

NORTH CAROLINA

**SERVICES AGREEMENT
OVER \$50,000**

WAKE COUNTY

THIS AGREEMENT, is made and entered into this 1st day of May, 2020 by and between the Sheriff of Wake County, North Carolina (the "Sheriff"); and AIS, Inc (the "Provider");

WITNESSETH:

For the purpose and subject to the terms and conditions hereinafter set forth, the Sheriff hereby contracts for the services of the Provider, and the Provider agrees to provide the services to the Sheriff in accordance with the terms of this Agreement.

I.SERVICES TO BE PROVIDED

The Provider shall perform archival document management and storage services beginning with heretofore identified Carry and Concealed Weapon files consisting of approximately three hundred eighty-two (382) boxes containing approximately one hundred seventeen thousand three hundred eighty-three (117,383) documents. Provider will transport said files to an offsite location where the provider will prepare, scan, verify image quality, index, assure quality control and upload data to Permit Archive. Indexing will be by Driver's License number, Last name, First Name, Date of Birth matching the file provided by the Sheriff's IT Department. While in production at AIS, records will be available at all times using AIS document request website www.aisdocs.com. Once completed the Provider shall thereafter perform archival document management and storage services described above annually for new Carry and Concealed Weapon files generated during the life of this agreement.

Provider shall not sub-contract all or any part of the services provided for in this Agreement without written approval of the Sheriff.

II.TERM

The services of the Provider shall begin on May 1, 2020, and shall be provided until March 21, 2025, unless either party submits a formal notice of cancellation.

III.MAXIMUM AMOUNT PAYABLE: One hundred eighty-one thousand dollars (181,000.00) with no minimum amount due).

IV.PAYMENT

Provider shall submit an invoice for services provided. The invoice shall contain Provider's name and federal tax identification number and shall be signed and dated by an officer of Provider. It shall detail all services provided in payment requests as priced and set forth in Attachment A attached hereto and incorporated by reference herein. The Sheriff will make payments to Provider upon receipt of and approval of the invoice by the contracting department.

V. RELATIONSHIP OF PARTIES

Provider is an independent contractor of the Sheriff. Provider represents that it has or will secure, at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the Sheriff. All personnel engaged in work under this Agreement shall be fully qualified and shall be authorized or permitted under state and local law to perform such services. It is further agreed that the Provider will obey all State and Federal statutes, rules and regulations that are applicable to provisions of the services called herein.

Neither Provider nor any employee of the Provider shall be deemed an officer, employee or agent of the Sheriff.

VI.CANCELLATION

This Agreement may be canceled by Provider upon thirty (30) days' written notice to the Sheriff, and the Sheriff may terminate this agreement upon thirty (30) days' written notice to Provider. If this contract is cancelled by either party, Provider will only be paid for the services provided through the effective date of the cancellation of this contract as explained in Section XVII. DATA CONFIDENTIALITY, INTEGRITY AND AVAILABILITY, B. Provider Requirements, 9. Data Ownership and End of Agreement Handling.

VII.INSURANCE REQUIREMENTS

The Provider shall obtain, at its sole expense, all insurance required in the following paragraphs and shall not commence work until such insurance is in effect and certification thereof has been received by Wake County's Finance Office. If any required insurance policy expires during the term of this agreement, Provider must provide a certificate of insurance to the Wake County Finance Office as evidence of policy renewal prior to such policy expiration.

Provider signature on this agreement indicates that Provider agrees to the terms of this insurance section and understands that failure to comply may result in cancellation of this agreement at the option of the Sheriff.

Workers' Compensation Insurance, with limits for Coverage A Statutory- for State of North Carolina and Coverage B - Employers Liability \$500,000 each accident/disease each employee/disease policy limit.

Commercial General Liability - with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate, including contractual liability.

Commercial Automobile Liability, with limits no less than \$1,000,000 per occurrence for bodily injury and property damage for any vehicle used during performance of contract services, including coverage for owned, hired, and non-owned vehicles. Evidence of commercial automobile coverage is only necessary if vehicles are used in the provision of services under this Agreement.

