in this section in addition to all other remedies set forth in other sections of this Contract following the notice and cure period set forth. DOH in its sole discretion, may exercise any or all of the remedies available to it, concurrently or consecutively, including one or more of the following remedies:

A. **Suspend Performance** – Suspend Contractor's performance with respect to all or any portion of this Contract pending necessary corrective action as specified by the State without entitling Contractor to an adjustment in price/cost or performance schedule. Contractor shall promptly cease performance and incurring costs in accordance with the State's directive and the State shall not be liable for costs incurred by Contractor after the suspension of performance under this provision.

B. **Withhold Payment** – Withhold payment to Contractor until corrections in Contractor's performance are satisfactorily made and completed.

C. **Deny Payment** – Deny payment for those obligations not performed, that due to Contractor's actions or inactions, cannot be performed or, if performed, would be of no value to the State; provided, that any denial of payment shall be reasonably related to the value to the State of the obligations not performed.

D. **Removal** – Notwithstanding any other provision herein, the State may demand immediate removal of any of Contractor's employees, agents, or Subcontractors whom the State deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued relation to this Contract is deemed to be contrary to the public interest or the State's best interest.

31. **RIGHT OF INSPECTION** – The Contractor shall provide right of access to its facilities to DOH, or any of its officers, or to any other authorized employee 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 under this contract. The Contractor shall make available information necessary for DOH to comply with the client's right to access, amend, and receive an accounting of disclosures of their Personal Information according to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) or any regulations enacted or revised pursuant to the HIPAA provisions and applicable provisions of Washington State law. The Contractor's internal policies and procedures, books, and records relating to the safeguarding, use, and disclosure of personal information obtained or used as a result of this contract shall be made available to DOH and the U.S. Secretary of the Department of Health & Human Services, upon request.

32. **RIGHTS IN DATA/COPYRIGHT** – Unless otherwise provided, all materials produced exclusively under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by DOH. DOH 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 DOH 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 that derive exclusively from the Contractor's work under this contract. 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 DOH 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 DOH.

    The Contractor shall exert all reasonable effort to advise DOH, 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 which was not produced in the performance of this contract. DOH shall receive prompt written notice of each notice or claim of copyright infringement received by the Contractor with respect to any data delivered under this contract. DOH shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

33. **SECURITY OF INFORMATION** – Unless otherwise specifically authorized by the DOH Chief Information Security Officer, Contractor receiving confidential information under this contract assures that:
    - Encryption is selected and applied using industry standard algorithms validated by the National Institute of Standards and Technology (NIST) Cryptographic Algorithm Validation Program against all information stored locally and off-site. Information must be encrypted both in-transit and at rest and applied in such a way that it renders data unusable to anyone but authorized personnel, and the confidential process, encryption key or other means to decipher the information is protected from unauthorized access.

- It is compliant with the applicable provisions of the Washington State Office of the Chief Information Officer (OCIO) policy 141, Securing Information Technology Assets, available at: https://ocio.wa.gov/policy/securing-information-technology-assets.
- It will provide DOH copies of its IT security policies, practices and procedures upon the request of the DOH Chief Information Security Officer.
- DOH may at any time conduct an audit of the Contractor's security practices and/or infrastructure to assure compliance with the security requirements of this contract.
- It has implemented physical, electronic and administrative safeguards that are consistent with OCIO security standard 141.10 and ISB IT guidelines to prevent unauthorized access, use, modification or disclosure of DOH Confidential Information in any form. This includes, but is not limited to, restricting access to specifically authorized individuals and services through the use of:
    - Documented access authorization and change control procedures;
    - Card key systems that restrict, monitor and log access;
    - Locked racks for the storage of servers that contain Confidential Information or use AES encryption (key lengths of 256 bits or greater) to protect confidential data at rest, standard algorithms validated by the National Institute of Standards and Technology (NIST) Cryptographic Algorithm Validation Program (CMVP);
    - Documented patch management practices that assure all network systems are running critical security updates within 6 days of release when the exploit is in the wild, and within 30 days of release for all others;
    - Documented anti-virus strategies that assure all systems are running the most current anti-virus signatures within 1 day of release;
    - Complex passwords that are systematically enforced and password expiration not to exceed 120 days, dependent user authentication types as defined in OCIO security standards;
    - Strong multi-factor authentication mechanisms that assure the identity of individuals who access Confidential Information;
    - Account lock-out after 5 failed authentication attempts for a minimum of 15 minutes, or for Confidential Information, until administrator reset;
    - AES encryption (using key lengths 128 bits or greater) session for all data transmissions, standard algorithms validated by NIST CMVP;
    - Firewall rules and network address translation that isolate database servers from web servers and public networks;
    - Regular review of firewall rules and configurations to assure compliance with authorization and change control procedures;
    - Log management and intrusion detection/prevention systems;
    - A documented and tested incident response plan

