

**Appendix A**  
**Services to be provided by Contractor**

**1. Description of Services**

Contractor agrees to perform the following services:

- a. **Contractor is National Security Services and Industries;**
- b. **Contract commences May 1, 2013 through April 30, 2016;**
- c. **Armed Security Services for OTOP Vans and Clinic in support of DPH Mobile Methadone Dispensing program. Services provided daily, including weekends and holidays;**
- d. **Armed Security Services for this report will be monitored through quarterly status meetings as noted in RFP Section VII-A "Reports and Meetings: Quarterly Meetings" as noted below:**

"Contractor's Account Manager shall attend quarterly status meetings with DPH OTOP staff to discuss issues related to the Agreement, including, but not limited to, performance, invoice payments, Agreement status, personnel issues, ...etc.

At least one (1) week prior to the quarterly status meeting, the Account Manager shall provide a quarterly status report that summarizes the status of performance of the Agreement with respect to the subject matters listed above and any others that either party requests be included on the agenda for the quarterly status meeting."

- e. **Armed Security Services will be provided at remote locations within the City & County of San Francisco, Monday through Friday. Guards will perform driving duties and security services for two (2) large van vehicles in support of the DPH Nursing staff that dispense Methadone to DPH program clients.**

**Contractor's employees will provide Armed Security Services at SFGH Bldg. 80, Ward 93/95 location on Saturday and Sunday.**

**2. Reports**

Contractor shall submit written reports as requested by the **Opiate Treatment Outpatient Program for the City & County of San Francisco Department of Public Health ("OTOP")**. Format for the content of such reports shall be determined by **OTOP**. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

**3. Department Liaison**

In performing the services provided for in this Agreement, Contractor's liaison with the **Department of Public Health, Opiate Treatment Outpatient Program** will be **Deborah Logan, OTOP Nurse Manager**.

**4. Specific Requirements for Mobile Methadone Dispensing Locations—Mon-Fri (one Guard/Driver per van—total of two (2) vans)**

a. Specifications of Services to be performed at remote Methadone dispensing locations, in addition to General Guard/Driver Duties listed in Section XII in the Scope of Work, are as follows:

**A. Prep Van (morning)**

1. Pick-up Keys at Ward 93-95 (RN will sign-in guard)
2. Disable alarm – Operations Manual in Van
3. Remove generator hook-up. Warm up Van (5 minutes minimum)

**B. At SFGH Bldg 90, Ward 93-95**

1. Pick up RN
2. Escort RN to Van via the fire exit door
3. Secure RN in Van
4. RN will secure methadone for transport and will advise time to depart

**C. OTOP Remote Sites for Van**

1. Drive to first site – To be Determined
2. Drive to second site – To be Determined

**D. Security Duties at Remote Sites**

1. Maintain security of van and contents, RN and clients at Methadone Dispensing Site
2. Ensure clients maintain proper behavior at Site
3. Distribute numbers to clients to determine order of treatment
4. No fraternization with clients
5. Follow instructions of RN when directed
6. Be aware of unfamiliar persons or situations that may pose potential threats to security of Site
7. Secure firearm in holster at all times during working hours

**E. Van Maintenance**

1. Keep van fueled with CNG (ensure that fuel level does not fall below half-full mark)  
City CNG fuel filling facilities are located at:  
DPW – 2323 Cesar Chavez Street, SF  
Central Shops – 1800 Jerrold Avenue, SF
2. Wash van (as needed) – Harrison Street at Muni Garage or other location
3. Take van to Central Shops for general maintenance and repairs as needed.
4. Fill vehicle with water (for sink and toilets) and take to 750 Phelps Avenue, Southeast Water Sewage Treatment Plant. Dump/pump waste, re-fill water (every other week)
5. Keep accurate logs of all fueling transactions and maintenance (sewage, water, washing, etc.). Mobile Methadone program staff will design/purchase log books to be reviewed and updated on a daily basis by guard staff

**F. End of Day Assignments**

1. Drive/escort RN carrying the methadone to Ward 93-95
2. Return Van to parking lot and perform required maintenance including but no limited to;
  - (a) Check that vehicle generator, air conditioning, lights and heater are turned off
  - (b) Connect vehicle to electric outlet
  - (c) Lock and secure all doors
  - (d) Engage alarm
  - (e) Ensure area is clear