Professional Liability Insurance, applicable to any professional services provided under this Contract with limits of no less than \$1,000,000 per claim and \$2,000,000 aggregate.

Cyber Liability Insurance, with limits not less than \$3,000,000 per claim. Coverage shall be sufficiently broad to respond to the duties and obligations undertaken by Provider in this Agreement regarding sensitive information in any form in Provider's care, custody, or control, and shall include but not be limited to third party liability coverage for loss resulting from denial of service, unauthorized access, security failure, system failure, extortion, or any failure to prevent disclosure of sensitive information, including but not limited to Confidential Information (defined herein). Breach/crisis response coverage must include actions required by federal and/or state statutes, and include but not be limited to notification, call center costs, regulatory fines and penalties, investigation, and identity theft and credit report services, with limits sufficient to respond to these obligations.

If any coverage is on a claims-made basis, Provider agrees to maintain a retroactive date prior to or equal to the effective date of this Agreement and to purchase and maintain Supplemental Extended Reporting

Period or 'tail coverage' with a minimum reporting period of not less than three (3) years if the policy expires or is cancelled or non-renewed. If coverage is replaced, the new policy must include full prior acts coverage or a retroactive date to cover the effective dates of this Agreement. Provider shall provide a Certificate of Insurance annually to Wake County indicating any claims made coverage and respective retroactive date. The duty to provide extended coverage as set forth herein survives the effective dates of this Agreement.

All insurance companies must be authorized to do business in North Carolina and have an AM Best rating of "A-/VII" or better; or have reasonable equivalent financial strength to the satisfaction of the County's Finance Office. Proof of rating shall be provided to the county upon request.

Insurance with limits no less than those specified above shall be evidenced by a Certificate of Insurance issued by a duly authorized representative of the insurer and dated no more than thirty (30) days prior to the start date of the agreement. In the case of self-insurance, a letter of explanation must be provided to and approved by Wake County Risk Management.

The Provider shall be responsible for providing immediate notice of policy cancellation or non-renewal during the term of this Agreement to the Wake County Finance Office and for three years subsequent for any claims made coverage.

If Provider does not meet the insurance requirements specified above, alternate insurance coverage satisfactory to Wake County may be considered. Any requests for consideration of alternate coverage must be presented by Provider PRIOR TO provision of any services associated with this Agreement.

In the event that Provider uses subcontractors to perform any of the services under this Agreement, then and in that event, Provider shall contractually require such subcontractor(s) to meet all of the requirements of this section.

VIII. INDEMNIFICATION

Provider agrees to defend, indemnify, and hold harmless the Sheriff and Wake County, for all loss, liability, claims or expense (including reasonable attorney's fees) arising from bodily injury, including death or property damage, to any person or persons caused in whole or in part by the negligence or misconduct of the Provider, except to the extent same are caused by the negligence or willful misconduct of the Sheriff or Wake County. It is the intent of this section to require Provider to indemnify the Sheriff and or Wake County to the extent permitted under North Carolina law.

IX. NO WAIVER OF SOVEREIGN IMMUNITY

The Sheriff and the Provider agree that nothing in this Agreement shall be construed to mandate purchase of insurance by Wake County pursuant to N.C.G.S. 153A-435; or to be inconsistent with Wake County's "Resolution Regarding Limited Waiver of Sovereign Immunity" enacted October 6, 2003; or to in any other way waive Wake County's defense of sovereign or governmental immunity from any cause of action alleged or brought against Wake County for any reason if otherwise available as a matter of law.

X. NON-ASSIGNMENT

Provider shall not assign all or any portion of this Agreement, including rights to payments, to any other party without the prior written consent of the Sheriff.

XI. ENTIRE AGREEMENT

The parties have read this Agreement and agree to be bound by all of its terms, and further agree that it constitutes the complete and exclusive statement of the Agreement between the parties unless and until modified in writing and signed by the parties. Modifications may be evidenced by telefacsimile signatures.

