

STATE OF SOUTH DAKOTA  
OFFICE OF PROCUREMENT MANAGEMENT  
523 EAST CAPITOL AVENUE  
PIERRE, SOUTH DAKOTA 57501-3182

**Division of Child Protection Services**  
**Post Adoption Services**

PROPOSALS ARE DUE NO LATER THAN APRIL 24, 2024 5:00 PM CST

RFP10473

**BUYER:**  
Division of Child Protection Services

**POC:** Kirsten Blachford  
[Kirsten.Blachford@state.sd.us](mailto:Kirsten.Blachford@state.sd.us)

**READ CAREFULLY**

FIRM NAME: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_  
(Digital Signature allowed)

ADDRESS: \_\_\_\_\_ TYPE OR PRINT NAME: \_\_\_\_\_

CITY/STATE: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

ZIP (9 DIGIT): \_\_\_\_\_ FAX NO: \_\_\_\_\_

FEDERAL TAX ID#: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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**PRIMARY CONTACT INFORMATION**

CONTACT NAME: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

FAX NO: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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## 1.0 GENERAL INFORMATION

### 1.1 **PURPOSE OF REQUEST FOR PROPOSAL (RFP)**

The purpose of this request for proposal is to select an offeror that can provide post adoption services to families that have adopted children from the Division of Child Protection Services. And, to other adoptive families that without such help, disruption of an adoption may occur. Offeror would complete an assessment on adoptive families to determine their areas of need and would provide adoptive placement recommendations and services to stabilize adoptive placements that are referred by the Department of Social Services. Offeror would create a directory of services available statewide to assist in supporting adoptive families. Offeror would develop a statewide network of adoption competent service providers that can be accessed by adoptive families for therapy and support.

### 1.2 **ISSUING OFFICE AND RFP REFERENCE NUMBER**

The Division of Child Protection Services is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota, Department of Social Services. The reference number for the transaction is RFP10473. Refer to this number on all proposals, correspondence, and documentation relating to the RFP.

Please refer to the Department of Social Services website link <http://dss.sd.gov/keyresources/rfp.aspx> for the RFP, any related questions/answers, changes to schedule of activities, amendments, etc.

### 1.3 **LETTER OF INTENT**

All interested are requested to submit a non-binding Letter of Intent to respond to this RFP. While preferred, a Letter of Intent is not mandatory to submit a proposal.

The letter of intent must be received by email in the Department of Social Services by no later than March 27, 2024, and must be addressed to [Kirsten.Blachford@state.sd.us](mailto:Kirsten.Blachford@state.sd.us). Place the following, exactly as written, in the subject line of your email: **Letter of Intent for RFP10473**. Be sure to reference the RFP number in any attached letter or document.

### 1.4 **SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)**

RFP Publication	<u>March 20, 2024</u>
Letter of Intent to Respond Due	<u>March 27, 2024</u>
Deadline for Submission of Written Inquiries	<u>April 3, 2024</u>
Responses to Offeror Questions	<u>April 10, 2024</u>
Request for SFTP folder	<u>April 23, 2024</u>
Proposal Submission	<u>April 24, 2024</u>
Oral Presentations/discussions (if required)	<u>TBD</u>
Deadline for Completion of Site Visits (if required)	<u>TBD</u>
Proposal Revisions (if required)	<u>TBD</u>
Anticipated Award Decision/Contract Negotiation	<u>May 15, 2024</u>

### 1.5 **SUBMITTING YOUR PROPOSAL**

All proposals must be completed and received by the Department of Social Services by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

Proposals must be submitted as PDF's via Secured File Transfer Protocol (SFTP). Offerors must request an SFTP folder no later than April 23, 2024, by emailing Kirsten Blachford at the email indicated on page one.

The subject line should be **RFP10473 SFTP Request**. The email should contain the name and the email of the person who will be responsible for uploading the document(s).

Please note, offeror will need to work with their own technical support staff to set up an SFTP compatible software on offeror's end. While the State of South Dakota can answer questions, State of South Dakota is not responsible for the software required.

All proposals may be signed in ink or digitally by an officer of the offeror legally authorized to bind the offeror to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected.

No proposal may be accepted from, or any contract or purchase order awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

**1.6 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**

By signing and submitting this proposal, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

**1.7 NON-DISCRIMINATION STATEMENT**

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

**1.8 RESTRICTION OF BOYCOTT OF ISRAEL**

For contractors, vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars (\$100,000) or more, by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of the bid or offer, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel or its territories, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

**1.9 CERTIFICATION RELATING TO PROHIBITED ENTITY**

For contractors, vendors, suppliers, or subcontractors who enter into a contract with the State of South Dakota by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or

commercial treatment of any vendor, supplier, or subcontractor, is not an entity, regardless of its principal place of business, that is ultimately owned or controlled, directly or indirectly, by a foreign national, a foreign parent entity, or foreign government from China, Iran, North Korea, Russia, Cuba, or Venezuela, as defined by South Dakota Executive Order 2023-02. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

#### **1.10 CERTIFICATION OF NO STATE LEGISLATOR INTEREST**

Offeror (i) understands neither a state legislator nor a business in which a state legislator has an ownership interest may be directly or indirectly interested in any contract with the State that was authorized by any law passed during the term for which that legislator was elected, or within one year thereafter, and (ii) has read South Dakota Constitution Article 3, Section 12 and has had the opportunity to seek independent legal advice on the applicability of that provision to any Agreement entered into as a result of this RFP. By signing an Agreement pursuant to this RFP, Offeror hereby certifies that the Agreement is not made in violation of the South Dakota Constitution Article 3, Section 12.

#### **1.11 MODIFICATION OR WITHDRAWAL OF PROPOSALS**

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

#### **1.12 OFFEROR INQUIRIES**

Offerors may email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after April 3, 2024. Email inquiries must be sent to [Kirsten.Blachford@state.sd.us](mailto:Kirsten.Blachford@state.sd.us) with the following wording, exactly as written, in the subject line: **RFP10473 Questions.**

The Department of Social Services (DSS) will respond to offerors' inquiries by posting offeror aggregated questions and Department responses on the DSS website at <http://dss.sd.gov/keyresources/rfp.aspx> no later than April 10, 2024. For expediency, DSS may combine similar questions. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

#### **1.13 PROPRIETARY INFORMATION**

The proposal of the successful offeror(s) becomes public information.

Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

Offerors may submit a redacted copy of their proposal when they respond though this is optional.

#### **1.14 LENGTH OF CONTRACT**

The proposed contract would begin on June 1, 2024 and go through May 31, 2027 with the option for renewal up to two (2) one year extensions.

### 1.15 GOVERNING LAW

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in Hughes County, State of South Dakota. The laws of South Dakota shall govern this transaction.

### 1.16 DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

## 2.0 STANDARD AGREEMENT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include, at minimum, the State's standard terms and conditions as seen in **Attachment A**. The Business Associate Agreement (BAA) is added as **Attachment B**.

The Bureau of Information and Telecommunications (BIT) Required State Hosted IT Contract Terms are included as **Attachment D** and required security and vendor questions are included as **Attachment E**. **Attachment 1** Information Technology Security Policy (ITSP), and **Attachment 2** Acknowledgement Form.

***The offeror should indicate in their response any issues they have with any specific contract terms.*** If the offeror does not indicate any contract term issues, then the State will assume the terms are acceptable.

## 3.0 SCOPE OF WORK

The Department of Social Services vision is Strong Families – South Dakota's Foundation and Our Future. The purpose of the Division of Child Protection Services is to assure children's safety, permanency and well-being. The goal of Child Protection Services is to maintain children's safety in their homes and when not possible, children may need either a temporary or permanent alternative family setting.

When parental rights are terminated, one of the permanency options available for children is adoption. Adoption is defined as the process in which children who will not be raised by their birth parents become permanent legal members of an adoptive family. The Department of Social Services must ensure families who make a permanent commitment to a child in the custody of the Department of Social Services through adoption have supports and services to meet the ongoing needs of the child to ensure a successful adoption. Families, who have adopted through private agencies, independent and international adoptions, and other states, may also need supports and services to ensure a successful adoption. The offeror selected for this contract must demonstrate adoption competencies in the services they provide to both children and adoptive families.

Post adoption services must be available to families regardless of their location throughout the State of South Dakota. Post adoption services must be inclusive to rural, urban, metro, and tribal areas throughout the state. The offeror must become knowledgeable of services available in all parts of the state and develop expertise of which services would best meet the needs of adoptive families. Direct services provided to adoptive families must include assessing the family's needs and providing referrals to community resources. These referrals may include therapy services such as individual, family, multifamily and group therapy, disability services, educational opportunities, parenting classes, support groups, cultural education and activities, mentoring programs, etc. Specialized respite care must also be explored to meet the needs of adopted

children and their families. The offeror will also create a yearly parent/child bonding workshop to enhance the parent/child bond and a yearly camp for adopted youth to attend.

Post adoption services need to be easily accessible and widely known to adoptive families. The development of support services and education, training and family development will need to be enhanced so adoptive families can easily seek help when needed. The awareness of available post adoption services will be made through social media, email, mail, quarterly newsletters, and the DSS website.

If a child has Medicaid coverage, services covered by Medicaid should be the first option if appropriate for adopted children and their families.

The offeror will develop and implement a plan for mental health providers to access the National Training Initiative on Adoption Competency. The offeror will advertise the availability of the training to mental health service providers statewide and track those who complete the training. The provider will then become part of an adoption competent network of mental health service providers that adoptive families can be referred to.

**3.1 Offeror must provide information regarding the following Post Adoption Services areas.**

- 3.1.1** Describe expertise and knowledge of adoption and the unique issues and challenges that may arise once an adoption has finalized.
- 3.1.2** Describe what treatment modalities and services the Offeror believes are most effective to meet the unique issues and challenges of children and families after an adoption has finalized.
- 3.1.3** Describe services provided by the Offeror and what types of services a family might be referred to.
- 3.1.4** Describe services provided to adopted children and families by the Offeror centered around cultural sensitivity.
- 3.1.5** Describe what services can be funded through Medicaid.
- 3.1.6** Describe services or treatments that cannot be funded through Medicaid.

**3.2 Offeror will describe in their proposal how their agency will provide direct services, support services, education, training, family development, and coordinate all.**

- 3.2.1** To complete an initial assessment on adoptive families and their post adoption needs.
- 3.2.2** Provide support in connecting adoptive families with community resources.
- 3.2.3** Refer families to services to meet their needs.
- 3.2.4** Monthly reach out to the family after providing resources, to inquire if their needs are met or if they continue to need additional services.
- 3.2.5** Assist adoptive families in connecting to cultural community resources.
- 3.2.6** Assist families with information regarding programming for Group Homes and PRTF's when other services have been unsuccessful.
- 3.2.7** Assisting with referral packets to Group Homes and PRTF's.
- 3.2.8** Provide support towards discharge planning for youth in Group Care and Psychiatric Residential Treatment Facilities.
- 3.2.9** Support Services:
- 3.2.10** Coordinate respite care.
- 3.2.11** Advocacy.
- 3.2.12** 24/7 Crisis Stabilization.
- 3.2.13** Develop a Post Adoption Facebook Group.
- 3.2.14** Develop a Support Group for adoptive families.
- 3.2.15** Develop a Support Group for adopted children.
- 3.2.16** Establish an Adoption Mentorship Program for adoptive parents and adopted youth.
- 3.2.17** Yearly in person camp for adopted youth.
- 3.2.18** Create and maintain a directory of all services available within the State of South Dakota regarding community resources.

- 3.2.19** Create and maintain an online directory of available services, trainings, webinars, parenting education, tools, books, podcasts, videos, etc.
- 3.2.20** Seek trainings and events both online and in person that adoptive families can be referred to.
- 3.2.21** Locate resources/services/tools for the DSS website to encourage the website to be a self-help stop for adoptive families.
- 3.2.22** Create a quarterly newsletter for adoptive families with parenting education, upcoming trainings, tips, tools, articles, etc., to be sent to all DSS adoptive families.
- 3.2.23** Develop a list serve for all adoptive families for ongoing communication about upcoming workshops, trainings, webinars, etc.
- 3.2.24** Create and continually provide updated content for DSS website Post Adoption page.
- 3.2.25** Assistance with supporting birth family connections
- 3.2.26** Parent/Child bonding workshops
- 3.2.27** Advocate implementation of the National Training Institute (NTI) adoption competency training with South Dakota mental health providers.
- 3.3** Describe in the proposal how the exchange of information will occur between the Child Protection Services Adoption Program Specialist and the offeror regarding the services provided in 3.1.2.
- 3.4** Describe in the proposal how the following post adoption monitoring and evaluation tasks will be completed.
  - 3.4.1** Describe the processes to be utilized to monitor the consistency and quality of services provided to adoptive families in 3.1.2;
  - 3.4.2** Describe processes to be utilized to evaluate the performance of staff assigned to complete the work in 3.1.2; and
  - 3.4.3** Provide an example of the evaluation form to be completed by each adoptive family served in 3.1.2 by staff assigned to families.
- 3.5** Offeror will submit a report by the 10<sup>th</sup> of each month to the Child Protection Services Adoption Program Specialist. The Post Adoption Monthly Report form will include the following information: name of family, date of services, type of services provided or recommended, location of services, narrative describing issue(s) addressed, projected length of services, outcome of services provided.
- 3.6** The Offeror will submit a monthly billing with the Post Adoption Monthly Report by the 10th of each month outlining monthly expenditures and funds remaining in the contract year.
- 3.7** Offeror must provide assurances of the following program responsibilities and expectations in the proposal.
  - 3.7.1** Confidentiality of Child Protection Services information;
  - 3.7.2** Financial management, including management of multiple funding sources, separate from all other agency funding - an outside accounting firm may be used to meet this requirement;
  - 3.7.3** Allow Child Protection Services to review all financial records related to the contract upon request;
  - 3.7.4** Sound personnel and administrative policies and practices are in place for employees that include an employee manual addressing policies such as sick and annual leave, work adjust hours, overtime, employee review process and expense reimbursement requests;
  - 3.7.5** Each employee is aware of mandatory child abuse and neglect reporting requirements;
  - 3.7.6** Communicate with Child Protection Services on an ongoing basis regarding any concerns regarding the services required under the contract;
  - 3.7.7** Provide Child Protection Services with drafts of press releases, reports, brochures, and other materials related to the contract for approval;

- 3.7.8 Give credit to Child Protection Services for its funding support on all press releases, reports, brochures, and other materials related to the contract; and
  - 3.7.9 Provide telephone service, voice messaging service, email access, internet access, and a general agency email address.
- 3.8 The successful Offeror will have the following organization qualities and characteristics: Describe how you meet or exceed the following qualities and characteristics.
- 3.8.1 A history of providing high quality training and consultation at the community level;
  - 3.8.2 Demonstrated experience in collaboration and partnership with DSS;
  - 3.8.3 An administrative structure capable of efficiently managing statewide consultant staff as well as subcontracts where necessary;
  - 3.8.4 Demonstrated leadership capability to develop services in collaboration with DSS and/or other provider agencies as well as evaluate services provided as the needs of the State continue to change;
  - 3.8.5 A strong commitment to address cultural diversity;
  - 3.8.6 A history of demonstrated effectiveness in subcontract management and/or lead agency coordination of multiple providers and ability to provide stability for these projects. As well as a description of how challenging issues were addressed within those subcontracts; and
  - 3.8.7 A description of resources, both personnel and non-personnel required to perform all activities of the RFP.
- 3.9 If, as part of the offeror's proposal, the proposal includes any I/T components such as hardware or software, the following applies:
- 3.9.1 **Hosting and Data Access Requirements**  
The contract doubles as an agreement for the State to own the data tables and is able to manipulate data, run reports as needed, pull code tables, access raw data, and develop dashboards as needed through Microsoft Power BI, ESRI, Tableau and associated platforms.
  - 3.9.2 **Single Sign-On Requirements**  
As part of the State's Identity and Access Management (IAM) strategy, the proposed solution will need to integrate with the State of South Dakota's standard identity management service single sign-on (SSO) which enables custom control of how citizens and state employees sign up, sign in, and manage their profiles.  
  