Any breach of this clause may result in termination of the contract and the demand for return of all personal information.

34. SEVERABILITY – If any provision of this contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this contract which can be given effect without the invalid provision, and to this end the provisions of this contract are declared to be severable.

35. SITE SECURITY – While on DOH premises, Contractor, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations. Failure to comply with these regulations may be grounds for revoking or suspending security access to these

facilities. DOH reserves the right and authority to immediately revoke security access to Contractor staff for any real or threatened breach of this provision. Upon reassignment or termination of any Contractor staff, Contractor agrees to promptly notify DOH.

36. SUBCONTRACTING – Neither the Contractor, nor any subcontractors, shall enter into subcontracts for any of the work contemplated under this contract without prior written approval of DOH. In no event shall the existence of the subcontract operate to release or reduce the liability of the Contractor to DOH for any breach in the performance of the Contractor's duties. This clause does not apply to Hospitals and/or Medical Clinics that must contract with specialty physicians (e.g. anesthesiologists, radiologists, physicians groups, independent practitioners, etc.) nor does it include contracts of employment between the Contractor and personnel assigned to work under this contract.

Additionally, the Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this contract are carried forward to any subcontracts. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of DOH or as provided by law.

If, at any time during the progress of the work, DOH determines in its sole judgment that any subcontractor is incompetent or undesirable, DOH shall notify the Contractor, and the Contractor shall take immediate steps to terminate the subcontractor's involvement in the work.

The rejection or approval by DOH of any subcontractor or the termination of a subcontractor shall not relieve the Contractor of any of its responsibilities under the contract, nor be the basis for additional charges to DOH.

DOH has no contractual obligations to any subcontractor or vendor under contract to the Contractor. The Contractor is fully responsible for all contractual obligations, financial or otherwise, to their subcontractors.

37. SUBCONTRACTOR PAYMENTS REPORTING REQUIREMENTS: This Contract is subject to compliance tracking using the State's business diversity management system, Access Equity (B2Gnow). Access Equity is web-based and can be accessed at the Office of Minority and Women's Business Enterprises at https://omwbe.diversitycompliance.com/ The Contractor and all Subcontractors shall report and confirm receipt of payments made to the Contractor and each Subcontractor through Access Equity.
The Contractor may contact https://omwbe.wa.gov/access-equity-help-center for technical assistance in using the Access Equity system.

Information related to Contractor and Subcontractor access to and use of Access Equity will be provided to Contractor and each identified Subcontractor upon execution of this Contract. The Public Owner reserves the right to withhold payments from the Contractor for non-compliance with this section. For purposes of this section, Subcontractor means any subcontractor working on the Contract, at any tier and regardless of status as certified WMBE or Non-WMBE.

The Contractor shall:

a) Register and enter all required Subcontractor information into Access Equity no later than 15 days after the Public Owner creates the Contract Record.

b) Complete the required user training (two (2) one-hour online sessions) no later than 20 days after the Public Owner creates the Contract Record.

c) Report the amount and date of all payments (i) received from the Agency, and (ii) paid to Subcontractors, no later than within 30 days, issuance of each payment made by the Agency to the Contractor, unless otherwise specified in writing by the Agency, except that the Contractor shall mark as "Final" and report the final Subcontractor payment(s) into Access Equity no later than thirty (30) days after the final payment is due the subcontractor(s) under the Contract, with all payment information entered no later than sixty (60) days after end of fiscal year.