XII. NON-APPROPRIATION

Provider recognized that Office of the Sheriff is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate.

In the event that public funds are not available and not appropriated to purchase the services specified in this Agreement, then this Agreement shall automatically expire without penalty to Wake County and without the thirty (30) day notice requirement set forth in Section VI.

In the event of a legal change in the Sheriff's statutory authority, mandate, and mandated functions which adversely affects the Sheriff's authority to continue its obligations under this Agreement, then this Agreement shall automatically expire without penalty to the Sheriff and without the thirty (30) day notice requirement set forth in Section VI.

XIII. GOVERNING LAW

Both parties agree that this Agreement shall be governed by the laws of the State of North Carolina.

XIV. E-VERIFY REQUIREMENTS

To ensure compliance with the E-Verify requirements of the General Statutes of North Carolina, all contractors, including any subcontractors employed by the contract(s), by submitting a bid, proposal or any other response, or by providing any material, equipment, supplies, services, etc, attest and affirm that they are aware and in full compliance with Article 2 of Chapter 64, (NCGS 64-26(a)) relating to the E-Verify requirements.

XV. IRAN DIVESTMENT

By signing this agreement; accepting this contract/purchase order; or submitting any bid, proposal, etc., vendors and contractors certify that as of the date of execution, receipt, or submission they are not listed on the Final Divestment List created by the NC Office of State Treasurer pursuant to NCGS 147 Article 6E, Iran Divestment Act, Iran Divestment Act Certification. Vendors and contractors shall not utilize any subcontractor that is identified on the Final Divestment List. Any organization defined under NCGS 147-86.80(2), Divestment from Companies Boycotting Israel, shall not engage in business totaling more than \$1,000 with any company/business, etc. that boycotts Israel. A list of companies that boycott Israel is maintained by the NC Office of State Treasurer, pursuant to NCGS 147-86.81(a)(1). Any company listed as boycotting Israel is not eligible to do business with any State agency or political subdivision of the State.

XVI. FEDERAL FUNDS

If the source of funds for this contract is federal funds, the following federal provisions apply pursuant to 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II (as applicable): Equal Employment Opportunity (41 C.F.R. Part 60); Davis-Bacon Act (40 U.S.C. 3141-3148); Copeland "Anti-Kickback" Act (40 U.S.C. 3145); Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708); Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387);

Debarment and Suspension (Executive Orders 12549 and 12689); Byrd Anti-Lobbying Amendment (31 U.S.C. 1352); Procurement of Recovered Materials (2 C.F.R. § 200.322); and Record Retention Requirements (2 CFR § 200.324)

XVII. DATA CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY

A. Definitions

1. Identifying Information (“II”) pursuant to NCGS 75-61 et seq. as amended, is defined as data (electronic or printed) that could potentially identify a specific individual. II may include any or all of the following:
 - a) Social security or employer taxpayer identification numbers
 - b) Driver’s license, state identification card, or passport numbers
 - c) Checking account numbers
 - d) Savings account numbers
 - e) Credit card numbers
 - f) Debit card numbers
 - g) Personal Identification (PIN) Code
 - h) Electronic identification numbers, electronic mail names or addresses, Internet account numbers, or Internet identification names
 - i) Digital signatures
 - j) Any other numbers or information that can be used to access a person's financial resources
 - k) Biometric data
 - l) Fingerprints
 - m) Passwords
 - n) Parent's legal surname prior to marriage
2. Protected Health Information (“PHI”) pursuant to the Health Insurance Portability and Accountability Act (HIPAA) of 1996 et seq. as amended, is defined as data (electronic or printed) that could potentially identify a specific individual based on past, present, or future physical or mental health conditions, provisions of healthcare, or payment for the provision of health care to an individual. PHI may include any or all of the following:
 - a) Name
 - b) Address (all geographic subdivisions smaller than state, including street address, city, county, precinct, or zip code)
 - c) All elements of dates (except year) related to an individual, including birth date, admissions date, discharge date, date of death, and exact age if over 89
 - d) Telephone and/or Fax numbers
 - e) E-mail addresses
 - f) Social security numbers
 - g) Medical record numbers
 - h) Health plan beneficiary numbers
 - i) Account numbers
 - j) Certificate and/or license numbers
 - k) Vehicle identifiers and serial numbers, including license plate number
 - l) Device identifiers and serial numbers
 - m) Universal Resource Locators (URLs)
 - n) Internet protocol (IP) addresses