The SSO supports two industry standard protocols: OpenID Connect and OAuth 2.0 (preferred). This identity management will handle password recovery and multi-factor authentication (MFA). MFA is required for all application Administrators and may be required for other users. Microsoft's official documentation on the identity provider the State has implemented can be found at: 1) <https://docs.microsoft.com/en-us/azure/active-directory-b2c/> and <https://docs.microsoft.com/en-us/azure/active-directory-b2c/integrate-with-app-code-samples> for public/citizens (Azure B2C), 2) <https://learn.microsoft.com/en-us/azure/active-directory/architecture/auth-oauth2> and <https://learn.microsoft.com/en-us/azure/active-directory/develop/v2-protocols-oidc> for state employees, businesses, partners, providers, etc. (Azure Active Directory).
- If the offeror is not able to fulfill this identity management standard, they will be excluded from the list.**
- 3.9.3 **Onboarding/Provisioning Users**  
The offeror must describe how new users are onboarded/provisioned in the system using an external identity provider and provide an Identity/SSO/Login Design Document.
  - 3.9.4 **Interfaces and Integration**



The offeror must describe how the system can adapt to business necessary interfaces using widely adopted open APIs and standards. Additionally, DSS expects that the offeror will make available/expose software services and publish documentation for those software services that would enable third party developers to interface other business applications. A detailed description of system capability must be included in the proposal.

**3.9.5** Solution Diagram

The offeror must provide a solution diagram providing specific details of how the entire solution will meet the requirements of the RFP. This will include integration with the State's infrastructure, existing systems that will integrate with the proposed solution, how data would flow between systems, the technology stack of the solution including any dependencies, and include, but not be limited to, user onboarding/provision and SSO.

**3.9.6** Scanning

All hardware, website(s), or software purchased by the State and hosted by the State will be subjected to security scans by BIT.

All solutions acquired by the State that are hosted by the offeror, including Software as a Service, or hosted by a third-party for the offeror will be subjected to security scans by BIT or preapproved detailed security scan report provided by the offeror. The scan report sent in with the proposal can be redacted by the offeror. The State's goal at this point is to see if the contents of the report will be acceptable, not to review the contents themselves. If the offeror will be providing a security scan report, one must be sent with the proposal for approval. Approval is not guaranteed. If the scan report is not acceptable, the State must scan the offeror's solution. The actual scanning by the State or the submission of a security scan report will be done if the proposal is considered for further review.

A detailed security report must consist of at least:

- The system that was evaluated (URL if possible, but mask it if needed).
- The categories that were evaluated (example: SQL injection, cross site scripting, etc.)
- What were the general findings, (meaning how many SQL injection issues were found, what was the count per category)
- Technical detail of each issue found. (where was it found – web address, what was found, the http response if possible)

The cost of any scans done by the offeror or the offeror's costs associated with the State's scans must be part of the offeror's bid. If the offeror is sending a security scan report, it should price the product both as if the State was to do the security scan or if the offeror was to do the security scan.

**3.9.7** Any website or web application hosted by the offeror that generates email cannot use "@state.sd.us" as the originating domain name per state security policy.

**3.9.8** If as part of the project the State will be acquiring software the proposal should clearly state if the software license is perpetual or a lease. If both are options, the proposal should clearly say so and state the costs of both items separately.

**3.9.9** If the offeror will have State data on its system(s) or on a third-party's system and the data cannot be sanitized at the end of the project, the offeror's proposal must indicate this and give the reason why the data cannot be sanitized as per the methods in NIST 800-88.

**3.9.10** The offeror's solution cannot include any hardware or hardware components manufactured by Huawei Technologies Company, Nuctech, or ZTE Corporation or any subsidiary or affiliate of such entities. This includes hardware going on the State's network as well as the offeror's network if the offeror's network is accessing the State's network or accessing State data. This includes Infrastructure as a Service, Platform as a Service or Software as a Service situations. Any company that is considered to be a security risk by the government of the United States under the International Emergency Economic Powers Act, in a United States appropriation bill, an Executive Order, or listed on the US Department of Commerce's Entity List will be included in this ban.

- 3.9.11** If the offeror's solution requires accounts allowing access to State systems, then the offeror must indicate the number of the offeror's staff or subcontractors that will require access, the level of access needed, and if these accounts will be used for remote access. These individuals will be required to use Multi-Factor Authentication (MFA). The State's costs in providing these accounts will be a consideration when assessing the cost of the offeror's solution. If the offeror later requires accounts that exceed the number of accounts that was originally indicated, the costs of those accounts will be borne by the offeror and not passed onto the State. All State security policies can be found in the Information Technology Security Policy (ITSP) attached to this RFP as **Attachment 1**. The offeror should review the State's security policies regarding authorization, authentication, and, if relevant, remote access (See ITSP 230.67, 230.76, and 610.1). Use of Remote Access Devices (RAD) by contractors to access the State's system must be requested when an account is requested. The offeror should be aware that access accounts given to non-state employees, Non-State (NS) accounts, will be disabled if not used within 90 days. A NS account may be deleted after 30 days if it is not used.

#### **4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS**

- 4.1** Provide the following information related to at ***least*** three previous and current service/contracts performed by the offeror's organization which are similar to the requirements of this RFP. Provide this information as well for any service/contract that has been terminated, expired or not renewed in the past three years:
- 4.1.1** Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
  - 4.1.2** Dates of the service/contract; and
  - 4.1.3** A brief, written description of the specific prior services performed and requirements thereof.
- 4.2** The offeror must submit information that demonstrates their availability and familiarity with the locale in which the project (s) are to be implemented.
- 4.3** The offeror must detail examples that document their ability and proven history in handling special project constraints.
- 4.4** The offeror must describe their proposed project management techniques.
- 4.5** The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.6 Offeror's Contacts:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.
- 4.7** The offeror may be required to submit a copy of their most recent independently audited financial statements.
- 4.8** If an offeror's proposal is not accepted by the State, the proposal will not be reviewed/evaluated.

## **5.0 PROPOSAL RESPONSE FORMAT**

**5.1** Only a PDF copy shall be submitted.

**5.1.1** As outlined in section 1.5 "SUBMITTING YOUR PROPOSAL" proposals shall only be submitted electronically via SFTP.

**5.1.2** The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.

**5.2** All proposals must be organized and tabbed with labels for the following headings:

**5.2.1 RFP Form.** The State's Request for Proposal form completed and signed.

**5.2.2 Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.

**5.2.3 Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:

**5.2.3.1** A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.

**5.2.3.2** A specific point-by-point response, in the order listed, to each requirement in the RFP as detailed in Sections 3 and 4. The response should identify each requirement being addressed as enumerated in the RFP.

**5.2.3.3** A clear description of any options or alternatives proposed.

**5.2.4 Cost Proposal.** Cost will be evaluated independently from the technical proposal. Offerors may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.

See section 7.0 for more information related to the cost proposal.

**5.2.5** The Bureau of Information and Telecommunications (BIT) required security and vendor questions are included as **Attachment E**. This will need to be completed and returned with offeror's proposal if technology is included as a part of the proposal.

## **6.0 PROPOSAL EVALUATION AND AWARD PROCESS**

**6.1** After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria listed in order of importance:

**6.1.1** Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;

**6.1.2** Resources available to perform the work, including any specialized services, within the specified time limits for the project;

**6.1.3** Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;

**6.1.4** Availability to the project locale;

**6.1.5** Familiarity with the project locale;

**6.1.6** Proposed project management techniques;

**6.1.7** Ability and proven history in handling special project constraints, and

**6.1.8** Cost proposal.

- 6.2** Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- 6.3** The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4** The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.
- 6.5 Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.
- 6.5.1** If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.
  - 6.5.2** The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.
  - 6.5.3** Only the response of the vendor awarded work becomes public. Responses to work orders for vendors not selected and the evaluation criteria and scoring for all proposals are not public. Vendors may submit a redacted copy with the full proposal as stated in Section 1.12 Proprietary Information. SDCL 1-27-1.5 and See SDCL 1-27-1.5 and 1-27-1.6.

## **7.0 COST PROPOSAL**

The Offeror must submit **Attachment C** – Cost Proposal Spreadsheet with the proposal for the allocation of various expenses associated with the providing services to the State within the scope of their proposal. This proposal must include all cost associated with employee salaries and benefits, for direct and indirect care staff, insurance vehicle costs, facility rent/lease/maintenance cost, office supply cost, utilities, professional fees and contract services and any other expenses that are deemed necessary to perform the services outlined in this proposal (see **Attachment C** – Cost Proposal Spreadsheet).

The submitted cost report used to establish rates shall remain in effect throughout the contract period. The reimbursement rate may be adjusted by any inflationary increases provided by the Legislature. If for any reason the appropriate funds or grant expenditure authority becomes unavailable to the Division of Child Protection Services, discontinuation of funding will not be a default by the State nor does it give rise to claim against the state.



**ATTACHMENT A**

**STATE OF SOUTH DAKOTA  
DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF CHILD PROTECTION**

**Consultant Contract  
For Consultant Services  
Between**

State of South Dakota  
Department of Social Services  
DIVISION OF CHILD PROTECTION  
700 Governors Drive  
Pierre, SD 57501-2291

---

Referred to as Consultant

---

Referred to as State

The State hereby enters into a contract (the "Agreement" hereinafter) for consultant services with the Consultant. While performing services hereunder, Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

1. CONSULTANT'S South Dakota Vendor Number is \_\_\_\_\_. Upon execution of agreement, Consultant will provide the State with Consultant's Employer Identification Number or Federal Tax Identification Number.
2. PERIOD OF PERFORMANCE:
  - A. This Agreement shall be effective as of June 1, 2024 and shall end on May 31, 2027 with the option to renew up to two (2) one year extensions, unless sooner terminated pursuant to the terms hereof.
  - B. Agreement is the result of request for proposal process RFP10473.
3. PROVISIONS:
  - A. The Purpose of this Consultant contract is:
    1. To select an offeror that can provide post adoption services to families that have adopted children from the Division of Child Protection Services. And, to other adoptive families that without such help, disruption of an adoption may occur.
    2. Does this Agreement involve Protected Health Information (PHI)? YES ( X ) NO ( )  
If PHI is involved, a Business Associate Agreement must be attached and is fully incorporated herein as part of the Agreement (refer to attachment) .
    3. The Consultant WILL ( ) WILL NOT ( X ) use state equipment, supplies or facilities.
    4. If WILL is indicated above, the following state equipment, supplies, or facilities will be used.
  - B. The Consultant agrees to perform the following services (add an attachment if needed):
    - 1.
  - C. The State agrees to:
    - 1.
    2. Make payment for services upon satisfactory completion of services and receipt of bill. Payment will be in accordance with SDCL 5-26-2.

3. Will the State pay Consultant expenses as a separate item?

YES ( ) NO (X)

If YES, expenses submitted will be reimbursed as identified in this Agreement.

D. The TOTAL CONTRACT AMOUNT will not exceed \$ \_\_\_\_\_.

4. BILLING:

Consultant agrees to submit a bill for services within (30) days following the month in which services were provided. Consultant will prepare and submit a monthly bill for services. Consultant agrees to submit a final bill within 30 days of the Agreement end date to receive payment for completed services. If a final bill cannot be submitted in 30 days, then a written request for extension of time and explanation must be provided to the State.

5. TECHNICAL ASSISTANCE:

The State agrees to provide technical assistance regarding Department of Social Services rules, regulations and policies to the Consultant and to assist in the correction of problem areas identified by the State's monitoring activities.

6. LICENSING AND STANDARD COMPLIANCE:

The Consultant agrees to comply in full with all licensing and other standards required by Federal, State, County, City or Tribal statute, regulation or ordinance in which the service and/or care is provided for the duration of this Agreement. The Consultant will maintain effective internal controls in managing the federal award. Liability resulting from noncompliance with licensing and other standards required by Federal, State, County, City or Tribal statute, regulation or ordinance or through the Consultant's failure to ensure the safety of all individuals served is assumed entirely by the Consultant.

7. ASSURANCE REQUIREMENTS:

(For Federally funded contracts only). The Consultant agrees to abide by all applicable provisions of the following: Byrd Anti Lobbying Amendment (31 USC 1352), Executive orders 12549 and 12689 (Debarment and Suspension), Drug-Free Workplace, Executive Order 11246 Equal Employment Opportunity, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Drug Abuse Office and Treatment Act of 1972, Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, Pro-Children Act of 1994, Hatch Act, Health Insurance Portability and Accountability Act (HIPAA) of 1996 as amended, Clean Air Act, Federal Water Pollution Control Act, Charitable Choice Provisions and Regulations, Equal Treatment for Faith-Based Religions at Title 28 Code of Federal Regulations Part 38, the Violence Against Women Reauthorization Act of 2013 and American Recovery and Reinvestment Act of 2009, as applicable; and any other nondiscrimination provision in the specific statute(s) under which application for Federal assistance is being made; and the requirements of any other nondiscrimination statute(s) which may apply to the award.

8. COMPLIANCE WITH EXECUTIVE ORDER 2020-01:

By entering into this Agreement, Consultant certifies and agrees that it has not refused to transact business activities, it has not terminated business activities, and it has not taken other similar actions intended to limit its commercial relations, related to the subject matter of this Agreement, with a person or entity that is either the State of Israel, or a company doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or doing business in the State of Israel, with the specific intent to accomplish a boycott of divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Consultant further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

9. COMPLIANCE WITH SDCL ch 5-18A:

Contractor certifies and agrees that the following information is correct:

The bidder or offeror is not an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates, of those entities or business associations, regardless of their principal place of business, which is ultimately owned or controlled, directly or indirectly, by a foreign parent entity from, or the government of, the People's Republic of China, the Republic of Cuba, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Russian Federation, or the Bolivarian Republic of Venezuela.

It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the purchasing agency to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response, and further would be cause to suspend and debar a business under SDCL § 5-18D-12.

The successful bidder or offeror further agrees to provide immediate written notice to the purchasing agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination and would be cause to suspend and debar a business under SDCL § 5-18D-12.

**10. CERTIFICATION OF NO STATE LEGISLATOR INTEREST:**

Contractor (i) understands neither a state legislator nor a business in which a state legislator has an ownership interest may be directly or indirectly interested in any contract with the State that was authorized by any law passed during the term for which that legislator was elected, or within one year thereafter, and (ii) has read South Dakota Constitution Article 3, Section 12 and has had the opportunity to seek independent legal advice on the applicability of that provision to this Agreement. By signing this Agreement, Contractor hereby certifies that this Agreement is not made in violation of the South Dakota Constitution Article 3, Section 12.

**11. RETENTION AND INSPECTION OF RECORDS:**

The Consultant agrees to maintain or supervise the maintenance of records necessary for the proper and efficient operation of the program, including records and documents regarding applications, determination of eligibility (when applicable), the provision of services, administrative costs, statistical, fiscal, other records, and information necessary for reporting and accountability required by the State. The Consultant shall retain such records for a period of six years from the date of submission of the final expenditure report. If such records are under pending audit, the Consultant agrees to hold such records for a longer period upon notification from the State. The State, through any authorized representative, will have access to and the right to examine and copy all records, books, papers or documents related to services rendered under this Agreement. State Proprietary Information retained in Consultant's secondary and backup systems will remain fully subject to the obligations of confidentiality stated herein until such information is erased or destroyed in accordance with Consultant's established record retention policies.

All payments to the Consultant by the State are subject to site review and audit as prescribed and carried out by the State. Any over payment of this Agreement shall be returned to the State within thirty days after written notification to the Consultant.

**12. WORK PRODUCT:**

Consultant hereby acknowledges and agrees that all reports, plans, specifications, technical data, drawings, software system programs and documentation, procedures, files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, State Proprietary Information, as defined in the Confidentiality of Information paragraph herein, state data, end user data, Protected Health Information as defined in 45 CFR 160.103, and all information contained therein provided to the State by the Consultant in connection with its performance of service under this Agreement shall belong to and is the property of the State and will not be used in any way by the Consultant without the written consent of the State.

Paper, reports, forms, software programs, source code(s) and other materials which are a part of the work under this Agreement will not be copyrighted without written approval of the State. In the unlikely event that any



copyright does not fully belong to the State, the State nonetheless reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and otherwise use, and to authorize others to use, any such work for government purposes.

Consultant agrees to return all information received from the State to State's custody upon the end of the term of this Agreement, unless otherwise agreed in a writing signed by both parties.

**13. TERMINATION:**

This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time, with or without notice. Upon termination of this Agreement, all accounts and payments shall be processed according to financial arrangements set forth herein for services rendered to date of termination. If termination for breach is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State as a result of Consultant's breach. Upon termination the State may take over the work and may award another party a contract to complete the work contemplated by this Agreement. If the State terminates for a breach by Consultant and it is determined that the Consultant was not at fault, then Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

Any terms of this Agreement that would, by their nature or through the express terms of this Agreement, survive the expiration or termination of this Agreement shall so survive, including by not limited to the terms of sections 10, 11, 15, 23, 24 and 27.

**14. FUNDING:**

This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of the law or federal funds reduction, this Agreement will be terminated by the State upon five day written notice. Consultant agrees that termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State or any officer, agent or employee of the State and Consultant waives any claim against the same.