d) Monitor contract payments and respond promptly to any requests or instructions from the Public Owner or system-generated messages to check or provide information in Access Equity.

e) Coordinate with Subcontractors, or Agency when necessary, to resolve promptly any discrepancies between reported and received payments.

f) Respond to reasonable requests from the Agency for additional information to be provided electronically through Access Equity.

g) Require each Subcontractor to: (i) register in Access Equity and complete the required user training; (ii) verify the amount and date of receipt of each payment from the Contractor or a higher tier Subcontractor, if applicable, through Access Equity; (iii) report payments made to any lower tier Subcontractors, if any, in the same manner as specified herein; (iv) respond promptly to any requests or instructions from the Contractor or system-generated messages to check or provide information in Access Equity; and (v) coordinate with Contractor, or Agency when necessary, to resolve promptly any discrepancies between reported and received payments.

38. SURVIVABILITY – The terms and conditions contained in this contract which by their sense and context, are intended to survive the completion, cancellation, termination, or expiration of the contract shall survive,

39. SUSPENSION OF PERFORMANCE AND RESUMPTION OF PERFORMANCE – In the event contract 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, DOH may give notice to Contractor to suspend performance as an alternative to termination. DOH may elect to give written notice to Contractor to suspend performance when DOH determines that there is a reasonable likelihood that the funding insufficiency may be resolved in a timeframe that would allow performance to be resumed prior to the end date of this contract. Notice may include notice by facsimile or email to Contractor's representative. Contractor shall suspend performance on the date stated in the written notice to suspend. During the period of suspension of performance each party may inform the other of any conditions that may reasonably affect the potential for resumption of performance.

When DOH determines that the funding insufficiency is resolved, DOH may give Contractor written notice to resume performance and a proposed date to resume performance. Upon receipt of written notice to resume performance, Contractor will give written notice to DOH as to whether it can resume performance, and, if so, the date upon which it agrees to resume performance. If Contractor gives notice to DOH that it cannot resume performance, the parties agree that the contract will be terminated retroactive to the original date of termination. If the date Contractor gives notice, it can resume performance is not acceptable to DOH, the parties agree to discuss an alternative acceptable date. If an alternative date is not acceptable to DOH, the parties agree that the contract will be terminated retroactive to the original date of termination.

40. TAXES – All payments accrued on account 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.

41. TERMINATION FOR CONVENIENCE – Except as otherwise provided in this contract, the Contracting Officer may, by TEN (10) calendar days written notice, beginning on the second day after the mailing, terminate this contract in whole or in part when it is in the best interests of DOH.

If this contract is so terminated, DOH shall be liable only for payment in accordance with the terms of this contract for services rendered prior to the effective date of termination.

42. TERMINATION FOR DEFAULT – In the event DOH determines the contractor has failed to comply with the conditions of this contract in a timely manner, DOH has the right to suspend or terminate this contract. Further, DOH may terminate this contract for default, in whole or in part, if DOH has a reasonable basis to believe that the Contractor has:

A. Failed to meet or maintain any requirement for contracting with DOH;
B. Failed to ensure the health or safety of any client for whom services are being provided under this contract;
C. Failed to perform under, or otherwise breached, any term or condition of this contract; and/or
D. Violated any applicable law or regulation.

Before suspending or terminating the contract, DOH shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within fourteen (14) 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. DOH 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 DOH to terminate the contract. A termination shall be deemed to be 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 DOH provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

43. TERMINATION PROCEDURE – Upon termination of this contract DOH may require the Contractor to deliver to DOH any property specifically produced or acquired for the performance of such part of this contract as has been terminated.

DOH shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by DOH. In addition DOH shall pay the amount agreed upon by the Contractor and the Contracting Officer for (a) completed work and services for which no separate price is stated, (b) partially completed work and services, (c) other property or services which are accepted by DOH, and (d) the protection and preservation of the property. If the termination is for default, the Contracting Officer shall determine the extent of the liability of DOH. Failure to agree with such determination shall be a dispute within the meaning of the Disputes clause of this contract.