- o) Biometric identifiers, including finger and voice prints
 - p) Full face photographic images and any comparable images
 - q) Any other unique identifying number or characteristic that could identify an individual
3. Confidential Information ("CI") is defined as data (electronic or printed) that in the event of unauthorized disclosure, alteration, or destruction could cause a significant level of risk to the County. Examples of Confidential Information include data protected by state or federal privacy regulations and data protected by confidentiality agreements including but not limited to II, PHI, PCI (as defined herein), and criminal justice information.

B. Provider Requirements

In the performance of this Agreement, the Provider at its sole expense may store, transmit, or process Confidential Information and therefore agrees to comply with the following:

1. **Data Security Commitment**
Provider agrees to preserve the confidentiality, integrity, and availability of County data with physical, technical, and administrative controls that conform to generally recognized industry standards and best practices.
2. **Applicable Federal Laws, State Laws, and General Statutes**
The Provider shall comply with all applicable state laws, federal laws, regulations and general statutes relating to confidentiality, privacy, and security of data. In the event any governmental restrictions may be imposed which would necessitate the alteration of the material, quality, workmanship or performance of the services of this Agreement, it shall be the responsibility of the Provider to Notify the County at once, indicating the specific regulation which requires alterations. The County reserves the right to accept any such alterations, including any price adjustments occasioned thereby.
3. **Non-Disclosure and Confidentiality Agreement**
Provider shall implement feasible safeguards to restrict access and ensure the security, confidentiality, and integrity of Confidential Information and execute the Wake County Non-Disclosure and Confidentiality Agreement.
4. **Risk Assessments**
Provider shall periodically (at least annually) perform a data security assessment using a methodology acceptable to the County Chief Information Security Officer. The Provider shall provide the County with a copy of the report. If the report contains material findings as reasonably determined by the County, then the County and the Provider shall in good faith address such findings.
5. **Right to Audit**
Provider shall permit the County with the opportunity and not the obligation to perform an audit of the Provider's data security policies, procedures, and operations. The County agrees to provide Provider with 30 days advance Notice prior to executing the audit. If the audit results in material findings as reasonably determined by the County, then the County and the Provider shall in good faith address such findings.

6. **Data Breach Incident Response and Communications**

Provider agrees to Notify the County of any suspected or confirmed data breach within 24 hours after the suspected or confirmed breach is first discovered. The Provider shall exercise due care to protect Confidential Information when providing such Notification. The provider will cooperate with the County to notify appropriate government or regulatory authorities as required by law or generate statute.

7. **Business Contingency**

Provider shall maintain a business contingency plan designed to address any emergency business shutdowns and shall provide such plan to the County upon request. In the event of an actual or perceived emergent issue, disaster, disruption of the service, or outage, Provider shall promptly provide the County with Notice of the same as well as ongoing status updates.

8. **Location of Data**

Provider agrees that any and all County data will be stored, processed, and maintained within the continental United States. This includes backup data and any disaster recovery locations. AIS hosted data provider is Amazon Web Services (AWS) and all data centers where County data will be hosted is listed in Provider's SOC2 report (**See Attachment A, SOC2 Report**).

9. **Data Ownership and End of Agreement Handling**

Provider agrees that the County owns all right, title, and interest in its data that is related to the Services provided by this Agreement. Provider agrees that upon termination of this Agreement, it shall provide a copy of all data to Wake County in a mutually agreed format. Provider further agrees that following successful transmission of all data to the County, any and all County data will be erased, destroyed, and rendered unrecoverable and certify in writing these actions have been completed within 60 days of the termination of this Agreement, unless required by law or otherwise directed by Wake County in writing prior to the expiration of the 60 days post agreement.