- (f) Return Keys to Ward 93-95
- (g) Continue to work until 2:30 PM (perform other tasks as requested, complete maintenance work, complete logs, incident reports, drop off van for service, ... etc.)
- (h) Check in with dispensary staff prior to leaving

G. Daily Time Line for Van Guard/Driver Duty

6:30 AM	Prepare van
6:45 AM	Pick up OTOP RN
6:45 — 7:00 AM	Travel to Site 1
7:00 — 9:15 AM	Site 1 Methadone Dispensing
9:15 — 9:45AM	Van Maintenance
9:45 —10:15AM	Morning Meal Break (1/2 hr.)
10:15–10:30 AM	Travel to Site 2
10:30 AM –12:40 PM	Site 2 Methadone Dispensing
12:40–12:50 PM	OTOP RN secures methadone, prepares for transport
12:50–1:15 PM	Travel to Ward 93-95
1:15–1:30 PM	Escort OTOP RN into Clinic
1:30— 200 PM	Other tasks as required/requested
2:00 — 2:15 PM	Afternoon Break (15 min paid break.)
2:15 — 3:00 PM	Secure Van, prepare for next day

**5. Specific Requirements for SFGH Bldg 90, Ward 93-95 OTOP Clinic and Offices—Sat-Sun (two Guards per clinic)**

a. Specifications of Services to be performed at Ward 93-95, in addition to General Guard Duties listed in Section XII in the Scope of Work, are as follows:

1. Maintain order and security at Ward 93-95 in San Francisco General Hospital (SFGH).
2. Ensure safety to Methadone dispensing staff.
3. Protect dispensing facility, clients and staff.
4. Admonish and, if necessary, restrain unruly persons.
5. Check client IDS and, if necessary, direct unauthorized persons from clinic.
6. Operate client identification computer program.
7. Call Sheriff's Department personnel at SFGH in all emergencies at 206-4911.
8. Guards must always carry firearms during working hours.
9. Contractor's staff and vehicles will display visible identification.
10. Guards will be stationed in the waiting area of Ward 93-95 at SFGH.
11. Once doors are opened, Guards will direct clients to form 2 lines in waiting room according to the clients' last names.
12. Guards will observe clients for any abnormal behavior and determine if they are carrying weapons or may be a danger to other clients.
13. If the front elevator is not working, one Guard must be stationed in the back hallway to direct clients to the front area waiting room.
14. No client is allowed to use the Ward's restrooms without Guard escort to the restroom area.
15. Once the clinic is open and running smoothly, one Guard should patrol the stairwells and floors leading to both the upper and lower floors. Clients should not be allowed to linger in open area near the elevators. One Guard should always remain inside the waiting room.

b. In addition to the above, CONTRACTOR will also follow and enforce the below-listed requirements:

1. Ward 93-95 is a "No Smoking" area. Both clients and Guards are not to smoke.
2. There will be no fraternizing with clients by Guards.
3. Drinking (alcohol) and lateness by clients are not acceptable.
4. No animals are allowed in the Ward 93-95 clinic.
5. No client is allowed past the Ward 93-95 dispensing window to the back office areas.
6. If a Guard has to leave station to use the restroom, they must inform both the OTOP nurse and the other Guard on duty. One Guard must be stationed in the Ward 93-95 clinic room area at all times.
7. Contractor must inform OTOP staff in advance of Guards that will be working weekends. Contractor must provide a Supervisor contact to call (with telephone number) in the event a guard fails to show up for work.
8. From time to time and as circumstances warrant, the Guards may be reassigned without further cost to the City. If additional personnel are required, the additional cost to the City will be based upon the hourly cost as provided in the Contract. If circumstances require the elimination of certain Guard services, the monthly price to the City will be adjusted downward.
9. Guards must arrive within ten (10) minutes of the scheduled time. If Guards are more than ten (10) minutes late, Contractor will give City an accurate estimated time of Guard's arrival and, if necessary, will dispatch another Guard to replace the late Guard, if required.

c. Daily Time Line for Ward 93-95 Guard Duty

7:30 AM	Open Clinic Doors (Guard should arrive 15 minutes early)
11:30 AM	Close Clinic Doors
11:30 AM – 12:30 PM	Lunch (1 hour)
12:30 PM	Re-open Clinic Doors
3:00 PM	Close Clinic Doors
3:00 PM – 3:30 PM	Secure Clinic, Other tasks as required/requested