DOH may withhold from any amounts due the Contractor for such completed work or services such sum as the Contracting Officer determines to be necessary to protect DOH against potential loss or liability.

The rights and remedies of DOH 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 Contracting Officer, the Contractor shall:

- Stop work under the contract on the date and to the extent specified in the notice;
- Place no further orders or subcontracts for materials, services, facilities except as necessary to complete such portion of the work not terminated;
- Assign to DOH, to the extent directed by the Contracting Officer, all of the rights, titles, and interest of the Contractor under the orders and subcontracts in which case DOH has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- Settle all outstanding liabilities and all claims arising out of orders or subcontracts, with the approval or ratification of the Contracting Officer to the extent he/she may require, which approval or ratification shall be final for all the purposes of this clause;
- Transfer title to DOH and deliver, as directed by the Contracting Officer, any property which, if the contract had been completed, would have been required to be furnished to DOH;
- Complete performance of such part of the work not terminated by the Contracting Officer; and,
- Take such action as may be necessary, or as the Contracting Officer 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 DOH has or may acquire an interest.

44. WAIVER OF DEFAULT – Waiver of any default or breach shall not be deemed to be 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 DOH.

GENERAL TERMS AND CONDITIONS
DOH CONTRACT CBO33127-0

1. DOH Contract No.	**CBO33127-0**
2. Name of Contractor	**Foundation for Health Care Quality**
3. Does the Contractor plan to utilize subcontractors?	Yes No
4. If Yes, complete Section 5	
5. *Proposed* Subcontractors	

6. Contractor understands and acknowledges, by signing below, that:

- Contractor without subcontractors at this time understands the requirement to report to DOH if subcontractors are engaged during the contract term; and acknowledges the requirements set forth herein.
- Contractor shall ensure, and shall require of its subcontractor, that services provided by the subcontractor are provided in accordance with the Contract; and Contractor is responsible for the acts and omissions of the subcontractor (per Contract general terms and conditions).
- The Contractor and all subcontractors shall report and confirm receipt of payments made to the Contractor and each subcontractor through Access Equity (per Contract Subcontractors subsection).
- Contractor is responsible to ensure that all terms, conditions, assurances, and certifications set forth in this Contract are included in the subcontract (per Contract general terms and conditions), including all confidentiality, data security requirements, and federal guidelines if applicable.
- All contract terms in the above-referenced contract remain in full force and effect and nothing in this form shall be construed as a waiver of terms in the above-referenced Contract.
- DOH has the right to withdraw approval for subcontracting if terms of the Contract are not adhered to.

CONTRACTOR SIGNATURE	DATE

Washington State Department of
Enterprise Services
Contracts & Procurement

Sole Source CONTRACT Filing Justification Template

DOH Contract Number:
CBO33127-0

Use the following justification template for preparing to file sole source contracts in the Sole Source Contracts Database (SSCD). Once completed, copy and paste the answers into the corresponding SSCD question and answer fields. You will also need to include a copy of this completed form in the documents you post to your agency website and in WEBS.

**** NOTE: All proposed sole source vendors are required to be registered in WEBS prior to the Contract filing. Vendors are required to do this themselves and ensure they are registered with appropriate commodity codes. Additionally, all applicable WEBS commodity codes for the product or services being procured, including those commodity codes used by the prospective sole source vendor, will be listed in the sole source Legal Notice.***

What is a sole source contract?

"Sole source" means a contractor providing goods or services of such a unique nature or sole availability that the contractor is clearly and justifiably the only practicable source to provide the goods or services. (RCW 39.26.010)

Unique qualifications or services are those which are highly specialized or one-of-a-kind.

*Other factors which **may** be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required goods and/or services. **Past performance alone does not provide adequate justification for a sole source contract**. Time constraints may be considered as a contributing factor in a sole source justification, however, will not be on its own a sufficient justification.*

Why is a sole source justification required?

The State of Washington, by policy and law, believes competition is the best strategy to obtain the best value for the goods and services it purchases, and to ensure that all interested vendors have a fair and transparent opportunity to sell goods and services to the state.