**15. ASSIGNMENT AND AMENDMENTS:**

This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

**16. CONTROLLING LAW:**

This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota, without regard to any conflicts of law principles, decisional law, or statutory provision which would require or permit the application of another jurisdiction's substantive law. Venue for any lawsuit pertaining to or affecting this Agreement shall be resolved in the Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

**17. THIRD PARTY BENEFICIARIES:**

This agreement is intended to govern only the rights and interests of the parties named herein. It is not intended to create, does not and may not be relied upon to create, any rights, substantive or procedural, enforceable at law in any matters, civil or criminal.

**18. SUPERSESION:**

All prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

**19. IT STANDARDS:**

Any service, software or hardware provided under this Agreement will comply with state standards which can be found at [https://bit.sd.gov/bit?id=bit\\_standards\\_overview](https://bit.sd.gov/bit?id=bit_standards_overview).

**20. SEVERABILITY:**

In the event that any provision of this Agreement shall be held unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this

Agreement, which shall remain in full force and effect.

**21. NOTICE:**

Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to the Division being contracted with on behalf of the State, and by the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

**22. SUBCONTRACTORS:**

The Consultant may not use subcontractors to perform the services described herein without express prior written consent from the State. The State reserves the right to reject any person from the Agreement presenting insufficient skills or inappropriate behavior.

The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance. The State, at its option, may require the vetting of any subcontractors. The Consultant is required to assist in this process as needed.

**23. STATE'S RIGHT TO REJECT:**

The State reserves the right to reject any person or entity from performing the work or services contemplated by this Agreement, who present insufficient skills or inappropriate behavior, or is considered by the state to be a security risk.

**24. INDEMNIFICATION:**

Consultant agrees to indemnify the State of South Dakota, its officers, agents, and employees, from and against all claims or proceedings for actions, suits, damages, liabilities, other losses or equitable relief that may arise at least in part as a result of an act or omission in performing services under this Agreement. Consultant shall defend the State of South Dakota, its officers, agents, and employees against any claim, including any claim, action, suit, or other proceeding related to the claim. Consultant's obligation to indemnify includes the payment of attorney fees and other costs of defense. In defending the State of South Dakota, its officers, agents, and employees, Consultant shall engage other professionals, subject to the written approval of the State which shall not be unreasonably withheld. Notwithstanding the foregoing, the State may, in its sole discretion and at the expense of Consultant, engage attorneys and other professionals to defend the State of South Dakota, its officers, agents, and employees, or to assist Consultant in the defense. This section does not require Consultant to be responsible for or defend against claims or proceedings for damages, liabilities, losses or equitable relief arising solely from errors or omissions of the State, its officers, agents, or employees.

**25. INSURANCE:**

At all times during the term of this Agreement, Contractor shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

**A. Commercial General Liability Insurance:**

Consultant shall maintain occurrence-based commercial general liability insurance or an equivalent form with a limit of not less than \$1,000,000 for each occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit. The insurance policy shall name the State of South Dakota, its officers and employees, as additional insureds, but liability coverage is limited to claims not barred by sovereign immunity. The State of South Dakota, its officers and employees do not hereby waive sovereign immunity for discretionary conduct as provided by law.

**B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:**

Consultant agrees to procure and maintain professional liability insurance with a limit not less than \$1,000,000.

**C. Business Automobile Liability Insurance:**

Consultant shall maintain business automobile liability insurance or an equivalent form with a limit of not less than \$1,000,000 for each accident. This insurance shall include coverage for owned, hired and non-owned vehicles.

**D. Worker's Compensation Insurance:**

Consultant shall procure and maintain Workers' Compensation and employers' liability insurance as required by South Dakota or federal law.

Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement including naming the State, its officers and employees, as additional insureds, as set forth above. In the event of a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Contractor shall furnish copies of insurance policies if requested by the State.

**26. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION:**

Consultant certifies, by signing this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by the federal government or any state or local government department or agency. Consultant further agrees that it will immediately notify the State if during the term of this Agreement either it or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

**27. CONFLICT OF INTEREST:**

Consultant agrees to establish safeguards to prohibit employees or other persons from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain as contemplated by SDCL 5-18A-17 through 5-18A-17.6. Any potential conflict of interest must be disclosed in writing. In the event of a conflict of interest, the Consultant expressly agrees to be bound by the conflict resolution process set forth in SDCL 5-18A-17 through 5-18A-17.6.

**28. CONFIDENTIALITY OF INFORMATION:**

For the purpose of the sub-paragraph, "State Proprietary Information" shall include all information disclosed to the Consultant by the State. Consultant acknowledges that it shall have a duty to not disclose any State Proprietary Information to any third person for any reason without the express written permission of a State officer or employee with authority to authorize the disclosure. Consultant shall not: (i) disclose any State Proprietary Information to any third person unless otherwise specifically allowed under this Agreement; (ii) make any use of State Proprietary Information except to exercise rights and perform obligations under this Agreement; (iii) make State Proprietary Information available to any of its employees, officers, agents or consultants except those who have agreed to obligations of confidentiality at least as strict as those set out in this Agreement and who have a need to know such information. Consultant is held to the same standard of care in guarding State Proprietary Information as it applies to its own confidential or proprietary information and materials of a similar nature, and no less than holding State Proprietary Information in the strictest confidence.

Consultant shall protect confidentiality of the State's information from the time of receipt to the time that such information is either returned to the State or destroyed to the extent that it cannot be recalled or reproduced. State Proprietary Information shall not include information that (i) was in the public domain at the time it was disclosed to Consultant; (ii) was known to Consultant without restriction at the time of disclosure from the State; (iii) that is disclosed with the prior written approval of State's officers or employees having authority to disclose such information; (iv) was independently developed by Consultant without the benefit or influence of the State's information; (v) becomes known to Consultant without restriction from a source not connected to the State of South Dakota. State's Proprietary Information shall include names, social security numbers, employer numbers, addresses and all other data about applicants, employers or other clients to whom the State provides services of any kind. Consultant understands that this information is confidential and protected under applicable State law at SDCL 1-27-1.5, modified by SDCL 1-27-1.6, SDCL 28-1-29, SDCL 28-1-32, and SDCL 28-1-68 as applicable federal regulation and agrees to immediately notify the State if the information is disclosed, either intentionally or inadvertently. The parties mutually agree that neither of them shall disclose the contents of the Agreement except as required by applicable law or as necessary to carry out the terms of the Agreement or to enforce that party's rights under this Agreement. Consultant acknowledges that the State and its agencies are public entities and thus are bound by South Dakota open meetings and open records laws. It is therefore not a breach of this Agreement for the State to take any action that the State reasonably believes is necessary to comply with the South Dakota open records or open meetings laws. If work assignments performed in the course of this Agreement require additional security requirements or clearance, the Consultant will be required to undergo investigation or may be required to sign separate confidentiality agreements, and it will limit access to the confidential information and related work activities to employees that have executed such agreements.

**29. REPORTING PROVISION:**

Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to any person or property, or which may otherwise subject Consultant, or the State of South Dakota or its officers, agents or employees to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

**30. DAVIS-BACON ACT:**

When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction").

**31. COMPLIANCE WITH 40 U.S.C. 3702 AND 3704:**

Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).

**32. FUNDING AGREEMENT AND "RIGHTS TO INVENTION":**

If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the Consultant wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the Consultant must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

**33. FORCE MAJEURE:**

Notwithstanding anything in this Agreement to the contrary, neither party shall be liable for any delay or failure to perform under the terms and conditions of this Agreement, if the delay or failure is caused by war, terrorist

attacks, riots, civil commotion, fire, flood, earthquake or any act of God, or any causes beyond the party's reasonable control provided, however that in order to be excused from delay or failure to perform, the party must act diligently to remedy the cause of such delay or failure and must give notice to the other party as provided in this Agreement as soon as reasonably possible of the length and cause of the delay in performance.

**33. SOVEREIGN IMMUNITY:**

Nothing in this Agreement is intended to constitute a waiver of sovereign immunity by or on behalf of the State of South Dakota, its agencies, officers, or employees.

**34. WAIVER OF BREACH:**

The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provisions in this Agreement.

**35. HEADINGS:**

The headings in this Agreement are for convenience and reference only and shall not govern, limit, modify or in any manner affect the scope, meaning, or intent of the provisions of this Agreement.

**36. AUTHORITY TO EXECUTE:**

Consultant represents and warrants that the execution, delivery, and performance of this Agreement has been duly authorized by Consultant and that no approval, authorization, or consent of any governmental or regulatory agency is required to be obtained in order for Consultant to enter into this Agreement and perform its obligations under this Agreement. If the Consultant is a corporation, said corporation is duly incorporated, validly existing, and in good standing under the laws of its state of incorporation and has all requisite corporate power and authority to execute, deliver, and perform its obligations under this Agreement. If Consultant is an individual person, partnership, or other non-corporate entity, Consultant is authorized to conduct business in and is in good standing in each jurisdiction in which Consultant will conduct business in connection with this Agreement. Consultant has obtained all licenses, certifications, permits, and authorizations necessary to perform the services under this Agreement and currently is in good standing with all regulatory agencies that regulate any or all aspects of Consultant's performance of the services. Consultant will maintain all required certifications, licenses, permits and authorizations during the term of this Agreement at its own expense.

37. AUTHORIZED SIGNATURES:

In witness hereto, the parties signify their agreement by affixing their signatures hereto.

\_\_\_\_\_  
NO SIGNATURE REQUIRED AT THIS TIME

\_\_\_\_\_  
Consultant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Consultant Printed Name

\_\_\_\_\_  
State - DSS Division Director Heather Petermann

\_\_\_\_\_  
Date

\_\_\_\_\_  
State - DSS Chief Financial Officer Jason Simmons

\_\_\_\_\_  
Date

\_\_\_\_\_  
State – DSS Cabinet Secretary Matthew K. Althoff

\_\_\_\_\_  
Date

State Agency Coding:

ALN #	_____	_____	_____	_____
Company	_____	_____	_____	_____
Account	_____	_____	_____	_____
Center Req	_____	_____	_____	_____
Center User	_____	_____	_____	_____
Dollar Total	_____	_____	_____	_____

DSS Program Contact Person	_____
Phone	_____

DSS Fiscal Contact Person	<u>Contract Accountant</u>
Phone	<u>605 773-3586</u>

Consultant Program Contact Person	_____
Phone	_____
Consultant Program Email Address	_____

Consultant Fiscal Contact Person	_____
Phone	_____
Consultant Fiscal Email Address	_____

SDCL 1-24A-1 states that a copy of all consulting contracts shall be filed by the State agency with the State Auditor within five days after such contract is entered into and finally approved by the contracting parties. For further information about consulting contracts, see the State Auditor's policy handbook.

## CERTIFICATION REQUIRED BY SDCL ch 5-18A

**Section 1 Definitions.** The words used in this Certification shall mean:

1.1. "Prohibited Entity," an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates, of those entities or business associations, regardless of their principal place of business, which is ultimately owned or controlled, directly or indirectly, by a foreign parent entity from, or the government of, the People's Republic of China, the Republic of Cuba, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Russian Federation, or the Bolivarian Republic of Venezuela;

1.2. "Purchasing agency," any governmental body or officer authorized by law, administrative rule, or delegated authority, to enter into contracts;

1.3. "Contract," any type of agreement, regardless of what the agreement may be called, for the procurement of supplies, services, or construction;

**Section 2. Certification.** The undersigned hereby certifies to the State of South Dakota that:

2.1. The undersigned is not a Prohibited Entity.

2.2 If at any time after making this certification the undersigned becomes a Prohibited Entity, the undersigned will provide immediate written notice to all purchasing agencies with whom the undersigned has a Contract. The undersigned understands and agrees that if the undersigned becomes a Prohibited Entity, agencies may terminate any Contract with the undersigned.

2.3 The undersigned acknowledges and agrees that agencies have the right to terminate a Contract with any entity that submits a false certification, and that a false certification or failure to provide written notification to purchasing agencies that an entity has become a prohibited entity is cause to suspend or debar a business under SDCL § 5-18D-12.

\_\_\_\_\_  
Company

\_\_\_\_\_  
NO SIGNATURE REQUIRED AT THIS TIME

Title

Signature

\_\_\_\_\_  
Date



## ATTACHMENT B

### Business Associate Agreement

#### 1. Definitions

##### General definition:

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

##### Specific definitions:

- (a) Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the Provider, Consultant or entity contracting with the State of South Dakota as set forth more fully in the Agreement this Business Associate Agreement is attached.
- (b) CFR. “CFR” shall mean the Code of Federal Regulations.
- (c) Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean South Dakota Department of Social Services.
- (d) Designated Record Set. “Designated Record Set” shall have the meaning given to such term in 45 CFR 164.501.
- (e) HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164 (Subparts A, C, D and E). More specifically, the “Privacy Rule” shall mean the regulations codified at 45 CFR Part 160 and Part 164 (Subparts A and E), and the “Security Rule” shall mean the regulations codified at 45 CFR Part 160 and Part 164 (Subparts A and C).
- (f) Protected Health Information. “Protected Health Information” or “PHI” shall mean the term as defined in 45 C.F.R. §160.103, and is limited to the Protected Health Information received from, or received or created on behalf of Covered Entity by Business Associate pursuant to performance of the Services under the Agreement.

#### 2. Obligations and Activities of Business Associate

Business Associate agrees to:

- (a) Not Use or Disclose Protected Health Information other than as permitted or required by the Agreement or as Required by Law;
- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information, to prevent Use or Disclosure of Protected Health Information other than as provided for by the Agreement;
- (c) Report to covered entity any Use or Disclosure of Protected Health Information not provided for by the Agreement of which it becomes aware, including Breaches of Unsecured Protected Health Information as required at 45 CFR 164.410, and any Security Incident of which it becomes aware within five (5) business days of receiving knowledge of such Use, Disclosure, Breach, or Security Incident;
- (d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any Subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information;
- (e) Make available Protected Health Information in a designated record set to the covered entity as necessary to satisfy covered entity’s obligations under 45 CFR 164.524. Business associate shall cooperate with covered entity to fulfill all requests by Individuals for access to the Individual’s Protected Health Information that are approved by covered entity. If business associate receives a request from an Individual for access to Protected Health Information, business associate

shall forward such request to covered entity within ten (10) business days. Covered entity shall be solely responsible for determining the scope of Protected Health Information and Designated Record Set with respect to each request by an Individual for access to Protected Health Information;

- (f) Make any amendment(s) to Protected Health Information in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526. Within ten (10) business days following any such amendment or other measure, business associate shall provide written notice to covered entity confirming that business associate has made such amendments or other measures and containing any such information as may be necessary for covered entity to provide adequate notice to the Individual in accordance with 45 CFR 164.526. Should business associate receive requests to amend Protected Health Information from an Individual, Business associate shall cooperate with covered entity to fulfill all requests by Individuals for such amendments to the Individual's Protected Health Information that are approved by covered entity. If business associate receives a request from an Individual to amend Protected Health Information, business associate shall forward such request to covered entity within ten (10) business days. Covered entity shall be solely responsible for determining whether to amend any Protected Health Information with respect to each request by an Individual for access to Protected Health Information;
- (g) Maintain and make available the information required to provide an accounting of Disclosures to the covered entities necessary to satisfy covered entity's obligations under 45 CFR 164.528. Business associate shall cooperate with covered entity to fulfill all requests by Individuals for access to an accounting of Disclosures that are approved by covered entity. If business associate receives a request from an Individual for an accounting of Disclosures, business associate shall immediately forward such request to covered entity. Covered entity shall be solely responsible for determining whether to release any account of Disclosures;
- (h) To the extent the business associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s); and
- (i) Make its internal practices, books, and records available to the covered entity and / or the Secretary of the United States Department of Health and Human Services for purposes of determining compliance with the HIPAA Rules.

### **3. Permitted Uses and Disclosures by Business Associate**

- (a) Except as otherwise limited by this Agreement, Business Associate may make any uses and Disclosures of Protected Health Information necessary to perform its services to Covered Entity and otherwise meet its obligations under this Agreement, if such Use or Disclosure would not violate the Privacy Rule if done by the covered entity. All other Uses or Disclosure by Business Associate not authorized by this Agreement or by specific instruction of Covered Entity are prohibited.
- (b) The business associate is authorized to use Protected Health Information if the business associate de-identifies the information in accordance with 45 CFR 164.514(a)-(c). In order to de-identify any information, Business Associate must remove all information identifying the Individual including, but not limited to, the following: names, geographic subdivisions smaller than a state, all dates related to an Individual, all ages over the age of 89 (except such ages may be aggregated into a single category of age 90 or older), telephone numbers, fax numbers, electronic mail (email) addresses, medical record numbers, account numbers, certificate/ license numbers, vehicle identifiers and serial numbers (including license plate numbers, device identifiers and serial numbers), web universal resource locators (URLs), internet protocol (IP) address number, biometric identifiers (including finger and voice prints), full face photographic images (and any comparable images), any other unique identifying number, and any other characteristic or code.
- (c) Business associate may Use or Disclose Protected Health Information as Required by Law.
- (d) Business associate agrees to make Uses and Disclosures and requests for Protected Health Information consistent with covered entity's Minimum Necessary policies and procedures.
- (e) Business associate may not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 CFR Part 164 if done by covered entity except for the specific Uses and Disclosures set forth in (f) and (g).
- (f) Business associate may Disclose Protected Health Information for the proper management and administration of business associate or to carry out the legal responsibilities of the business associate, provided the Disclosures are Required by Law.
- (g) Business associate may provide Data Aggregation services relating to the Health Care Operations of the covered entity.