**Appendix B  
Calculation of Charges**

<b>Item</b>	<b>Location Description</b>	<b>Hourly Rate</b>
<b>1</b>	Two (2) Guard/Drivers for OTOP Mobile Methadone Van Service. One (1) Guard for each van for total of two (2) vans (Mon-Fri, 6:30 AM to 3:30 PM).	<b>\$22.95</b>
<b>2</b>	Two (2) Guards for SFGH Bldg. 90 Ward 93-95 Service (Sat-Sun, 7:30 AM to 3:30 PM).	<b>\$22.95</b>



## **Appendix C**

### **Liquidated Damages Schedule**

Liquidated Damages will apply as follows:

A. Failure to submit Post Orders within ten (10) calendar days of the Effective Date, prior to commencement of any work, as set forth in this Agreement shall result in a credit to the City of \$100 per twenty-four (24) hour period of delay provided Contractor has received all required documentation from DPH OTOP.

B. Failure to submit a draft Training Plan within ten (10) calendar days of the Effective Date, prior to commencement of any work, as set forth in this Agreement shall result in a credit to DPH OTOP of \$100 per twenty-four (24) hour period of delay.

C. Failure to submit proposed Guard uniform design to DPH OTOP for approval within ten (10) calendar days of the Effective Date, prior to commencement of any work, as set forth in this Agreement shall result in a credit to DPH OTOP of \$50 per twenty-four (24) hour period of delay.

D. Failure to submit Supervisor Contact List within ten (10) calendar days of the Effective Date, prior to commencement of any work, as set forth in this Agreement shall result in a credit to DPH OTOP of \$50 per twenty-four (24) hour period of delay.

E. Failure to ensure that Guards report to duty with all uniform elements required by this Agreement shall result in a credit to DPH OTOP of \$25 per incident.

F. Failure to remove and replace Guards as set forth in this Agreement shall result in a credit to DPH OTOP of \$50 per thirty (30) minutes of delay.

G. Failure to reassign Guards within five (5) calendar days of DPH OTOP request (at no cost to DPH OTOP) as set forth in this Agreement shall result in a credit to DPH OTOP of \$150 per incident.

H. Failure to provide all new employee names and documentation of drug testing to DPH OTOP for each armed Guard as set forth in this Agreement shall result in a credit to DPH OTOP of \$250 per incident.

I. Failure to attend quarterly meetings with DPH OTOP as set forth in this Agreement shall result in a credit to DPH OTOP of \$100 per incident.

L. Failure to provide any report as set forth in this Agreement shall result in a credit to DPH OTOP of \$250 per incident provided Contractor has been given ten (10) calendar days' notice and opportunity to cure.

## BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum is entered into to address the privacy and security protections for certain information as required by federal law. City and County of San Francisco ("City") is the Covered Entity and is referred to below as "CE". The CONTRACTOR is the Business Associate and is referred to below as "BA".

---

### RECITALS

- A. CE wishes to disclose certain information to BA pursuant to the terms of the Contract, some of which may constitute Protected Health Information ("PHI") (defined below).
- B. CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.
- C. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(c) and 164.504(e) of the Code of Federal Regulations ("C.F.R.") and contained in this Addendum.

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

#### 1. Definitions

- a. Branch shall have the meaning given to such term under the HITECH Act [42 U.S.C. Section 17921].
- b. Business Associate shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.
- c. Covered Entity shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.
- d. Data Aggregation shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- e. Designated Record Set shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.



- f. **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media.
  - g. **Electronic Health Record** shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.
  - h. **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
  - i. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.
  - j. **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; and (ii) that identifies the individual or with respect to where there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information [45 C.F.R. Sections 160.103, 164.501].
  - k. **Protected Information** shall mean PHI provided by CE to BA or created or received by BA on CE's behalf.
  - l. **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.
  - m. **Unsecured PHI** shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h).
2. **Obligations of Business Associate**
- a. **Permitted Uses.** BA shall not use Protected Information except for the purpose of performing BA's obligations under the Contract and as permitted under the Contract and Addendum. Further, BA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use Protected Information (i) for the proper management and administration of BA, (ii) to carry out the legal responsibilities of BA, or (iii) for Data Aggregation purposes for the Health Care Operations of CE [45 C.F.R. Sections 164.504(e)(2)(i), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(i)].
  - b. **Permitted Disclosures.** BA shall not disclose Protected Information except for the purpose of performing BA's obligations under the Contract and as permitted under the Contract and Addendum. BA shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by CE. However, BA may disclose Protected Information (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes for the Health Care Operations of CE. If BA discloses