A sole source contract does not benefit from competition. Thus, the state, through RCW 39.26.010, has determined it is important to evaluate whether the conditions, costs and risks related to the proposal of a sole source contract truly outweigh the benefits of a competitive contract.

To Expedite CPO's and DES's Review and Approval of the Sole Source Contract, please provide clear and compelling answers to the following justification questions.

DES Sole Source Question	DOH Program Manager Response
Specific Problem or Need	
1. What is the business need or problem that requires this contract?	The business need for this contract is to establish and manage governance for the Transformational Repository & Analytics eXchange (TRAX). This requires a contractor with unique expertise in healthcare governance, public-private collaboration, and data-sharing frameworks in Washington

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	State. Without an experienced third party to step in to lead these efforts, the initiative risks delays, loss of stakeholder engagement, and challenges in meeting federal grant deliverables within the limited performance period.
Sole Source Criteria *(Describe how this vendor is "a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services."*	
2. Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.	The Foundation for Health Care Quality (FHCQ) possesses specialized expertise in healthcare governance, multi-sector collaboration, and data-driven quality improvement. Its unique qualifications for this contract include: **1. Extensive Experience in Statewide Healthcare Governance in Washington State** ○ Leads the Bree Collaborative, a legislatively established initiative that develops evidence-based recommendations for healthcare improvement. ○ Manages Care Outcomes Assessment Programs (COAPs), which drive quality improvement in clinical care through data-driven benchmarking and collaboration. ○ Administers the Washington Patient Safety Coalition (WPSC), uniting diverse healthcare stakeholders to advance patient safety initiatives. 2. **Expertise in Convening Public-Private Stakeholders** ○ Proven ability to facilitate governance development for complex healthcare initiatives involving providers, payers, policymakers, and regulatory bodies. ○ Experience managing multi-organization workgroups to develop governance policies, consensus-based decision-making processes, and sustainability frameworks. 3. **Capacity for Data Governance and Reporting** ○ Operates data-driven quality improvement programs that collect, analyze, and benchmark healthcare data for process and outcome improvements. ○ Manages the Community Birth Data Registry, integrating data across different healthcare

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	settings for performance measurement and research. 4. **Infrastructure and Administrative Expertise** ○ Has the organizational capacity, personnel, and systems to support governance documentation, stakeholder coordination, and grant reporting. ○ Recently designated by the Office of the Insurance Commissioner as the lead organization for the Administrative Simplification Program, demonstrating its ability to manage complex administrative and governance initiatives. 5. **Alignment with TRAX Objectives and Grant Timeline** ○ With a short grant performance period for the funding supporting this work, DOH needs to engage a third-party facilitator quickly to begin work. FHCQ's existing capabilities, infrastructure, and engagement with the partnering organizations will enable immediate execution of the deliverables, mitigating risks of delays and ensuring compliance with grant timeline. ○ FHCQ's mission and expertise directly aligns with TRAX's goal of developing a structured governance framework for public-private healthcare data exchange. Given its pre-existing health sector governance expertise and ongoing engagements involving convening of multiple health care stakeholders in Washington State, partners have expressed confidence in Foundation for Health Care Quality (FHCQ) to facilitate this governance project. From a practical perspective, considering time constraints, the project staff believes that FHCQ is the only organization capable of fulfilling the requirements of this contract within the required timeframe.
3. <u>What kind of market research</u> did the agency conduct to conclude that alternative sources were inappropriate or unavailable? Provide a narrative description of the agency's due diligence in determining the basis for the sole source contract. Including methods used by the agency to conduct a review of available	The agency conferred with health care partners involved in this project and they consistently identified the Foundation for Health Care Quality (FHCQ) as the organization with the capacity and unique capabilities to lead this work. DOH also conferred with the Washington Healthcare Forum, which FHCQ has already demonstrated successful real-world