#### **4. Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions**

- (a) Covered entity shall notify business associate of any limitation(s) in the Notice of Privacy Practices of covered entity under 45 CFR 164.520, to the extent that such limitation may affect business associate's Use or Disclosure of Protected Health Information.
- (b) Covered entity shall notify business associate of any changes in, or revocation of, the permission by an Individual to Use or Disclose his or her Protected Health Information, to the extent that such changes may affect business associate's Use or Disclosure of Protected Health Information.
- (c) Covered entity shall notify business associate of any restriction on the Use or Disclosure of Protected Health Information that covered entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect business associate's Use or Disclosure of Protected Health Information.

#### **5. Term and Termination**

- (a) Term. The Term of this Agreement shall be effective as of and shall terminate on the dates set forth in the primary Agreement this Business Associate Agreement is attached to or on the date the primary Agreement terminates, whichever is sooner.
- (b) Termination for Cause. Business associate authorizes termination of this Agreement by covered entity, if covered entity determines business associate has violated a material term of the Agreement.
- (c) Obligations of Business Associate Upon Termination.
  - 1. Except as provided in paragraph (2) of this section, upon termination of this agreement for any reason, business associate shall return or destroy all Protected Health Information received from, or created or received by business associate on behalf of covered entity. This provision shall apply to Protected Health Information that is in the possession of Subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
  - 2. If business associate determines that returning or destroying the Protected Health Information is infeasible, business associate shall provide to covered entity, within ten (10) business days, notification of the conditions that make return or destruction infeasible. Upon such determination, business associate shall extend the protections of this agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as business associate maintains such Protected Health Information.
- (d) Survival. The obligations of business associate under this Section shall survive the termination of this Agreement.

#### **6. Miscellaneous**

- (a) Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- (b) Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
- (c) Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- (d) Conflicts. In the event of a conflict in between the terms of this Business Associate Agreement and the Agreement to which it is attached, the terms of this Business Associate Agreement shall prevail to the extent such an interpretation ensures compliance with the HIPAA Rules.

## ATTACHMENT C – Cost Proposal

<b>FUNDING</b>	<b>TOTAL COSTS</b>
<b>Personnel Costs:</b>	
Administrative	
Professional/Program Staff	
Support Staff	
Benefits	
Other: (Describe)	
<b>SUBTOTAL, PERSONNEL COSTS</b>	
<b>Operating Costs:</b>	
Insurance	
Staff Travel	
Education Materials	
Staff Development and Education	
Other Costs: (Describe)	
<b>SUBTOTAL, OPERATING COSTS</b>	
<b>Equipment Costs:</b>	
Equipment and Supplies	
Printing/Publishing/Postage	
Telephone/Cell Phones/Internet	
Office Supplies	
Vehicle Cost and Maintenance	
Other Costs: (Describe)	
<b>SUBTOTAL, EQUIPMENT COST</b>	
<b>Other Costs: (Describe)</b>	
Other Expenses	
Staff recruitment advertising for open positions	
<b>SUBTOTAL, OTHER COSTS</b>	
<b>TOTAL FUNDING REQUEST</b>	

## **Attachment D**

### **Bureau of Information and Telecommunications**

### **Required IT Contract Terms**

**Any contract resulting from this RFP will include the State's required IT terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties. Due to the changing landscape of IT security and data privacy, the State reserves the right to add additional IT terms and conditions or modify the IT terms and conditions listed below to the resulting contract:**

Pursuant to South Dakota Codified Law § 1-33-44, the Bureau of Information and Telecommunications ("BIT") oversees the acquisition of office systems technology, software, and services; telecommunication equipment, software, and services; and data processing equipment, software, and services for departments, agencies, commissions, institutions, and other units of state government. As part of its duties as the Executive Branch's centralized IT agency, BIT requires the contract terms and conditions of this Attachment. For purposes of this , [Vendor Name] will be referred to as the "Vendor."

It is understood and agreed to by all parties that BIT has reviewed and approved only this Exhibit. Due to the ever-changing security and regulatory landscape in IT and data privacy, before renewal of this Agreement BIT must review and approve the clauses found in this Exhibit as being the then current version of the clauses and if any additional required clauses are needed. Changes to clauses in this Exhibit must be approved in writing by all parties before they go into effect and a renewal of this Agreement is possible.

The Parties agree, when used in this Exhibit, the term "Vendor" will mean the Vendor and the Vendor's employees, subcontractors, agents, assigns, and affiliated entities.

#### **Section I. Confidentiality of Information**

For purposes of this paragraph, "State Proprietary Information" will include all information disclosed to the Vendor by the State. The Vendor will not disclose any State Proprietary Information to any third person for any reason without the express written permission of a State officer or employee with authority to authorize the disclosure. The Vendor must not: (i) disclose any State Proprietary Information to any third person unless otherwise specifically allowed under this Agreement; (ii) make any use of State Proprietary Information except to exercise rights and perform obligations under this Agreement; (iii) make State Proprietary Information available to any of its employees, officers, agents, or third party consultants except those who have a need to access such information and who have agreed to obligations of confidentiality at least as strict as those set out in this Agreement. The Vendor is held to the same standard of care in guarding State Proprietary Information as it applies to its own confidential or proprietary information and materials of a similar nature, and no less than holding State Proprietary Information in the strictest confidence. The Vendor must protect the confidentiality of the State's information from the time of receipt to the time that such information is either returned to the State or destroyed to the extent that it cannot be recalled or reproduced. The Vendor agrees to return all information received from the State to the State's custody upon the end of the term of this Agreement, unless otherwise agreed in a writing signed by both parties. State Proprietary Information will not include information that:

- A. was in the public domain at the time it was disclosed to the Vendor,
- B. was known to the Vendor without restriction at the time of disclosure from the State,
- C. that was disclosed with the prior written approval of State's officers or employees having authority to disclose such information,
- D. was independently developed by the Vendor without the benefit or influence of the State's information, and
- E. becomes known to the Vendor without restriction from a source not connected to the State of South Dakota.

State's Proprietary Information can include names, social security numbers, employer numbers, addresses and other data about applicants, employers or other clients to whom the State provides services of any kind. The Vendor understands that this information is confidential and protected under State law. The Parties mutually agree that neither of them nor any subcontractors, agents, assigns, or affiliated entities will disclose the contents of this Agreement except as required by applicable law or as necessary to carry out the terms of the Agreement or to enforce that Party's rights under this Agreement. The Vendor acknowledges that the State and its agencies are public entities and thus may be bound by South Dakota open meetings and open records laws. It is therefore not a breach of this Agreement for the State to take any action that the State reasonably believes is necessary to comply with South Dakota open records or open meetings laws.

## **Section II. Cyber Liability Insurance**

The Vendor will maintain cyber liability insurance with liability limits in the amount of \$\_\_\_\_\_ to protect any and all State data the Vendor receives as part of the project covered by this agreement including State data that may reside on devices, including laptops and smart phones, utilized by Vendor employees, whether the device is owned by the employee or the Vendor. If the Vendor has a contract with a third-party to host any State data the Vendor receives as part of the project under this Agreement, then the Vendor will include a requirement for cyber liability insurance as part of the contract between the Vendor and the third-party hosting the data in question. The third-party cyber liability insurance coverage will include State Data that resides on devices, including laptops and smart phones, utilized by third-party employees, whether the device is owned by the employee or the third-party Vendor. The cyber liability insurance will cover expenses related to the management of a data breach incident, the investigation, recovery and restoration of lost data, data subject notification, call management, credit checking for data subjects, legal costs, and regulatory fines. Before beginning work under this Agreement, the Vendor will furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement and which provide that such insurance may not be canceled, except on 30 days prior written notice to the State. The Vendor will furnish copies of insurance policies if requested by the State. The insurance will stay in effect for three years after the work covered by this Agreement is completed.

## **Section III. Rejection or Ejection of Vendor**

The State, at its option, may require the vetting of any of the Vendor, and the Vendor's subcontractors, agents, Assigns, or affiliated entities. The Vendor is required to assist in this process as needed.

The State reserves the right to reject any person from participating in the project or require the Vendor to remove from the project any person the State believes is detrimental to the project or is considered by the State to be a security risk. The State will provide the Vendor with notice of

its determination, and the reasons for the rejection or removal if requested by the Vendor. If the State signifies that a potential security violation exists with respect to the request, the Vendor must immediately remove the individual from the project.

#### **Section IV. Domain Name Ownership**

Any website(s) that the Vendor creates as part of this Agreement must have the domain name registered by and owned by the State. If, as part of this Agreement, the Vendor is providing a service that utilizes a website with the domain name owned by the Vendor, the Vendor must give 30 days' written notice before abandoning the site. If the Vendor intends to sell the site to another party, the Vendor must give the State 30 days' written notice and grant the State the right of first refusal. For any site or domain, whether hosted by the Vendor or within the State web infrastructure, any and all new web content should first be created in a development environment and then subjected to security scan before being approved for a move up to the production level. This paragraph does not include websites developed for the Vendor's internal use.

#### **Section V. Software Functionality and Replacement**

The software licensed by the Vendor to the State under this Agreement will provide the functionality as described in the software documentation, which the Vendor agrees to provide to the State prior to or upon the execution of this Agreement.

The Vendor agrees that:

- A. If, in the opinion of the State, the Vendor reduces or replaces the functionality contained in the licensed product and provides this functionality as a separate or renamed product, the State will be entitled to license such software product at no additional license or maintenance fee.
- B. If, in the opinion of the State, the Vendor releases an option, future product, purchasable product or other release that has substantially the same functionality as the software product licensed to the State, and it ceases to provide maintenance for the older software product, the State will have the option to exchange licenses for such replacement product or function at no additional charge. This includes situations where the Vendor discontinues the licensed product and recommends movement to a new product as a replacement option regardless of any additional functionality the replacement product may have over the licensed product.

#### **Section VI. Service Bureau**

Consistent with use limitations specified in the Agreement, the State may use the product to provide services to the various branches and constitutional offices of the State of South Dakota as well as county and city governments, tribal governments, and school districts. The State will not be considered a service bureau while providing these services and no additional fees may be charged unless agreed to in writing by the State.

#### **Section VII. Federal Intellectual Property Bankruptcy Protection Act**

The Parties agree that the State will be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto. The State also maintains its termination privileges if the Vendor enters bankruptcy.

## **Section VIII. Non-Disclosure and Separation of Duties**

The Vendor will enforce separation of job duties and require non-disclosure agreements of all staff that have or can have access to State Data or the hardware that State Data resides on. The Vendor will limit staff knowledge to those staff who duties that require them to have access to the State Data or the hardware the State Data resides on.

## **Section IX. Cessation of Business**

The Vendor will notify the State of impending cessation of its business or that of a tiered provider and the Vendor's contingency plan. This plan should include the immediate transfer of any previously escrowed assets and data and State access to the Vendor's facilities to remove or destroy any state-owned assets and data. The Vendor will implement its exit plan and take all necessary actions to ensure a smooth transition of service with minimal disruption to the State. The Vendor will provide a fully documented service description and perform and document a gap analysis by examining any differences between its services and those to be provided by its successor. The Vendor will also provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with supporting documentation, indicating which if any of these are owned by or dedicated to the State. The Vendor will work closely with its successor to ensure a successful transition to the new equipment, with minimal downtime and impact on the State, all such work to be coordinated and performed in advance of the formal, final transition date.

## **Section X. Legal Requests for Data**

Except as otherwise expressly prohibited by law, the Vendor will:

- A. Immediately notify the State of any subpoenas, warrants, or other legal orders, demands or requests received by the Vendor seeking State Data maintained by the Vendor,
- B. Consult with the State regarding the Vendor's response,
- C. Cooperate with the State's requests in connection with efforts by the State to intervene and quash or modify the legal order, demand or request, and
- D. Upon the State's request, provide the State with a copy of both the demand or request and its proposed or actual response.

## **Section XI. eDiscovery**

The Vendor will contact the State upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to State Data. The Vendor will not respond to service of process, and other legal requests related to the State without first notifying the State unless prohibited by law from providing such notice.

## **Section XII. Audit Requirements**

The Vendor warrants and agrees it is aware of and complies with all audit requirements relating to the classification of State Data the Vendor stores, processes, and accesses. Depending on the data classification, this may require the Vendor to grant physical access to the data hosting facilities to the State or a federal agency. The Vendor will notify the State of any request for physical access to a facility that hosts or processes State Data by any entity other than the State.



### **Section XIII. Annual Risk Assessment**

The Vendor will conduct an annual risk assessment or when there has been a significant system change. The Vendor will provide verification to the State's contact upon request that the risk assessment has taken place. At a minimum, the risk assessment will include a review of the:

- A. Penetration testing of the Vendor's system;
- B. Security policies and procedures;
- C. Disaster recovery plan;
- D. Business Associate Agreements; and
- E. Inventory of physical systems, devices, and media that store or utilize ePHI for completeness.

If the risk assessment provides evidence of deficiencies, a risk management plan will be produced. Upon request by the State, the Vendor will send a summary of the risk management plan to the State's contact. The summary will include completion dates for the risk management plan's milestones. Upon request by the State, the Vendor will send updates on the risk management plan to the State's contact. Compliance with this Section may be met if the Vendor provides proof to the State that the Vendor is FedRAMP Certified and has maintained FedRAMP Certification.

### **Section XIV. Independent Audit**

The Vendor will disclose any independent audits that are performed on any of the Vendor's systems tied to storing, accessing, and processing State Data. This information on an independent audit(s) must be provided to the State in any event, whether the audit or certification process is successfully completed or not. The Vendor will provide a copy of the findings of the audit(s) to the State. Compliance with this Section may be met if the Vendor provides a copy of the Vendor's SOC 2 Type II report to the State upon request.

### **Section XV. Service Level Agreements**

The Vendor warrants and agrees that the Vendor has provided to the State all Service Level Agreements (SLA) related to the deliverables of the Agreement. The Vendor further warrants that it will provide the deliverables to the State in compliance with the SLAs.

### **Section XVI. Access Attempts**

The Vendor will log all access attempts, whether failed or successful, to any system connected to the hosted system which can access, read, alter, intercept, or otherwise impact the hosted system or its data or data integrity. For all systems, the log must include at least: login page used, username used, time and date stamp, incoming IP for each authentication attempt, and the authentication status, whether successful or not. Logs must be maintained not less than 7 years in a searchable database in an electronic format that is un-modifiable. At the request of the State, the Vendor agrees to grant the State access to those logs to demonstrate compliance with the terms of this Agreement and all audit requirements related to the hosted system.

### **Section XVII. Access to State Data**

Unless this Agreement is terminated, the State's access to State Data amassed pursuant to this Agreement will not be hindered if there is a:

- A. Contract dispute between the parties to this Agreement,
- B. There is a billing dispute between the parties to this Agreement, or
- C. The Vendor merges with or is acquired by another company.

#### **Section XVIII. Password Protection**

All aspects of the Vendor's products provided to the State pursuant to this Agreement will be password protected. If the Vendor provides the user with a preset or default password, that password cannot include any Personally Identifiable Information (PII), data protected under the Family Educational Rights and Privacy Act (FERPA), Protected Health Information (PHI), Federal Tax Information (FTI), or any information defined under federal or state law, rules, or regulations as confidential information or fragment thereof. On an annual basis, the Vendor will document its password policies for all Vendor employees to ensure adequate password protections are in place. The process used to reset a password must include security questions or Multifactor Authentication. Upon request, the Vendor will provide to the State the Vendor's password policies, logs, or administrative settings to demonstrate the password policies are actively enforced.

#### **Section XIX. Provision of Data**

State Data is any data produced or provided by the State as well as any data produced or provided for the State by the Vendor or a third-party.

Upon notice of termination by either party or upon reaching the end of the term of this Agreement, the Vendor will provide the State all current State Data in a non-proprietary format. In addition, the Vendor agrees to extract any information (such as metadata, which includes data structure descriptions, data dictionary, and data) stored in repositories not hosted on the State's IT infrastructure in a format chosen by the State. If the State's chosen format is not possible, the Vendor will extract the information into a text file format and provide it to the State.