- C. If the Provider's responsibilities change at any point during the performance of the Services, the Provider must immediately Notify the County.

XVIII. DIGITAL IMAGING DOCUMENTATION AND PROCEDURES

- A. **System Documentation** – Images will be managed in Permitium including responsibility for: procedures for maintaining and operating the system, how original and imaged records are managed, documenting the information technology system used to produce and manage the agency's imaged records. WCSO is outsourcing digital imaging, the service level agreement describes the operating environment and equipment along with performance/availability, e.g., planned and unplanned downtime (**See Attachment B, Service Level Agreement**).

A current procedural manual will be maintained by AIS to ensure the most current steps are followed and to ensure reliable system documentation will be available for judicial or similar proceedings.

Each workstation designated as a scanning station will have, at a minimum, the following hardware and software, unless the scanner is collocated by means of a network interface:

- Document/image scanner authorized by IT: Kodak Alaris 5000 Series Production Scanners <https://support.alarisworld.com/en-us/i5200-scanner#Home>
- Driver software for scanner: Kodak Alaris scanner driver ISIS and Twain (see manual link for further detail <https://support.alarisworld.com/en-us/i5200-scanner#Home>)
- Imaging software: Digitech PaperVision Capture Software; <https://www.digitechsystems.com/wp-content/uploads/2018/12/PaperVisionCapture-Product-Sheet.pdf>
- The Instructions manual (**See Attachment C, Scope of Work**), maintained by AIS IT staff, describing in detail the steps required in the scanning process. This manual will also define the following for process map and detailed steps. Also go to video tour of production <https://aisimc.com/ais-video-tour>:
 - The **resolution** of scanned images, as well as any compression standard used: 200 DPI Unless otherwise required due to poor quality physical documents.
 - The file **formats** of scanned images TIFF files for B/W and JPG for color images (single page)
 - The file **naming** conventions used for scanned images: incrementally numbered files.
 - Whether **batch conversion or batch file re-naming will be necessary**, and what tool is used for such conversions: no batch file creation needed.
 - Whether any image **enhancement techniques** should be conducted after imaging: we inspect all images for clarity and adjust accordingly. (**See Attachment C, Scope of Work**).

B. **Indexing and Metadata** -- All imaged records must be indexed in order to facilitate efficient retrieval, ease of use, and up-to-date information about the images stored. This index should capture the content, structure, and context of the imaged records and will be agreed upon by both parties. Metadata is maintained alongside the record. At a minimum, metadata retained includes file creator, date created, title (stored as the file name), and when appropriate, cell formulae and e-mail header information. Employees are not instructed to create metadata other than metadata that is essential for a file's current use and/or retention.

C. **Auditing and Audit Trails** –AIS will be one hundred percent (100%) responsible for quality audits and quality control. AIS Staff trained to conduct imaging will conduct a quality control audit following the imaging of a record to ensure that the following features of the imaged record are legible:

- Individual letters, numbers, and symbols
- Combinations of letters, numbers, and symbols forming words or sentences
- Graphics such as signatures, logos, and pictures
- Other features of records such as color, shape, texture, etc., that relate to the content of the information

Managerial staff for the various units of the agency will also periodically audit imaged records for accuracy, readability, and reproduction capabilities. Written quality control documentation will be prepared indicating the sampling of records and what remedial procedures were followed if the expected level of accuracy was not achieved.

[For contracted imaging systems] Audit trails should be built into the imaging system that will automatically document who creates, duplicates, modifies, or otherwise accesses records and

what procedures were taken. Audit trails include the success or failure, date, time, and user of the following events:

- Add/Edit electronic document
- Assign index template
- Copy document
- Copy pages
- Create document/folder
- Delete entry
- Delete pages
- Delete volume
- Edit image
- E-mail document
- Export document
- Index creation/deletion/modification
- Insert page
- Log in/out
- Move document
- Move pages
- Print document