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source. These include researching trade publications, industry newsletters and the internet; contacting similar service providers; and reviewing statewide pricing trends and/or agreements. Include a list of businesses contacted (if you state that no other businesses were contacted, explain why not), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract	project administration. Additionally given the fact that this project is already mid-stream, no other suitable alternatives exist that can provide the necessary tools and knowledge to finish the remaining deliverable tasks.
4. What considerations were given to unbundling the goods and/or services in this contract, which would provide opportunities for Washington small, diverse, and/or veteran-owned businesses. Provide a summary of your agency's unbundling analysis for this contract	A single contract is the most effective approach to meeting the needs of this project as it doesn't have component parts that can be separated into different bodies of work. The remaining tasks contained in this Sole Source rely on existing knowledge of the TRAX system and the work previously performed. The vendor search and onboarding process of potential unbundling would constrain the budget and jeopardize grant deliverables.
5. As part of the market research requirements, include a list of statewide contracts reviewed and/or businesses contacted, date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.	As part of market research, the agency reviewed DES Business Consulting Contract #01620 to identify potential vendors capable of fulfilling the Transformational Repository & Analytics eXchange (TRAX) Governance contract. The review found that while vendors under this contract offer business consulting, project management, and organizational development, none have the specialized expertise in healthcare data governance, stakeholder convening, and public-private collaboration required for TRAX. Additionally, the agency previously consulted TRAX stakeholders through virtual meetings. Stakeholders consistently identified the Foundation for Health Care Quality (FHCQ) as the viable entity due to its experience leading statewide healthcare governance initiatives, existing relationships with key healthcare organizations, and ability to immediately convene stakeholders without onboarding delays. No alternative vendors were recommended.
6. Per the Supplier Diversity Policy, DES-090-06: Was this purchase included in the agency's forecasted needs report?	No, this purchase was not included in the agency's forecasted needs report.

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7. Describe what targeted industry outreach was completed to locate small and/or veteran-owned businesses to meet the agency's needs?	The agency conducted targeted industry outreach by reviewing DES Business Consulting Contract #01620 to identify potential vendors capable of fulfilling the Transformational Repository & Analytics eXchange (TRAX) Governance contract. The review found that while some vendors provided business consulting and project management services, none had the specialized expertise in healthcare governance, stakeholder convening, and data-sharing frameworks required for TRAX. Additionally, the Foundation for Health Care Quality (FHCQ), , is a small non-profit business with extensive experience in healthcare governance, multi-sector collaboration, and public-private partnership facilitation. FHCQ's proven ability to convene healthcare stakeholders, manage governance frameworks, and support data-sharing initiatives makes it uniquely suited to meet the requirements of this contract.
8. Provide a detailed and compelling description that includes quantification of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).	Contracting with the Foundation for Health Care Quality (FHCQ) minimizes costs and risks associated with establishing governance for the Transformational Repository & Analytics eXchange (TRAX) by leveraging an experienced organization with existing infrastructure, established processes, and proven success in managing related initiatives. **Risk Mitigation** **1. Eliminating the Learning Curve** • FHCQ already operates statewide governance and quality improvement initiatives, including Administrative Simplification, the Bree Collaborative and Care Outcomes Assessment Programs (COAPs). • Unlike a new vendor, FHCQ does not require time to build relationships, learn regulatory frameworks, or develop operational workflows, allowing for immediate project launch and faster progress toward deliverables. **2. Ensuring Stakeholder Continuity and Engagement** • A delay in establishing governance risks stakeholder disengagement, particularly from private-sector partners. FHCQ has established relationships with TRAX stakeholders, ensuring seamless coordination and commitment to project goals. • A new vendor would require additional time and resources to establish credibility and secure stakeholder participation, potentially delaying key governance decisions.