Upon the effective date of the termination of this Agreement, the Vendor will again provide the State with all current State Data in a non-proprietary format. In addition, the Vendor will again extract any information (such as metadata) stored in repositories not hosted on the State's IT infrastructure in a format chosen by the State. As before, if the State's chosen format is not possible, the Vendor will extract the information into a text file format and provide it to the State.

#### **Section XX. Threat Notification**

A credible security threat consists of the discovery of an exploit that a person considered an expert on Information Technology security believes could be used to breach any aspect of a system that is holding State Data or a product provided by the Vendor. Upon becoming aware of a credible security threat with the Vendor's product(s) and or service(s) being used by the State, the Vendor or any subcontractor supplying product(s) or service(s) to the Vendor needed to fulfill the terms of this Agreement will notify the State within two business days of any such threat. If the State requests, the Vendor will provide the State with information on the threat.

#### **Section XXI. Security Incident Notification for Non-Health Information**

The Vendor will implement, maintain, and update Security Incident procedures that comply with all State standards and Federal and State requirements. A Security Incident is a violation of any BIT security or privacy policies or contract agreements involving sensitive information, or the

imminent threat of a violation. The BIT security policies can be found in the Information Technology Security Policy ("ITSP") attached as BIT Attachment 1. The State requires notification of a Security Incident involving any of the State's sensitive data in the Vendor's possession. State Data is any data produced or provided by the State as well as any data produced or provided for the State by a third-party. The parties agree that, to the extent probes and reconnaissance scans common to the industry constitute Security Incidents, this Agreement constitutes notice by the Vendor of the ongoing existence and occurrence of such Security Incidents for which no additional notice to the State will be required. Probes and scans include, without limitation, pings and other broadcast attacks in the Vendor's firewall, port scans, and unsuccessful log-on attempts, if such probes and reconnaissance scans do not result in a Security Incident as defined above. Except as required by other legal requirements the Vendor will only provide notice of the incident to the State. The State will determine if notification to the public will be by the State or by the Vendor. The method and content of the notification of the affected parties will be coordinated with, and is subject to approval by the State, unless required otherwise by legal requirements. If the State decides that the Vendor will be distributing, broadcasting to or otherwise releasing information on the Security Incident to the news media, the State will decide to whom the information will be sent, and the State must approve the content of any information on the Security Incident before it may be distributed, broadcast, or otherwise released. The Vendor must reimburse the State for any costs associated with the notification, distributing, broadcasting, or otherwise releasing information on the Security Incident.

- A. The Vendor must notify the State contact within 12 hours of the Vendor becoming aware that a Security Incident has occurred. If notification of a Security Incident to the State contact is delayed because it may impede a criminal investigation or jeopardize homeland or federal security, notification must be given to the State within 12 hours after law-enforcement provides permission for the release of information on the Security Incident.
- B. Notification of a Security Incident at a minimum is to consist of the nature of the data exposed, the time the incident occurred, and a general description of the circumstances of the incident. If all of the information is not available for the notification within the specified time period, the Vendor must provide the State with all of the available information along with the reason for the incomplete notification. A delay in excess of 12 hours is acceptable only if it is necessitated by other legal requirements.
- C. At the State's discretion within 12 hours the Vendor must provide to the State all data available including:
  - 1. name of and contact information for the Vendor's Point of Contact for the Security Incident,
  - 2. date and time of the Security Incident,
  - 3. date and time the Security Incident was discovered,
  - 4. description of the Security Incident including the data involved, being as specific as possible,
  - 5. the potential number of records, and if unknown the range of records,
  - 6. address where the Security Incident occurred, and
  - 7. the nature of the technologies involved. If not all of the information is available for the notification within the specified time period, the Vendor must provide the State with all of the available information along with the reason for the incomplete information. A delay in excess of 12 hours is acceptable only if it is necessitated by other legal requirements.

- D. If the Security Incident falls within the scope of South Dakota Codified Law Chapter 22-40, the Vendor is required to comply with South Dakota law.

The requirements of subsection D of this Section do not replace the requirements of subsections A, B, and C, but are in addition to them.

## **Section XXII. Handling of Security Incident for Non-Health Information**

At the State's discretion, the Vendor will preserve all evidence regarding a security incident including but not limited to communications, documents, and logs. The Vendor will also:

- A. fully investigate the incident,
- B. cooperate fully with the State's investigation of, analysis of, and response to the incident,
- C. make a best effort to implement necessary remedial measures as soon as it is possible, and
- D. document responsive actions taken related to the Security Incident, including any post-incident review of events and actions taken to implement changes in business practices in providing the services covered by this Agreement.

If, at the State's discretion the Security Incident was due to the actions or inactions of the Vendor and at the Vendor's expense the Vendor will use a credit monitoring service, call center, forensics company, advisors, or public relations firm whose services are acceptable to the State. At the State's discretion the Vendor will offer two years of credit monitoring to each person whose data was compromised. The State will set the scope of any investigation. The State reserves the right to require the Vendor undergo a risk assessment where the State will determine the methodology and scope of the assessment and who will perform the assessment (a third-party vendor may be used). Any risk assessment required by this Section will be at the Vendor's expense.

If the Vendor is required by federal law or regulation to conduct a Security Incident or data breach investigation, the results of the investigation must be reported to the State within 12 hours of the investigation report being completed. If the Vendor is required by federal law or regulation to notify the affected parties, the State must also be notified, unless otherwise required by law.

Notwithstanding any other provision of this Agreement, and in addition to any other remedies available to the State under law or equity, the Vendor will reimburse the State in full for all costs incurred by the State in investigation and remediation of the Security Incident including, but not limited, to providing notification to regulatory agencies or other entities as required by law or contract. The Vendor will also pay all legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Security Incident.

## **Section XXIII. Security Incidents for Protected Health Information**

Security Incident means the successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system as defined in 45 CFR 164.304. The Vendor must alert the State contact within 12 hours of a Security Incident and provide daily updates to the BIT contact at their request. The Parties agree that this alert does not affect the Vendor's obligations under the Business Associate Agreement or the requirements of 45 CFR 164.410. The Parties agree that, to the extent probes and reconnaissance scans common to the industry constitute a Security Incident, this Agreement constitutes notice by the Vendor of the ongoing existence and occurrence of such Security Incidents for which no additional notice to the State will be required. Probes and scans include,

without limitation, pings, and other broadcast attacks in the Vendor's firewall, port scans, and unsuccessful log-on attempts, if such probes and reconnaissance scans do not result in a Security Incident as defined above. The State can require the Vendor to conduct a review or investigation within the scope and methodology determined by the State. At the State's discretion, the review or investigation may be performed by a third party at the Vendor's expense.

Notwithstanding any other provision of this Agreement and in addition to any other remedies available to the State under law or equity, in the event the investigation or review determines that the Vendor is responsible for the Security Incident, and where the State incurs any costs in the investigation, review, or remediation of the Security Incident, the Vendor must reimburse the State in full for all such costs. Costs include, but are not limited to, providing notification to regulatory agencies or other entities as required by law or contract. In the event the investigation or review determines that the Vendor is responsible for the Security Incident, the Vendor must also pay all legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Security Incident, and all costs associated with the remediation of the Vendor's services or product(s).

#### **Section XXIV. Adverse Event**

The Vendor must notify the State contact within three days if the Vendor becomes aware that an Adverse Event has occurred. An Adverse Event is the unauthorized use of system privileges, unauthorized access to State Data, execution of malware, physical intrusions and electronic intrusions that may include network, applications, servers, workstations, and social engineering of staff. If the Adverse Event was the result of the Vendor's actions or inactions, the State can require a risk assessment of the Vendor the State mandating the methodology to be used as well as the scope. At the State's discretion a risk assessment may be performed by a third party at the Vendor's expense. State Data is any data produced or provided by the State as well as any data produced or provided for the State by a third-party.

#### **Section XXV. Source Code**

The Vendor will provide to the South Dakota Bureau of Information and Telecommunications, for safekeeping, a copy of source code developed or maintained for use by the State under the terms of this Agreement. The source code provided will be the version currently running on the State's production environment.

#### **Section XXVI. Browser**

The system, site, or application must be compatible with Vendor supported versions of Edge, Chrome, Safari, and Firefox browsers. Silverlight, QuickTime, PHP, Adobe ColdFusion, and Adobe Flash will not be used in the system, site, or application. Adobe Animate CC is allowed if files that require third-party plugins are not required.

#### **Section XXVII. Security Acknowledgment Form**

The Vendor will be required to sign the Security Acknowledgement Form which is attached to this Agreement as BIT Attachment 2. The signed Security Acknowledgement Form must be submitted to the State and approved by the South Dakota Bureau of Information and Telecommunications and communicated to the Vendor by the State contact before work on the contract may begin. This Security Acknowledgment Form constitutes the agreement of the Vendor to be responsible

and liable for ensuring that the Vendor, the Vendor's employee(s), and subcontractor's, agents, assigns and affiliated entities and all of their employee(s), participating in the work will abide by the terms of the Information Technology Security Policy (ITSP). Failure to abide by the requirements of the ITSP or the Security Acknowledgement Form can be considered a breach of this Agreement at the discretion of the State. It is also a breach of this Agreement, at the discretion of the State, if the Vendor does not sign another Security Acknowledgement Form covering any employee(s) and any subcontractor's, agent's, assign's, or affiliated entities' employee(s), any of whom are participating in the work covered by this Agreement, and who begin working under this Agreement after the project has begun. Any disciplining of the Vendor's, Vendor's employee(s), or subcontractor's, agent's, assign's, or affiliated entities' employee(s) due to a failure to abide by the terms of the Security Acknowledgement Form will be done at the discretion of the Vendor or subcontractors, agents, assigns, or affiliated entities and in accordance with the Vendor's or subcontractor's, agent's, assign's, and affiliated entities' personnel policies. Regardless of the actions taken by the Vendor and subcontractors, agents, assigns, and affiliated entities, the State will retain the right to require at the State's discretion the removal of the employee(s) from the project covered by this Agreement.

### **Section XXVIII. Background Investigations**

The State requires any person who writes or modifies State-owned software, alters hardware, configures software of State-owned technology resources, has access to source code or protected Personally Identifiable Information (PII) or other confidential information, or has access to secure areas to undergo fingerprint-based background investigations. These fingerprints will be used to check the criminal history records of both the State of South Dakota and the Federal Bureau of Investigation. These background investigations must be performed by the State with support from the State's law enforcement resources. The State will supply the fingerprint cards and prescribe the procedure to be used to process the fingerprint cards. Project plans should allow 2-4 weeks to complete this process.

If work assignments change after the initiation of the project covered by this Agreement so that a new person will be writing or modifying State-owned software, altering hardware, configuring software of State-owned technology resources, have access to source code or protected PII or other confidential information, or have access to secure areas, background investigations must be performed on the individual who will complete any of the referenced tasks. The State reserves the right to require the Vendor to prohibit any person from performing work under this Agreement whenever the State believes that having the person performing work under this Agreement is detrimental to the project or is considered by the State to be a security risk, based on the results of the background investigation. The State will provide the Vendor with notice of this determination.

### **Section XXIX. Information Technology Standards**

Any service, software, or hardware provided under this Agreement will comply with State standards which can be found at [https://bit.sd.gov/bit?id=bit\\_standards\\_overview](https://bit.sd.gov/bit?id=bit_standards_overview).

### **Section XXX. Product Usage**

The State cannot be held liable for any additional costs or fines for mutually understood product usage over and above what has been agreed to in this Agreement unless there has been an audit conducted on the product usage. This audit must be conducted using a methodology agreed to by the State. The results of the audit must also be agreed to by the State before the State can be

held to the results. Under no circumstances will the State be required to pay for the costs of said audit.

### **Section XXXI. Security**

The Vendor must take all actions necessary to protect State information from exploits, inappropriate alterations, access or release, and malicious attacks.

By signing this Agreement, the Vendor warrants that:

- A. All Critical, High, Medium, and Low security issues are resolved. Critical, High, Medium, and Low can be described as follows:
  - 1. **Critical** - Exploitation of the vulnerability likely results in root-level compromise of servers or infrastructure devices.
  - 2. **High** - The vulnerability is difficult to exploit; however, it is possible for an expert in Information Technology. Exploitation could result in elevated privileges.
  - 3. **Medium** - Vulnerabilities that require the attacker to manipulate individual victims via social engineering tactics. Denial of service vulnerabilities that are difficult to set up.
  - 4. **Low** - Vulnerabilities identified by the State as needing to be resolved that are not Critical, High, or Medium issues.
- B. Assistance will be provided to the State by the Vendor in performing an investigation to determine the nature of any security issues that are discovered or are reasonably suspected after acceptance. The Vendor will fix or mitigate the risk based on the following schedule: Critical and high risk, within 7 days, medium risk within 14 days, low risk, within 30 days.

### **Section XXXII. Security Scanning**

The State routinely applies security patches and security updates as needed to maintain compliance with industry best practices as well as state and federal audit requirements. Vendors who do business with the State must also subscribe to industry security practices and requirements. Vendor s must include costs and time needs in their proposals and project plans to assure they can maintain currency with all security needs throughout the lifecycle of a project. The State will collaborate in good faith with the Vendor to help them understand and support State security requirements during all phases of a project's lifecycle but will not assume the costs to mitigate applications or processes that fail to meet then-current security requirements.

At the State's discretion, security scanning will be performed and security settings will be put in place or altered during the software development phase and during pre-production review for new or updated code. These scans and tests, initially applied to development and test environments, can be time consuming and should be accounted for in project planning documents and schedules. Products not meeting the State's security and performance requirements will not be allowed into production and will be barred from User Acceptance Testing (UAT) until all issues are addressed to the State's satisfaction. The discovery of security issues during UAT are automatically sufficient grounds for non-acceptance of a product even though a product may satisfy all other acceptance criteria. Any security issues discovered during UAT that require product changes will not be considered a project change chargeable to the State. The State urges the use of industry scanning/testing tools and recommends secure development methods are employed to avoid unexpected costs and project delays. Costs to produce and deliver secure and

reliable applications are the responsibility of the Vendor producing or delivering an application to the State. Unless expressly indicated in writing, the State assumes all price estimates and bids are for the delivery and support of applications and systems that will pass security and performance testing.

### **Section XXXIII. Malicious Code**

- A. The Vendor warrants that the Agreement deliverables contain no code that does not support an application requirement.
- B. The Vendor warrants that the Agreement deliverables contains no malicious code.
- C. The Vendor warrants that the Vendor will not insert into the Agreement deliverables or any media on which the Agreement deliverables is delivered any malicious or intentionally destructive code.
- D. In the event any malicious code is discovered in the Agreement deliverables, the Vendor must provide the State at no charge with a copy of or access to the applicable Agreement deliverables that contains no malicious code or otherwise correct the affected portion of the services provided to the State. The remedies in this Section are in addition to other additional remedies available to the State.

### **Section XXXIV. Denial of Access or Removal of Application or Hardware from Production**

During the life of this Agreement the application and hardware can be denied access to or removed from production at the State's discretion. The reasons for the denial of access or removal of the application or hardware from the production system may include but not be limited to security, functionality, unsupported third-party technologies, or excessive resource consumption. Denial of access or removal of an application or hardware also may be done if scanning shows that any updating or patching of the software and or hardware produces what the State determines are unacceptable results.

The Vendor will be liable for additional work required to rectify issues concerning security, functionality, unsupported third-party technologies, and excessive consumption of resources if it is for reasons of correcting security deficiencies or meeting the functional requirements originally agreed to for the application or hardware. At the discretion of the State, contractual payments may be suspended while the application or hardware is denied access to or removed from production. The reasons can be because of the Vendor's actions or inactions. Access to the production system to perform any remedying of the reasons for denial of access or removal of the software and hardware, and its updating and or patching will be made only with the State's prior approval.

It is expected that the Vendor will provide the State with proof of the safety and effectiveness of the remedy, update, or patch proposed before the State provides access to the production system. The State will sign a non-disclosure agreement with the Vendor if revealing the update or patch will put the Vendor's intellectual property at risk. If the remedy, update, or patch the Vendor proposes is unable to present software or hardware that meets the State's requirements, as defined by the State, which may include but is not limited to security, functionality, or unsupported third party technologies, to the State's satisfaction within 30 days of the denial of access to or removal from the production system and the Vendor does not employ the change management process to alter the project schedule or deliverables within the same 30 days then at the State's discretion the Agreement may be terminated.