Protected Information to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable *written* assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a *written* agreement from such third party to immediately notify BA of any breaches of confidentiality of the Protected Information, to the extent it has obtained knowledge of such breach [42 U.S.C. Section 17932; 45 C.F.R. Sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)].

- c. **Prohibited Uses and Disclosures.** BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates 42 U.S.C. Section 17935(a). BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Contract.
- d. **Appropriate Safeguards.** BA shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by the Contract or Addendum, including, but not limited to, administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Protected Information, in accordance with 45 C.F.R. Section 164.308(b)). BA shall comply with the policies and procedures and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. Section 164.316 [42 U.S.C. Section 17931]
- e. **Reporting of Improper Access, Use or Disclosure.** BA shall report to CE in writing of any access, use or disclosure of Protected Information not permitted by the Contract and Addendum, and any Breach of Unsecured PHI of which it becomes aware without unreasonable delay and in no case later than 10 calendar days after discovery [42 U.S.C. Section 17921; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)].
- f. **Business Associate's Agents.** BA shall ensure that any agents, including subcontractors, to whom it provides Protected Information, agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI. If BA creates, maintains, receives or transmits electronic PHI on behalf of CE, then BA shall implement the safeguards required by paragraph c above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2)(ii)(D); 45 C.F.R. Section 164.308(b)]. BA shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation (see 45 C.F.R. Sections 164.530(f) and 164.530(e)(1)).
- g. **Access to Protected Information.** BA shall make Protected Information maintained by BA or its agents or subcontractors available to CE for inspection



and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(E)]. If BA maintains an Electronic Health Record, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

- h. **Amendment of PHI.** Within ten (10) days of receipt of a request from CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA or its agents or subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment to enable CE to fulfill its obligation under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If any individual requests an amendment of Protected Information directly from BA or its agents or subcontractors, BA must notify CE in writing within five (5) days of the request. Any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors shall be the responsibility of CE [45 C.F.R. Section 164.504(e)(2)(ii)(F)].

- i. **Accounting Rights.** Within ten (10) calendar days of notice by CE of a request for an accounting for disclosures of Protected Information or upon any disclosure of Protected Information for which CE is required to account to an individual, BA and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935(e), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BA maintains an electronic health record and is subject to this requirement. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to BA or its agents or subcontractors, BA shall within five (5) calendar days of a request forward it to CE in writing. It shall be CE's responsibility to prepare and deliver any such accounting requested. BA shall not disclose any Protected Information except as set forth in Sections 2.b. of this Addendum [45 C.F.R. Sections 164.504(e)(2)(ii)(G) and 165.528]. The provisions of this subparagraph h shall survive the termination of this Agreement.

- j. **Governmental Access to Records.** BA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BA's compliance with the



Privacy Rule [45 C.F.R. Section 164.504(e)(2)(ii)(I)]. BA shall provide to CE a copy of any Protected Information that BA provides to the Secretary concurrently with providing such Protected Information to the Secretary.

- k. **Minimum Necessary.** BA (and its agents or subcontractors) shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)(3)] BA understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- l. **Data Ownership.** BA acknowledges that BA has no ownership rights with respect to the Protected Information.
- m. **Business Associate's Insurance.** BA shall maintain a sufficient amount of insurance to adequately address risks associated with BA's use and disclosure of Protected Information under this Addendum.
- n. **Notification of Breach.** During the term of the Contract, BA shall notify CE within twenty-four (24) hours of any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI of which BA becomes aware and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. BA shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.
- o. **Breach Pattern or Practice by Covered Entity.** Pursuant to 42 U.S.C. Section 17934(b), if the BA knows of a pattern of activity or practice of the CE that constitutes a material breach or violation of the CE's obligations under the Contract or Addendum or other arrangement, the BA must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the BA must terminate the Contract or other arrangement if feasible, or if termination is not feasible, report the problem to the Secretary of DHHS. BA shall provide written notice to CE of any pattern of activity or practice of the CE that BA believes constitutes a material breach or violation of the CE's obligations under the Contract or Addendum or other arrangement within five (5) calendar days of discovery and shall meet with CE to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.
- p. **Audits, Inspection and Enforcement.** Within ten (10) calendar days of a written request by CE, BA and its agents or subcontractors shall allow CE to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Addendum for the purpose of determining whether BA has complied with this Addendum; provided, however, that (i) BA and CE shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) CE shall protect the confidentiality of all confidential and proprietary information of BA to which CE has access during the course of such inspection; and (iii) CE shall execute a nondisclosure agreement, upon terms