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	3. Minimizing Administrative and Compliance Risks • FHCQ has documented experience in grant reporting, stakeholder convening, and governance transparency, reducing risks related to non-compliance or delayed reporting. • Contracting with FHCQ to complete this work mitigates risks associated with compressed timelines, ensuring compliance with grant requirements. By contracting with FHCQ, the agency avoids costly delays, onboarding inefficiencies, and stakeholder disengagement risks while ensuring a timely, cost-effective, and expert-driven governance process for TRAX.
9. Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe. ☒Not Applicable	No.
10. Is the agency proposing this sole source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe. *For example, if time constraints are applicable, identify when the agency was on notice of the need for the goods and/or service, the entity that imposed the constraints, explain the authority of that entity to impose on them, and provide the timelines within which work must be accomplished.* ☒Not Applicable	No.
11. What are the consequences of not having this sole source filing approved? Describe in detail the impact to the agency and on services it provides if this sole source filing is not approved.	If this sole source filing is not approved, the agency faces significant risks that could jeopardize the Transformational Repository & Analytics eXchange (TRAX) initiative and its ability to complete the established grant deliverables. Key Consequences: 1. Delayed Governance Implementation – A competitive procurement process would introduce significant delays in establishing the governance structure, reducing the time available for policy development, stakeholder engagement, and compliance reporting. 2. Inability to Meet Grant Deliverables – The TRAX initiative is grant-funded, and failure to establish

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	governance within the limited performance period could jeopardize funding compliance, potentially resulting in grant funding reductions or reallocation. 3. Failure to Leverage Established Expertise and Infrastructure – The Foundation for Health Care Quality (FHCQ) has the existing capacity, expertise, and relationships to support governance activities immediately. Selecting an alternative vendor would require onboarding time and a learning curve, further compressing implementation timelines.
Reasonableness of Cost	
12. Since competition was not used as the means for procurement, how did the agency conclude that the costs, fees, or rates negotiated are fair and reasonable? Please make a comparison with comparable contracts, use the results of a market survey, or employ some other appropriate means calculated to make such a determination.	The agency determined that the costs, fees, and rates negotiated with the Foundation for Health Care Quality (FHCQ) for the TRAX Governance Contract are fair and reasonable based on a direct comparison with similar deliverables under the Bree Collaborative (HCA Contract #K7532). Both contracts involve stakeholder convening, governance documentation, and progress reporting, but TRAX governance is structured at a significantly lower cost. For example: • Bree's per-meeting costs range from $30,000 to $40,000, whereas the total cost for TRAX's monthly governance meetings, including documentation, cost $30,000, making TRAX governance more cost-efficient. • Bree's final reports cost $40,000 each, while TRAX's quarterly progress reporting is structured at $5,000, ensuring continuous oversight at a lower cost per report. The final report for TRAX cost $30,000, whereas Bree's final reports total $120,000 (i.e. 3 reports x $40,000 each). • Bree charges $45,000 for governance framework development (Evaluation & Action Plan), while TRAX's equivalent deliverables (MOU + Terms & Conditions) are $20,000, demonstrating significant cost savings. Compared to the Bree Collaborative contract, TRAX governance is structured at a lower cost for similar deliverables, making it a more cost-efficient investment. Both the BREE Primary Care Report and the TRAX system are Statewide collaborative initiatives with similar development and implementation structures. Bree provided an established roadmap, with a successful implementation plan to navigate stakeholder meetings and the creation of progress reporting metrics.

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	Market-value costs have only increased since HCA's Bree Collaborative contract was performed, making FHCQ's rate all the more reasonable.
Sole Source Posting	
13. Confirm Program and Contractor agree that the drafted Contract document is in final form. ☒Yes	**Contracts Office Use Only: Yes**
14. Provide the date in which the sole source posting, the draft contract, and a copy of the Sole Source Contract Justification Template was published in WEBS.	**Contracts Office Use Only: Published in WEBS 9/4/2026.**
a. If failed to post, please explain why.	**Contracts Office Use Only: N/A**
15. Were responses received to the sole source posting in WEBS?	**Contracts Office Use Only:**
a. If one or more responses are received, list name of entities responding and explain how the agency concluded the contract is appropriate for sole source award.	**Contracts Office Use Only:**

Note: *The DOH Program's contract manager must complete the attached and include with the completed Sole Source Legal Notice as part of your CPAR package, which should be processed through your division's standard process. Contact the Contracts Group Mailbox at DOHCON.Mgmt@doh.wa.gov for assistance.*

POL-DES-140-00-Sole-Source (wa.gov)
FAQs for POL-DES-140-00 Sole Source (wa.gov)
DES-Procedure PRO-DES-140-00
Glossary for POL DES 140-00 Sole Source Contracts (wa.gov)