#### **Section XXXV. Movement of Product**

The State operates a virtualized computing environment and retains the right to use industry standard hypervisor high availability, fail-over, and disaster recovery systems to move instances of the product(s) between the install sites defined with the Vendor within the provisions of resource and usage restrictions outlined elsewhere in the Agreement. As part of normal operations, the State may also install the product on different computers or servers if the product is also removed from the previous computer or server within the provisions of resource and usage restrictions outlined elsewhere in the Agreement. All such movement of product can be done by the State without any additional fees or charges by the Vendor.

#### **Section XXXVI. Use of Product on Virtualized Infrastructure and Changes to that Infrastructure**

The State operates a virtualized computing environment and uses software-based management and resource capping. The State retains the right to use and upgrade as deemed appropriate its hypervisor and operating system technology and related hardware without additional license fees or other charges provided the State assures the guest operating system(s) running within that hypervisor environment continue to present computing resources to the licensed product in a consistent manner. The computing resource allocations within the State's hypervisor software-based management controls for the guest operating system(s) executing the product will be the only consideration in licensing compliance related to computing resource capacity.

#### **Section XXXVII. Load Balancing**

The State routinely load balances across multiple servers, applications that run on the State's computing environment. The Vendor's product must be able to be load balanced across multiple servers. Any changes or modifications required to allow the Vendor's product to be load balanced so that it can operate on the State's computing environment will be at the Vendor's expense.

#### **Section XXXVIII. Backup Copies**

The State may make and keep backup copies of the licensed product without additional cost or obligation on the condition that:

- A. The State maintains possession of the backup copies.
- B. The backup copies are used only as bona fide backups.

#### **Section XXXIX. Use of Abstraction Technologies**

The Vendor's application must use abstraction technologies in all applications, that is the removal of the network control and forwarding functions that allows the network control to become directly programmable and the underlying infrastructure to be separated for applications and network services.

The Vendor warrants that hard-coded references will not be used in the application. Use of hard-coded references will result in a failure to pass pre-production testing or may cause the application to fail or be shut down at any time without warning and or be removed from production. Correcting the hardcoded references is the responsibility of the Vendor and will not be a project change chargeable to the State. If the use of hard-coded references is discovered after User Acceptance Testing the Vendor will correct the problem at no additional cost.

## **Section XL. Scope of Use**

- A. There will be no limit on the number of locations, or size of processors on which the State can operate the software.
- B. There will be no limit on the type or version of operating systems upon which the software may be used.

## **Section XLI. License Agreements**

The Vendor warrants that it has provided to the State and incorporated into this Agreement all license agreements, End User License Agreements (EULAs), and terms of use regarding its software or any software incorporated into its software before execution of this Agreement. Failure to provide all such license agreements, EULAs, and terms of use will be a breach of this Agreement at the option of the State. The parties agree that neither the State nor its end users will be bound by the terms of any such agreements not timely provided pursuant to this paragraph and incorporated into this Agreement. Any changes to the terms of this Agreement or any additions or subtractions must first be agreed to by both parties in writing before they go into effect. This paragraph will control and supersede the language of any such agreements to the contrary.

## **Section XLII. Web and Mobile Applications**

- A. The Vendor's application is required to:
  - 1. have no code or services including web services included in or called by the application unless they provide direct, functional requirements that support the State's business goals for the application,
  - 2. encrypt data in transport and at rest using a mutually agreed upon encryption format,
  - 3. close all connections and close the application at the end of processing,
  - 4. have documentation that is in grammatically complete text for each call and defined variables (i.e., using no abbreviations and using complete sentences) sufficient for a native speaker of English with average programming skills to determine the meaning or intent of what is written without prior knowledge of the application,
  - 5. have no code not required for the functioning of application,
  - 6. have no "back doors", a back door being a means of accessing a computer program that bypasses security mechanisms, or other entries into the application other than those approved by the State,
  - 7. permit no tracking of device user's activities without providing a clear notice to the device user and requiring the device user's active approval before the application captures tracking data,
  - 8. have no connections to any service not required by the functional requirements of the application or defined in the project requirements documentation,
  - 9. fully disclose in the "About" information that is the listing of version information and legal notices, of the connections made, permission(s) required, and the purpose of those connections and permission(s),
  - 10. ask only for those permissions and access rights on the user's device that are required for the defined requirements of the Vendor's application,
  - 11. access no data outside what is defined in the "About" information for the Vendor's application,
  - 12. conform to Web Content Accessibility Guidelines 2.0,

13. have Single Sign On capabilities with the State's identity provider,
14. have an opening screen that states, in an easy-to-read font, that the application is gathering or accessing health or medical information and the user's privacy is not protected by federal regulations if any health or medical information is gathered or accessed by the application that is not protected by HIPAA and HITECH rules and regulations, and
15. any application to be used on a mobile device must be password protected.

B. The Vendor is required to disclose all:

1. functionality,
2. device and functional dependencies, and
3. third party libraries used.
4. methods user data is being stored, processed, or transmitted,
5. methods used to notify the user how their data is being stored, processed, or transmitted,
6. positive actions required by the user to give permission for their data to be stored, processed and or transmitted,
7. methods used to record the user's response(s) to the notification that their data is being stored, processed, or transmitted,
8. methods used to secure the data in storage, processing, or transmission,
9. forms of authentication required for a user to access the application or any data it gathers stores, processes and or transmits,
10. methods used to create and customize existing reports,
11. methods used to integrate with external data sources,
12. methods used if integrates with public cloud provider,
13. methods and techniques used and the security features that protect data, if a public cloud provider is used, and
14. formats the data and information uses.

If the application does not adhere to the requirements given above or the Vendor has unacceptable disclosures, at the State's discretion, the Vendor will rectify the issues at no cost to the State.

#### **Section XLIII. Intended Data Access Methods**

The Vendor's application will not allow a user, external to the State's domain, to bypass logical access controls required to meet the application's functional requirements. All database queries using the Vendor's application can only access data by methods consistent with the intended business functions.

If the State can demonstrate the application flaw, to the State's satisfaction, then the Vendor will rectify the issue, to the State's satisfaction, at no cost to the State.

#### **Section XLIV. Application Programming Interface**

Vendor documentation on application programming interface must include a listing of all data types, functional specifications, a detailed explanation on how to use the Vendor's application programming interface and tutorials. The tutorials must include working sample code.

#### **Section XLV. Access to Source and Object Code**

The Vendor will provide access to source and object code for all outward facing areas of the system where information is presented, shared, or received whether via browser-based access and programmatic-based access including but not limited to application program interfaces (APIs) or any other access or entry point accessible via the world wide web, modem, or other digital process that is connected to a digital network, radio-based or phone system.

#### **Section XLVI. Data Location and Offshore Services**

The Vendor must provide its services to the State as well as storage of State Data solely from data centers located in the continental United States. The Vendor will not provide access to State Data to any entity or person(s) located outside the continental United States that are not named in this Agreement without prior written permission from the State. This restriction also applies to disaster recovery; any disaster recovery plan must provide for data storage entirely within the continental United States.

#### **Section XLVII. Vendor Training Requirements**

The Vendor, Vendor's employee(s), and Vendor's subcontractors, agents, assigns, affiliated entities and their employee(s), must successfully complete, at the time of hire and annually thereafter, a cyber-security training program. The training must include but is not limited to:

- A. legal requirements for handling data,
- B. media sanitation,
- C. strong password protection,
- D. social engineering, or the psychological manipulation of persons into performing actions that are inconsistent with security practices or that cause the divulging of confidential information,
- E. security incident response, and
- F. Protected Health Information.

#### **Section XLVIII. Data Sanitization**

At the end of the project covered by this Agreement the Vendor, and Vendor's subcontractors, agents, assigns, and affiliated entities will return the State Data or securely dispose of all State Data in all forms, this can include State Data on media such as paper, punched cards, magnetic tape, magnetic disks, solid state devices, or optical discs. This State Data must be permanently deleted by either purging the data or destroying the medium on which the State Data is found according to the methods given in the most current version of NIST 800-88. Certificates of Sanitization for Offsite Data (See [bit.sd.gov/vendor/default.aspx](http://bit.sd.gov/vendor/default.aspx) for copy of certificate) must be completed by the Vendor and given to the State contact. The State will review the completed Certificates of Sanitization for Offsite Data. If the State is not satisfied by the data sanitization then the Vendor will use a process and procedure that does satisfy the State.

This contract clause remains in effect for as long as the Vendor, and Vendor's subcontractors, agents, assigns, and affiliated entities have the State data, even after the Agreement is terminated or the project is completed.

#### **Section XLIX. Banned Hardware and Software**

The Vendor will not provide to the State any computer hardware or video surveillance hardware, or any components thereof, or any software that was manufactured, provided, or developed by a covered entity. As used in this paragraph, "covered entity" means the following entities and any

subsidiary, affiliate, or successor entity and any entity that controls, is controlled by, or is under common control with such entity: Kaspersky Lab, Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company, Nuctech, or any entity that has been identified as owned or controlled by, or otherwise connected to, People's Republic of China. The Vendor will immediately notify the State if the Vendor becomes aware of credible information that any hardware, component, or software was manufactured, provided, or developed by a covered entity.

#### **Section L. Use of Portable Devices**

The Vendor must prohibit its employees, agents, affiliates, and subcontractors from storing State Data on portable devices, including personal computers, except for devices that are used and kept only at the Vendor's data center(s). All portable devices used for storing State Data must be password protected and encrypted.

#### **Section LI. Remote Access**

The Vendor will prohibit its employees, agents, affiliates, and subcontractors from accessing State Data remotely except as necessary to provide the services under this Agreement and consistent with all contractual and legal requirements. The accounts used for remote access cannot be shared accounts and must include multifactor authentication. If the State Data that is being remotely accessed is legally protected data or considered sensitive by the State, then:

- A. The device used must be password protected,
- B. The data is not put onto mobile media (such as flash drives),
- C. No non-electronic copies are made of the data, and
- D. A log must be maintained by the Vendor detailing the data which was accessed, when it was accessed, and by whom it was accessed.

The Vendor must follow the State's data sanitization standards, as outlined in this Agreement's Data Sanitization clause, when the remotely accessed data is no longer needed on the device used to access the data.

#### **Section LII. Data Encryption**

If State Data will be remotely accessed or stored outside the State's IT infrastructure, the Vendor warrants that the data will be encrypted in transit (including via any web interface) and at rest at no less than AES256 level of encryption with at least SHA256 hashing.

#### **Section LIII. Rights, Use, and License of and to State Data**

The parties agree that all rights, including all intellectual property rights, in and to State Data will remain the exclusive property of the State. The State grants the Vendor a limited, nonexclusive license to use the State Data solely for the purpose of performing its obligations under this Agreement. This Agreement does not give a party any rights, implied or otherwise, to the other's data, content, or intellectual property, except as expressly stated in the Agreement.

Protection of personal privacy and State Data must be an integral part of the business activities of the Vendor to ensure there is no inappropriate or unauthorized use of State Data at any time. To this end, the Vendor must safeguard the confidentiality, integrity, and availability of State Data and comply with the following conditions:

- A. The Vendor will implement and maintain appropriate administrative, technical, and organizational security measures to safeguard against unauthorized access, disclosure, use, or theft of Personally Identifiable Information (PII), data protected under the Family Educational Rights and Privacy Act (FERPA), Protected Health Information (PHI), Federal Tax Information (FTI), or any information that is confidential under applicable federal, state, or international law, rule, regulation, or ordinance. Such security measures will be in accordance with recognized industry practice and not less protective than the measures the Vendor applies to its own non-public data.
- B. The Vendor will not copy, disclose, retain, or use State Data for any purpose other than to fulfill its obligations under this Agreement.
- C. The Vendor will not use State Data for the Vendor's own benefit and will not engage in data mining of State Data or communications, whether through automated or manual means, except as specifically and expressly required by law or authorized in writing by the State through a State employee or officer specifically authorized to grant such use of State Data.

#### **Section LIV. Software License**

The State grants the Vendor a nonexclusive, worldwide, revocable, fully paid, nontransferable license to all code provided to the Vendor and all modifications to the licensed code, which becomes property of the State, pursuant to this Agreement. The license rights granted in this Agreement will continue so long as the Parties are under a contract regarding the licensed code.

- A. The State grants the Vendor the right to:
  - 1. use the licensed code for only the State's benefit pursuant to this Agreement,
  - 2. make as many copies of the licensed code as necessary to fulfill its obligations under this Agreement,
  - 3. modify the licensed code pursuant to the terms of this Agreement,
  - 4. publicly perform the licensed code, if applicable; and
  - 5. publicly display the licensed code, if applicable.
- B. The Vendor is not granted the following rights and is prohibited from doing the following:
  - 1. creating derivative works from the licensed code,
  - 2. distributing the licensed code, and
  - 3. sublicensing the licensed code.

Copies of the licensed code created or transferred pursuant to this Agreement are licensed to the Vendor, not sold. The Vendor receives no title to or ownership of any copy or of the licensed code itself. Furthermore, the Vendor receives no rights to the licensed code other than those specifically granted in this Agreement.

#### **Section LV. Transfer of Ownership of Work Product**

Upon the effective date of this Agreement, the Vendor hereby assigns to the State all of the Vendor's ownership, right, title, and interest in and to any copyrights in any code and other assets created pursuant this Agreement ("Work Product"), including all modifications to the licensed code provided to the Vendor by the State. All modifications to the licensed code become part of the

licensed code once accepted by the State and is subject to all the aspects of this Agreement regarding “licensed code.”

- A. **License.** To the extent that this Section does not provide the State with full ownership, right, title, and interest in and to the Work Product, the Vendor hereby grants the State a perpetual, irrevocable, fully paid, royalty-free, worldwide license to reproduce, create derivative works from, distribute, publicly display, publicly perform, and use the Work Product, with the right to sublicense each such right.
- B. **Further Assistance and Survival.** The Vendor will reasonably assist the State in obtaining and enforcing copyrights in the Work Product, at the State’s expense. The rights granted in this Section will survive any termination or expiration of this Agreement.
- C. **Transfer of Employee Rights.** Prior to the effective date of this Agreement, the Vendor will ensure that all its employees and contractors who may in any way be involved in creating the Work Product are subject to written agreements with the Vendor that grants the Vendor all such employees’ or contractors’ present and future ownership and other rights in and to the Work Product.

#### **Section LVI. Third Party Hosting**

If the Vendor has the State’s data hosted by another party, the Vendor must provide the State the name of this party. The Vendor must provide the State with contact information for this third party and the location of their data center(s). The Vendor must receive from the third party written assurances that the State’s data will always reside in the continental United States and provide these written assurances to the State. This restriction includes the data being viewed or accessed by the third-party’s employees or contractors. If during the term of this Agreement the Vendor changes from the Vendor hosting the data to a third-party hosting the data or changes third-party hosting provider, the Vendor will provide the State with 180 days’ advance notice of this change and at that time provide the State with the information required above.

#### **Section LVII. Securing of Data**

All facilities used to store and process State Data will employ industry best practices, including appropriate administrative, physical, and technical safeguards to secure such data from unauthorized access, disclosure, alteration, and use. Such measures will be no less protective than those used to secure the Vendor’s own data of a similar type, and in no event less than commercially reasonable in view of the type and nature of the data involved.

#### **Section LVIII. Security Processes**

The Vendor will disclose its non-proprietary security processes and technical limitations to the State such that adequate protection and flexibility can be attained between the State and the Vendor. For example: virus checking and port sniffing.

#### **Section LIX. Import and Export of Data**

The State will have the ability to import or export data piecemeal or in entirety at its discretion without interference from the Vendor. This includes the ability for the State to import or export data to/from other vendors.

#### **Section LX. System Upgrades**

The Vendor must provide advance notice of 30 days to the State of any major upgrades or system changes the Vendor will be implementing unless the changes are for reasons of security. A major upgrade is a replacement of hardware, software, or firmware with a newer or improved version, in order to bring the system up to date or to improve its characteristics. The State reserves the right to postpone these changes unless the upgrades are for security reasons. The State reserves the right to scan the Vendor's systems for vulnerabilities after a system upgrade. These vulnerability scans can include penetration testing of a test system at the State's discretion.

#### **Section LXI. Movement of Protected State Data**

Any State Data that is protected by federal or state statute or requirements or by industry standards must be kept secure. When protected State Data is moved to any of the Vendor's production or non-production systems, security must be maintained. The Vendor will ensure that the data will at least have the same level of security as it had on the State's environment.

#### **Section LXII. Banned Services**

The Vendor warrants that any hardware or hardware components used to provide the services covered by this Agreement were not manufactured by Huawei Technologies Company, Nuctech, or ZTE Corporation, or any subsidiary or affiliate of such entities. Any company considered to be a security risk by the government of the United States under the International Emergency Economic Powers Act or in a United States appropriation bill will be included in this ban.