mutually agreed upon by the parties, if requested by BA. The fact that CE inspects, or fails to inspect, or has the right to inspect, BA's facilities, systems, books, records, agreements, policies and procedures does not relieve BA of its responsibility to comply with this Addendum, nor does CE's (i) failure to detect or (ii) detection, but failure to notify BA or require BA's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of CE's enforcement rights under the Contract or Addendum, BA shall notify CE within ten (10) calendar days of learning that BA has become the subject of an audit, compliance review, or complaint investigation by the Office for Civil Rights.

### 3. Termination

- a. **Material Breach.** A breach by BA of any provision of this Addendum, as determined by CE, shall constitute a material breach of the Contract and shall provide grounds for immediate termination of the Contract, any provision in the Contract to the contrary notwithstanding. [45 C.F.R. Section 164.504(e)(2)(iii)].
- b. **Judicial or Administrative Proceedings.** CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.
- c. **Effect of Termination.** Upon termination of the Contract for any reason, BA shall, at the option of CE, return or destroy all Protected Information that BA or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections of Section 2 of this Addendum to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible [45 C.F.R. Section 164.504(e)(i)(2)(I)]. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed.

### 4. Limitation of Liability

Any limitations of liability as set forth in the contract shall not apply to damages related to a breach of the BA's privacy or security obligations under the Contract or Addendum.

### 5. Disclaimer

CE makes no warranty or representation that compliance by BA with this Addendum, HIPAA, the HITECH Act, or the HIPAA Regulations will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

## 6. Certification

To the extent that CE determines that such examination is necessary to comply with CE's legal obligations pursuant to HIPAA relating to certification of its security practices, CE or its authorized agents or contractors, may, at CE's expense, examine BA's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to CE the extent to which BA's security safeguards comply with HIPAA, the HITECH Act, the HIPAA Regulations or this Addendum.

## 7. Amendment

- a. **Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Contract or Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule or other applicable laws. CE may terminate the Contract upon thirty (30) calendar days written notice in the event (i) BA does not promptly enter into negotiations to amend the Contract or Addendum when requested by CE pursuant to this Section or (ii) BA does not enter into an amendment to the Contract or Addendum providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

## 8. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any subcontractors, employees or agents assisting BA in the performance of its obligations under the Contract or Addendum, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA or its subcontractor, employee or agent is a named adverse party.

## 9. No Third-Party Beneficiaries

Nothing express or implied in the Contract or Addendum is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

## 10. Effect on Contract

Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract shall remain in force and effect.



11. Interpretation

The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

12. Replaces and Supersedes Previous Business Associate Addendums or Agreements

This Business Associate Addendum replaces and supersedes any previous business associate addendums or agreements between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the latter of the dates that the parties signed below.

COVERED ENTITY

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

BUSINESS ASSOCIATE

*sev*  
*National Security Industries*  
By: *[Signature]*  
Print Name: *Michael Gervani*  
Title: *President*  
Date: *2/11/2013*



## 11. Interpretation

The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

## 12. Replaces and Supersedes Previous Business Associate Addendums or Agreements

This Business Associate Addendum replaces and supersedes any previous business associate addendums or agreements between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the latter of the dates that the parties signed below.

### COVERED ENTITY

*Quate Treatment Outpatient Program*  
By: [Signature]  
Print Name: Deborah P. Lopez  
Title: Program Director  
Date: 3/8/2013

### BUSINESS ASSOCIATE

*National Security Industries, Inc.*  
By: [Signature]  
Print Name: Michael Cerveri  
Title: President  
Date: 2/11/2013