D. **Destruction of Physical Records After Imaging is Complete** – For portions of the permits not required to be returned to WCSO, destruction of original records is allowed only after quality assurance has been conducted on the imaged records, necessary corrections have been made, the electronic records system is audited for accuracy, and the destruction of records has been approved. To obtain permission to destroy original records following imaging, WCSO must complete a Request for Disposal of Original Records Duplicated by Electronic Means and gain approval from the North Carolina Department of Natural and Cultural Resources. After destruction approval is received, the original paper records must be destroyed in such a manner that the records cannot be practicably read or reconstructed, in accordance with 07 NCAC 04M.0510. Once the digital images replace the original records and assume all legal authorities, these scanned records will be considered the record copy and must be maintained for the specified retention period defined in the appropriate records retention and disposition schedule. The retention period is considered to have begun when the original document was created, not when the electronic version was produced. Any hard copy generated from the imaged records will be considered the agency's duplicate "working" record or reference copy.

E. **Service Level Agreement** - A copy of the purchase order and a detailed service level agreement with AIS must be maintained. The terms of the service level agreement with AIS detail:

- Ownership of data and images - all data is owned by Wake County Sheriff while stored in PermitArchive, per agreement. Wake County Sheriff's Office can request a complete copy of the data and images at any time by sending an email to support@permitium.com
- File formats - tiff/jpg
- Plan for converting files to a new format- additional export project
- File naming practices - incrementally numbered files
- Access rights/security mechanisms - dedicated AIS team assigned to process Wake County Sheriff's Office project

Backups (specify frequency and location) - all scanned data backed up and stored in AWS; **(See Attachment A, SOC2 Report).**

- Mechanism for destructions- Process detailed in SOW document; **(See Attachment A, SOC2 Report).**
- Audits (data should be audited at least annually to test accessibility and assess need for refresh or migration) - **(See Attachment A, SOC2 Report).**
- Frequency of refreshing of media (should be at least every 3-5 years)
- Frequency of checksum validation (should be at least at every migration)
- Environmental conditions where media is stored (humidity 30-50%, temperature 65 - 75°F) - all backup data stored in AWS. **(See Attachment A, SOC2 Report).**
- Training program - Pilot Box will be used to start the training. Ongoing training as needed; request at support@permitium.com
- Disaster recovery procedures **(See Attachment A, SOC2 Report).**
- System documentation/procedural manual – a copy should be provided to the agency that specifies what hardware and software are provided by the vendor - Permit Director infrastructure already in place at Wake Sheriff's County Office since 2013. Archive will be turned on and pilot box review will serve as the start of accessing files in Permit Archive; **(See Attachment A, SOC2 Report).**
- System for indexing records - **(See Attachment C, Scope of Work).**
- Quality control procedures - **(See Attachment C, Scope of Work).**
- Mechanism for document production due to litigation, audit, or public records request. Secure portal is provided for client to request and receive securely documents needed;
- Mechanism for avoiding spoliation of evidence - No physical documents are destroyed without signed authorization from client
- Proprietary software necessary to access records (if applicable) Permit Archive
- Performance/availability (e.g., planned and unplanned downtime) Permitium SLA table; **(See Attachment A, SOC2 Report).**
- Ownership of data - all data is owned by Wake County Sheriff's Office while stored in PermitArchive, per agreement. Wake County Sheriff can request a complete copy of the data and images at any time by sending an email to support@permitium.com
- Procedure for exporting records (including images as well as metadata) at end of contract period and/or when vendor ceases operation - formal request by Wake County Sheriff's Office by emailing support@permitium.com.

WAKE COUNTY, NORTH CAROLINA

By: [Signature]
Wake County Sheriff

Date: APRIL 17th 2020

By: _____
Wake County Manager or Designee

Date: _____

PROVIDER

By: [Signature]
Gerald Brucken, COO

Date: April 16, 2020

Advanced Imaging Systems, Inc
10617 Southern Loop Blvd.
Pineville, NC 28134
Mailing Address

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

FINANCE DIRECTOR

The person responsible for monitoring the contract performance requirements is

_____ Department Head Initials