#### **Section LXIII. Multifactor Authentication for Hosted Systems**

If the Vendor is hosting on their system or performing Software as a Service where there is the potential for the Vendor or the Vendor's subcontractor to see protected State Data, then Multifactor Authentication (MFA) must be used before this data can be accessed. The Vendor's MFA, at a minimum must adhere to the requirements of *Level 2 Authentication Assurance for MFA* as defined in NIST 800-63.



## Attachment E

### Security and Vendor Questions

#### Basic Vendor Information

Vendor Legal Name:

Vendor Address:

#### Directions

**Agencies:** The following questions facilitate agencies acquiring technology that meets state security standards. These questions will assist in improving the quality and the timeliness of the procurement. The Bureau of Information and Telecommunications (BIT) recommends that you utilize your BIT Point of Contact (POC) to set up a planning meeting to review the project and these questions. Understanding the background and context of the questions greatly improves realizing the purpose of the questions. Again, the purpose of the questions is to ensure the product/service being procured will meet the technology and security standards of the state.

If you do not know the details of the technologies the vendor will propose, it is best to keep the question set as broad as possible. If there is a detailed knowledge of what will be proposed, a narrowed set of questions may be possible. Vendors are invited to mark any question that does not apply to their technology as NA (Not Applicable).

**Vendors:** The following questions help the State determine the best way to assess and integrate your product or service technology with the State's technology infrastructure. Your response to the questions allows BIT an opportunity to review the security of your product, and helps BIT make an informed decision and recommendation regarding your technology or service. Some questions may not apply to the technology you use. In such cases, simply mark the question as NA (Not Applicable). The questions are divided into sections to help identify the point of the questions.

The State understands that some of the information you may provide when answering the questions is considered confidential or proprietary. Please mark which answers you deem to be confidential/proprietary information. Access to this confidential information will be limited to those state employees who have a need to know. In addition, the State will maintain the confidentiality of the marked information, and the marked information may be exempt from disclosure to the public per the State's Open Records Laws.

Use the last column as needed to explain your response. Also note, many questions require you to explain your response. The more detailed the response, the better we can understand your product or service.

Where we feel that a Yes/No/NA response is not appropriate, the cell has been grayed out. **If the vendor answers a question by referencing another document or another part of the RFP response, the vendor must provide the page number and paragraph where the information can be found.**

The "BIT" column corresponds to the division within BIT that will be the primary reviewers. If you have questions about the meaning or intent of a question, we can contact the BIT division on your behalf. DC = Data Center; DEV = Development; TEL = Telecommunications; POC = Point of Contact.

System/Product:			
The following questions are relevant for all vendors or third parties engaged in this hardware, software, application, or service.			
		Response	
#	BIT	Question	Select all that apply
1	DC DEV	Is your proposed solution a cloud-based solution or an on-prem solution?	<input type="checkbox"/> State Hosted On-prem (dedicated VM/infrastructure) <input type="checkbox"/> State Cloud Provider (PaaS Solution) <input type="checkbox"/> Vendor Hosted <input type="checkbox"/> Other: (Please state)
2	DC DEV TEL	What type of access is required by vendor or proposed solution to state hosted or external resources?	<input type="checkbox"/> Not Required <input type="checkbox"/> VPN <input type="checkbox"/> API <input type="checkbox"/> SFTP <input type="checkbox"/> Other: (Please state)

<b>3</b>	DC	What type of access is required by vendor to maintain and support the solution?	<input type="checkbox"/> Not Required <input type="checkbox"/> Citrix (For On-prem) <input type="checkbox"/> State Cloud Access <input type="checkbox"/> Other: (Please state)
<b>4</b>	TEL	If an on-prem solution, which of the following will apply?	<input type="checkbox"/> IoT Hardware <input type="checkbox"/> Non-Windows or non-domain joined solution <input type="checkbox"/> Windows-based domain joined hardware <input type="checkbox"/> Other: (Please state)
<b>5</b>	DC TEL	Does your proposed solution include/require additional devices connected to the application for activities such as scanning or printing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>6</b>	DC	Does the proposed solution include the use of email?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please describe how email will be used:
<b>7</b>	POC TEL	Will there be any desktop software installs, policies, or software required on state managed computers as part of this product?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please define:
<b>8</b>	POC	If there are desktop software installs, please provide a link to the licensing requirements or a copy of the licensing requirements.	Please provide link below, if applicable:
<b>9</b>	POC	Will any hardware or peripherals need to be attached to or added to state managed computers?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please define:
<b>10</b>	POC	Will any browser plugins be required to install, access, or use this product?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please define:
<b>11</b>	POC	Will any products that connect or interact with a state managed computer or network be required as part of this product or project?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please define:
<b>12</b>	POC	Will any Bluetooth or RF frequency devices be required as part of this product or project?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please define:
<b>13</b>	POC	What operating system is the software/hardware compatible with?	<input type="checkbox"/> Microsoft Windows 10 <input type="checkbox"/> Microsoft Windows 11 <input type="checkbox"/> Other (please specify): <input type="checkbox"/> Not Applicable
<b>14</b>	POC	For Vendor Hosted solutions, where are your data centers located (Please include locations for disaster recovery)?	Please provide locations:

**Section A. System Security**

The following questions are relevant for all vendors or third parties engaged in this hardware, application, or service and pertain to relevant security practices and procedures.

				Response			
#	BIT	Question	YES	NO	NA	Explain answer as needed	
A1	DC x	Does the solution require user authentication, and does that authentication solution support OpenID Connect or OAUTH2 to provide single sign-on? Please explain the authentication protocol(s) available to meet the State's single sign-on requirements and how that is implemented with one or more identity providers.					
A2	DC TEL x	Will the system provide internet security functionality on public portals using encrypted network/secure socket layer connections in line with current recommendations of the Open Web Application Security Project (OWASP)?					
A3	POC	Will the system have role-based access?					
A4	DC TEL	Does the application contain mitigations for risks associated to uncontrolled login attempts (response latency, re-Captcha, lockout, IP filtering, multi-factor authentication)? Which mitigations are in place? What are the optional mitigations?					
A5	DC TEL	Are account credentials hashed and encrypted when stored? If "Yes" please describe the encryption used (e.g. SHA256).					
A6	DC TEL x	<p>The protection of the State's system and data is of utmost importance. Web Application Vulnerability Scans must be done if:</p> <ul style="list-style-type: none"> <li>• An application will be placed on the State's system.</li> <li>• The State's system connects to another system.</li> <li>• The contractor hosts State data.</li> <li>• The contractor has another party host State data the State will want to scan that party.</li> </ul> <p><b><u>The State would want to scan a test system; not a production system and will not do penetration testing.</u></b> The scanning will be done with industry standard tools. Scanning would also take place annually as well as when there are code changes. Will you allow the State to scan a test system? If no, please explain or provide an alternative option to ensure protection of the State's system and data.</p>					
A7	DC	Will SSL traffic be decrypted and inspected before it is allowed into your system?					
A8	POC x	Will organizations other than the State of South Dakota have access to our data?					
A9	DEV TEL	Do you have developers that possess software security related certifications (e.g., the SANS secure coding certifications)?					

<b>A10</b>	DEV	Are there any additional components or configurations required outside of the base product to meet the State's security needs?				
<b>A11</b>	TEL	What threat assumptions were made, if any, when designing protections for the software and information assets processed?				
<b>A12</b>	TEL	How do you minimize the threat of reverse engineering of binaries? Are source code obfuscation techniques used?				
<b>A13</b>	TEL	What security criteria, if any, are considered when selecting third party suppliers?				
<b>A14</b>	TEL	How has the software been measured/assessed for its resistance to publicly known vulnerabilities and/or attack patterns identified in the Common Vulnerabilities & Exposures (CVE®) or Common Weakness Enumerations (CWEs)? How have the findings been mitigated?				
<b>A15</b>	TEL	Has the software been evaluated against the Common Criteria, FIPS 140-3, or other formal evaluation process? If so, please describe what evaluation assurance level (EAL) was achieved, what protection profile the product claims conformance to, and indicate if the security target and evaluation report are available.				
<b>A16</b>	DC TEL	Are static or dynamic software security analysis tools used to identify weaknesses in the software that can lead to exploitable vulnerabilities? If yes, which tools are used? What classes of weaknesses are covered? When in the SDLC are these scans performed? Are SwA experts involved in the analysis of the scan results?				
<b>A17</b>	DC TEL x	Has the product undergone any vulnerability or penetration testing? If yes, how frequently, by whom, and are the test reports available under a nondisclosure agreement? How have the findings been mitigated?				
<b>A18</b>	DC	Does your company have an executive-level officer responsible for the security of your company's software products and/or processes?				
<b>A19</b>	DC	How are software security requirements developed?				
<b>A20</b>	DC	What risk management measures are used during the software's design to mitigate risks posed by use of third-party components?				
<b>A21</b>	DC	What is your background check policy and procedure? Are your background checks fingerprint based? If required, would you be willing to undergo fingerprint-based background checks?				
<b>A22</b>	DEV	Does your company have formally defined security policies associated with clearly defined roles and				

		responsibilities for personnel working within the software development life cycle? Explain.				
<b>A23</b>	TEL	What are the policies and procedures used to protect sensitive information from unauthorized access? How are the policies enforced?				
<b>A24</b>	DC TEL	Do you have an automated Security Information and Event Management system?				
<b>A25</b>	DC TEL	What types of event logs do you keep and how long do you keep them?				
		a. System events				
		b. Application events				
		c. Authentication events				
		d. Physical access to your data center(s)				
		e. Code changes				
		f. Other:				
<b>A26</b>	DC	How are security logs and audit trails protected from tampering or modification? Are log files consolidated to single servers?				
<b>A27</b>	DEV	a. Are security specific regression tests performed during the development process?				
		b. If yes, how frequently are the tests performed?				
<b>A28</b>	TEL	What type of firewalls (or application gateways) do you use? How are they monitored/managed?				
<b>A29</b>	TEL	What type of Intrusion Detection System/Intrusion Protection Systems (IDS/IPS) do you use? How are they monitored/managed?				
<b>A30</b>	DC TEL	What are your procedures for intrusion detection, incident response, and incident investigation and escalation?				
<b>A31</b>	DC TEL	Do you have a BYOD policy that allows your staff to put any sort of sensitive or legally protected State data on their device personal device(s) or other non-company owned system(s)?				
<b>A32</b>	DC TEL	Do you require multifactor authentication be used by employees and subcontractors who have potential access to legally protected State data or administrative control? If yes, please explain your practices on multifactor authentication including the authentication level used as defined in NIST 800-63 in your explanation. If no, do you plan on implementing multifactor authentication? If so, when?				

<b>A33</b>	POC	Will this system provide the capability to track data entry/access by the person, date, and time?				
<b>A34</b>	DC DEV POC TEL	Will the system provide data encryption for sensitive or legally protected information both at rest and transmission? If yes, please provide details.				
<b>A35</b>	DC	a. Do you have a SOC 2 or ISO 27001 audit report?				
		b. Is the audit performed annually?				
		c. When was the last audit performed?				
		d. If it is SOC 2 audit report, does it cover all 5 of the trust principles?				
		e. If it is a SOC 2 audit report, what level is it?				
		f. Does the audit include cloud service providers?				
		g. Has the auditor always been able to attest to an acceptable audit result?				
		h. Will you provide a copy of your latest SOC 2 or ISO 27001 audit report upon request? A redacted version is acceptable.				
<b>A36</b>	DC	Do you or your cloud service provider have any other security certification beside SOC 2 or ISO 27001, for example, FedRAMP or HITRUST?				
<b>A37</b>	DC TEL	Are you providing a device or software that can be defined as being Internet of Thing (IoT)? Examples include IP camera, network printer, or connected medical device. If yes, what is your process for ensuring the software on your IoT devices that are connected to the state's system, either permanently or intermittently, are maintained and/or updated?				
<b>A38</b>	DC	Who configures and deploys the servers? Are the configuration procedures available for review, including documentation for all registry settings?				
<b>A39</b>	DC	What are your policies and procedures for hardening servers?				
<b>A40</b>	DC TEL	<b>(Only to be used when medical devices are being acquired.)</b> Please give the history of cybersecurity advisories issued by you for your medical devices. Include the device, date, and the nature of the cybersecurity advisory.				
<b>A41</b>	DC POC	Does any product you propose to use or provide the State include software, hardware, or hardware components manufactured by any company on the federal government's Entity List?				

A42	DC	Describe your process for monitoring the security of your suppliers.				
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**Section B. Hosting**

The following questions are relevant to any hosted applications, systems, databases, services, and any other technology. The responses should not assume a specific hosting platform, technology, or service but instead the response should address any hosting options available for the proposed solution.

**For state-hosted systems that reside in a state-managed cloud:**

To minimize impacts to project schedules, vendors are required to provide architectural plans, resource needs, permission plans, and all interfaces – both internal to the state and internet facing for cloud hosted systems. The documentation provided will be reviewed as part of the initial assessment process. If selected for award of a contract, and once the state has approved the submitted materials, a test environment will be provided after contract signature. Systems will be reviewed again before being moved to a production environment. Any usage or processes that are deemed out of compliance with what was approved or represent excessive consumption or risk will require remediation before being moved to production.

Response						
#	BIT	Question	YES	NO	NA	Explain answer as needed
B1	POC	Are there expected periods of time where the application will be unavailable for use?				
B2	DC	If you have agents or scripts executing on servers of hosted applications what are the procedures for reviewing the security of these scripts or agents?				
B3	DC	What are the procedures and policies used to control access to your servers? How are audit logs maintained?				
B4	DC DEV POC TEL	Do you have a formal disaster recovery plan? Please explain what actions will be taken to recover from a disaster. Are warm or hot backups available? What are the Recovery Time Objectives and Recovery Point Objectives?				
B5	DC	Explain your tenant architecture and how tenant data is kept separately?				
B6	DC	What are your data backup policies and procedures? How frequently are your backup procedures verified?				
B7	DC DEV TEL	If any cloud services are provided by a third-party, do you have contractual requirements with them dealing with: <ul style="list-style-type: none"><li>• Security for their I/T systems;</li><li>• Staff vetting;</li><li>• Staff security training?</li></ul>				
		a. If yes, summarize the contractual requirements.				
		b. If yes, how do you evaluate the third-party's adherence to the contractual requirements?				
B8	DC	If your application is hosted by you or a third party, are all costs for your software licenses in addition to third-party software (i.e. MS-SQL, MS Office, and Oracle) included in your cost proposal? If so, will you provide copies of the licenses with a line-item list of their proposed costs before they are finalized?				
B9	DC	a. Do you use a security checklist when standing up any outward facing system?				
		b. Do you test after the system was stood up to make sure everything in the checklist was correctly set?				
B10	DC	How do you secure Internet of Things (IoT) devices on your network?				



<b>B11</b>	DC TEL	Do you use Content Threat Removal to extract and transform data?				
<b>B12</b>	DC TEL	Does your company have an endpoint detection and response policy?				
<b>B13</b>	DC TEL	Does your company have any real-time security auditing processes?				
<b>B14</b>	TEL	How do you perform analysis against the network traffic being transmitted or received by your application, systems, or data center? What benchmarks do you maintain and monitor your systems against for network usage and performance? What process(es) or product(s) do you use to complete this analysis, and what results or process(es) can you share?				
<b>B15</b>	TEL	How do you monitor your application, systems, and data center for security events, incidents, or information? What process(es) and/or product(s) do you use to complete this analysis, and what results or process(es) can you share?				
<b>B16</b>	DC TEL	What anti-malware product(s) do you use?				
<b>B17</b>	DC TEL	What is your process to implement new vendor patches as they are released and what is the average time it takes to deploy a patch?				
<b>B18</b>	DC TEL	Have you ever had a data breach? If so, provide information on the breach.				
<b>B19</b>	POC	Is there a strategy for mitigating unplanned disruptions and what is it?				
<b>B20</b>	DC TEL	What is your process for ensuring the software on your IoT devices that are connected to your system, either permanently or intermittently, is maintained and updated?				
<b>B21</b>	POC	Will the State of South Dakota own the data created in your hosting environment?				
<b>B22</b>	DEV	What are your record destruction scheduling capabilities?				

**Section C: Database**

The following questions are relevant to any application or service that stores data, irrespective of the application being hosted by the state or the vendor.

Response						
#	BIT	Question	YES	NO	NA	Explain answer as needed
C1	DC	Will the system require a database?				
C2	DC	If a Database is required, what technology will be used (i.e. Microsoft SQL Server, Oracle, MySQL)?				
C3	DC	If a SQL Database is required does the cost of the software include the cost of licensing the SQL Server?				
C4	POC	Will the system data be exportable by the user to tools like Excel or Access at all points during the workflow?				
C5	DC DEV	Will the system infrastructure include a separate OLTP or Data Warehouse Implementation?				
C6	DC DEV	Will the system infrastructure require a Business Intelligence solution?				

**Section D: Contractor Process**

The following questions are relevant for all vendors or third parties engaged in providing this hardware, application, or service and pertain to business practices. If the application is hosted by the vendor or the vendor supplies cloud services those questions dealing with installation or support of applications on the State's system can be marked "NA".

				Response		
#	BIT	Question	YES	NO	NA	Explain answer as needed
D1	DC POC	Will the vendor provide assistance with installation?				
D2	DC DEV POC TEL	Does your company have a policy and process for supporting/requiring professional certifications? If so, how do you ensure certifications are valid and up-to date?				
D3	DEV	What types of functional tests are/were performed on the software during its development (e.g., spot checking, component-level testing, and integrated testing)?				
D4	DEV	Are misuse test cases included to exercise potential abuse scenarios of the software?				
D5	TEL	What release criteria does your company have for its products regarding security?				
D6	DEV	What controls are in place to ensure that only the accepted/released software is placed on media for distribution?				
D7	DC DEV	a. Is there a Support Lifecycle Policy within the organization for the software				
		b. Does it outline and establish a consistent and predictable support timeline?				
D8	DC	How are patches, updates, and service packs communicated and distributed to the State?				
D9	DEV	What services does the help desk, support center, or (if applicable) online support system offer when are these services available, and are there any additional costs associated with the options?				
D10	DC	a. Can patches and service packs be uninstalled?				
		b. Are the procedures for uninstalling a patch or service pack automated or manual?				
D11	DC DEV	How are enhancement requests and reports of defects, vulnerabilities, and security incidents involving the software collected, tracked, prioritized, and reported? Is the management and reporting policy available for review?				
D12	DC	What are your policies and practices for reviewing design and architecture security impacts in relation to deploying patches, updates, and service packs?				
D13	DC	Are third-party developers contractually required to follow your configuration management and security policies and how do you assess their compliance?				
D14	DEV	What policies and processes does your company use to verify that your product has its comments sanitized and does not contain undocumented functions, test/debug code, or unintended, "dead," or malicious code? What tools are used?				
D15	DEV	How is the software provenance verified (e.g., any checksums or signatures)?				

<b>D16</b>	DEV	a. Does the documentation explain how to install, configure, and/or use the software securely?				
		b. Does it identify options that should not normally be used because they create security weaknesses?				
<b>D17</b>	DEV	a. Does your company develop security measurement objectives for all phases of the SDLC?				
		b. Has your company identified specific statistical and/or qualitative analytical techniques for measuring attainment of security measures?				
<b>D18</b>	DC	a. Is testing done after changes are made to servers?				
		b. What are your rollback procedures in the event of problems resulting from installing a patch or service pack?				
<b>D19</b>	DC	What are your procedures and policies for handling and destroying sensitive data on electronic and printed media?				
<b>D20</b>	DC TEL	How is endpoint protection done? For example, is virus prevention used and how are detection, correction, and updates handled?				
<b>D21</b>	DC TEL	Do you perform regular reviews of system and network logs for security issues?				
<b>D22</b>	DC	Do you provide security performance measures to the customer at regular intervals?				
<b>D23</b>	DC POC	What technical, installation, and user documentation do you provide to the State? Is the documentation electronically available and can it be printed?				
<b>D24</b>	DC DEV POC	a. Will the implementation plan include user acceptance testing?				
		b. If yes, what were the test cases?				
		c. Do you do software assurance?				
<b>D25</b>	DC DEV POC TEL	Will the implementation plan include performance testing?				
<b>D26</b>	DEV POC	Will there be documented test cases for future releases including any customizations done for the State of South Dakota?				
<b>D27</b>	DEV POC	If the State of South Dakota will gain ownership of the software, does the proposal include a knowledge transfer plan?				
<b>D28</b>	DEV POC	Has your company ever conducted a project where your product was load tested?				
<b>D29</b>	DC	Please explain the pedigree of the software. Include in your answer who are the people, organization, and processes that created the software.				
<b>D30</b>	DC	Explain the change management procedure used to identify the type and extent of changes allowed in the software throughout its lifecycle. Include information on the oversight controls for the change management procedure.				

<b>D31</b>	DC DEV TEL	Does your company have corporate policies and management controls in place to ensure that only corporate-approved (licensed and vetted) software components are used during the development process? <b>Provide a brief explanation.</b> Will the supplier indemnify the acquirer from these issues in the license agreement? <b>Provide a brief explanation.</b>				
<b>D32</b>	DEV	Summarize the processes (e.g., ISO 9000, CMMi), methods, tools (e.g., IDEs, compilers), techniques, etc. used to produce and transform the software.				
<b>D33</b>	DEV	a. Does the software contain third-party developed components?				
		b. If yes, are those components scanned by a static code analysis tool?				
<b>D34</b>	DC DEV TEL	What security design and security architecture documents are prepared as part of the SDLC process? How are they maintained? Are they available to/for review?				
<b>D35</b>	DEV	Does your organization incorporate security risk management activities as part of your software development methodology? If yes, please provide a copy of this methodology or provide information on how to obtain it from a publicly accessible source.				
<b>D36</b>	DC	Does your company ever perform site inspections/policy compliance audits of its U.S. development facilities? Of its non-U.S. facilities? Of the facilities of its third-party developers? If yes, how often do these inspections/audits occur? Are they periodic or triggered by events (or both)? If triggered by events, provide examples of “trigger” events.				
<b>D37</b>	DC TEL	How are trouble tickets submitted? How are support issues, specifically those that are security-related escalated?				
<b>D38</b>	DC DEV	Please describe the scope and give an overview of the content of the security training you require of your staff, include how often the training is given and to whom. Include training specifically given to your developers on secure development.				
<b>D39</b>	DC TEL x	It is State policy that all Contractor Remote Access to systems for support and maintenance on the State Network will only be allowed through Citrix Netscaler. Would this affect the implementation of the system?				
<b>D40</b>	POC TEL x	Contractors are also expected to reply to follow-up questions in response to the answers they provided to the security questions. At the State’s discretion, a contractor’s answers to the follow-up questions may be required in writing and/or verbally. The answers provided may be used as part of the contractor selection criteria. Is this acceptable?				
<b>D41</b>	DC DEV POC TEL x	(For PHI only) a. Have you done a risk assessment? If yes, will you share it?				

		b. If you have not done a risk assessment, when are you planning on doing one?				
		c. If you have not done a risk assessment, would you be willing to do one for this project?				
<b>D42</b>	DEV POC	Will your website conform to the requirements of Section 508 of the Rehabilitation Act of 1973?				

## Section E: Software Development

The following questions are relevant to the tools and third-party components used to develop your application, irrespective of the application being hosted by the State or the vendor.

				Response		
#	BIT	Question	YES	NO	NA	Explain answer as needed.
E1	DEV POC x	What are the development technologies used for this system?				If marked yes, indicate version.
		ASP.Net				
		VB.Net				
		C#.Net				
		.NET Framework				
		Java/JSP				
		MS SQL				
		Other				
E2	DC TEL	Is this a browser-based user interface?				
E3	DEV POC	Will the system have any workflow requirements?				
E4	DC	Can the system be implemented via Citrix?				
E5	DC	Will the system print to a Citrix compatible networked printer?				
E6	TEL	If your application does not run under the latest Microsoft operating system, what is your process for updating the application?				
E7	DEV	Identify each of the Data, Business, and Presentation layer technologies your product would use and provide a roadmap outlining how your release or update roadmap aligns with the release or update roadmap for this technology.				
E8	TEL x	Will your system use Adobe Air, Adobe Flash, Adobe ColdFusion, Apache Flex, Microsoft Silverlight, PHP, Perl, Magento, or QuickTime? If yes, explain?				
E9	DEV	To connect to other applications or data, will the State be required to develop custom interfaces?				
E10	DEV	To fulfill the scope of work, will the State be required to develop reports or data extractions from the database? Will you provide any APIs that the State can use?				
E11	DEV POC	Has your company ever integrated this product with an enterprise service bus to exchange data between diverse computing platforms?				
E12	DC	a. If the product is hosted at the State, will there be any third-party application(s) or system(s) installed or embedded to support the product (for example, database software, run libraries)?				
		b. If yes, please list those third-party application(s) or system(s).				
E13	DEV	What coding and/or API standards are used during development of the software?				
E14	DEV	Does the software use closed-source Application Programming Interfaces (APIs) that have undocumented functions?				
E15	DEV	How does the software's exception handling mechanism prevent faults from leaving the				

		software, its resources, and its data (in memory and on disk) in a vulnerable state?				
<b>E16</b>	DEV	Does the exception handling mechanism provide more than one option for responding to a fault? If so, can the exception handling options be configured by the administrator or overridden?				
<b>E17</b>	DEV	What percentage of code coverage does your testing provide?				
<b>E18</b>	DC	a. Will the system infrastructure involve the use of email?				
		b. Will the system infrastructure require an interface into the State's email infrastructure?				
		c. Will the system involve the use of bulk email distribution to State users? Client users? In what quantity will emails be sent, and how frequently?				
<b>E19</b>	TEL x	a. Does your application use any Oracle products?				
		b. If yes, what product(s) and version(s)?				
		c. Do you have support agreements for these products?				
<b>E20</b>	DC	Explain how and where the software validates (e.g., filter with whitelisting) inputs from untrusted sources before being used.				
<b>E21</b>	TEL	a. Has the software been designed to execute within a constrained execution environment (e.g., virtual machine, sandbox, chroot jail, single-purpose pseudo-user)?				
		b. Is it designed to isolate and minimize the extent of damage possible by a successful attack?				
<b>E22</b>	TEL	Does the program use run-time infrastructure defenses (such as address space randomization, stack overflow protection, preventing execution from data memory, and taint checking)?				
<b>E23</b>	TEL	If your application will be running on a mobile device, what is your process for making sure your application can run on the newest version of the mobile device's operating system?				
<b>E24</b>	DEV	Do you use open-source software or libraries? If yes, do you check for vulnerabilities in your software or library that are listed in:				
		a. Common Vulnerabilities and Exposures (CVE) database?				
		b. Open Web Application Security Project (OWASP) Top Ten?				



**F. Infrastructure**

The following questions are relevant to how your system interacts with the State's technology infrastructure. If the proposed technology does not interact with the State's system, the questions can be marked "NA".

			Response			
#	BIT	Question	YES	NO	NA	Explain answer as needed.
F1	DC	Will the system infrastructure have a special backup requirement?				
F2	DC	Will the system infrastructure have any processes that require scheduling?				
F3	DC	The State expects to be able to move your product without cost for Disaster Recovery purposes and to maintain high availability. Will this be an issue?				
F4	TEL x	Will the network communications meet Institute of Electrical and Electronics Engineers (IEEE) standard TCP/IP (IPv4, IPv6) and use either standard ports or State-defined ports as the State determines?				
F5	DC x	It is State policy that all systems must be compatible with BIT's dynamic IP addressing solution (DHCP). Would this affect the implementation of the system?				
F6	TEL x	It is State policy that all software must be able to use either standard Internet Protocol ports or Ports as defined by the State of South Dakota BIT Network Technologies. Would this affect the implementation of the system? If yes, explain.				
F7	DC	It is State policy that all HTTP/SSL communication must be able to be run behind State of South Dakota content switches and SSL accelerators for load balancing and off-loading of SSL encryption. The State encryption is also PCI compliant. Would this affect the implementation of your system? If yes, explain.				
F8	DC x	The State has a virtualize first policy that requires all new systems to be configured as virtual machines. Would this affect the implementation of the system? If yes, explain.				
F9	TEL x	It is State policy that all access from outside of the State of South Dakota's private network will be limited to set ports as defined by the State and all traffic leaving or entering the State network will be monitored. Would this affect the implementation of the system? If yes, explain.				
F10	TEL	It is State policy that systems must support Network Address Translation (NAT) and Port Address Translation (PAT) running inside the State Network. Would this affect the implementation of the system? If yes, explain.				
F11	TEL x	It is State policy that systems must not use dynamic Transmission Control Protocol (TCP) or User Datagram Protocol (UDP) ports unless the system is a well-known one that is state firewall supported (FTP, TELNET, HTTP, SSH, etc.). Would this affect the implementation of the system? If yes, explain.				
F12	DC	The State of South Dakota currently schedules routine maintenance from 0400 to 0700 on Tuesday mornings for our non-mainframe environments and once a month from 0500 to 1200 for our mainframe				

		environment. Systems will be offline during this scheduled maintenance time periods. Will this have a detrimental effect to the system?				
<b>F13</b>	POC TEL	Please describe the types and levels of network access your system/application will require. This should include, but not be limited to TCP/UDP ports used, protocols used, source and destination networks, traffic flow directions, who initiates traffic flow, whether connections are encrypted or not, and types of encryption used. The Contractor should specify what access requirements are for user access to the system and what requirements are for any system level processes. The Contractor should describe all requirements in detail and provide full documentation as to the necessity of the requested access.				
<b>F14</b>	POC x	List any hardware or software you propose to use that is not State standard, the standards can be found at: <a href="https://bit.sd.gov/bit?id=bit_standards_overview">https://bit.sd.gov/bit?id=bit_standards_overview</a> .				
<b>F15</b>	DC	Will your application require a dedicated environment?				
<b>F16</b>	DEV POC	Will the system provide an archival solution? If not, is the State expected to develop a customized archival solution?				
<b>F17</b>	DC TEL	Provide a system diagram to include the components of the system, description of the component, and how the components communicate with each other.				
<b>F18</b>	DC	Can the system be integrated with our enterprise Active Directory to ensure access is controlled?				
<b>F19</b>	TEL x	It is State policy that no equipment can be connected to State Network without direct approval of BIT Network Technologies. Would this affect the implementation of the system?				
<b>F20</b>	DC x	Will the server-based software support:				
		a. Windows server 2016 or higher				
		b. IIS7.5 or higher				
		c. MS SQL Server 2016 standard edition or higher				
		d. Exchange 2016 or higher				
		e. Citrix XenApp 7.15 or higher				
		f. VMWare ESXi 6.5 or higher				
		g. MS Windows Updates				
		h. Windows Defender				
<b>F21</b>	TEL x	All network systems must operate within the current configurations of the State of South Dakota's firewalls, switches, IDS/IPS, and desktop security infrastructure. Would this affect the implementation of the system?				
<b>F22</b>	DC	All systems that require an email interface must use SMTP Authentication processes managed by BIT Datacenter. Mail Marshal is the existing product used for SMTP relay. Would this affect the implementation of the system?				
<b>F23</b>	DC TEL	The State implements enterprise-wide anti-virus solutions on all servers and workstations as well as controls the roll outs of any and all Microsoft				

		patches based on level of criticality. Do you have any concerns regarding this process?				
<b>F24</b>	DC TEL	What physical access do you require to work on hardware?				
<b>F25</b>	DC	How many of the vendor's staff and/or subcontractors will need access to the state system, will this be remote access, and what level of access will they require?				

**Section G: Business Process**

The following questions pertain to how your business model interacts with the State's policies, procedures, and practices. If the vendor is hosting the application or providing cloud services, questions dealing with installation or support of applications on the State's system can be marked "NA".

			Response			
#	BIT	Question	YES	NO	NA	Explain answer as needed.
G1	DC	a. If your application is hosted on a dedicated environment within the State's infrastructure, are all costs for your software licenses in addition to third-party software (i.e. MS-SQL, MS Office, and Oracle) included in your cost proposal?				
		b. If so, will you provide copies of the licenses with a line-item list of their proposed costs before they are finalized?				
G2	POC	Explain the software licensing model.				
G3	DC DEV POC	Is on-site assistance available? If so, what is the charge?				
G4	DEV POC	a. Will you provide customization of the system if required by the State of South Dakota?				
		b. If yes, are there any additional costs for the customization?				
G5	POC	Explain the basis on which pricing could change for the State based on your licensing model.				
G6	POC	Contractually, how many years price lock will you offer the State as part of your response? Also, as part of your response, how many additional years are you offering to limit price increases and by what percent?				
G7	POC	Will the State acquire the data at contract conclusion?				
G8	POC	Will the State's data be used for any other purposes other than South Dakota's usage?				
G9	DC	Has your company ever filed for Bankruptcy under U.S. Code Chapter 11? If so, please provide dates for each filing and describe the outcome.				
G10	DC	Has civil legal action ever been filed against your company for delivering or failing to correct defective software? Explain.				
G11	DC	Please summarize your company's history of ownership, acquisitions, and mergers (both those performed by your company and those to which your company was subjected).				
G12	DC	Will you provide on-site support 24x7 to resolve security incidents? If not, what are your responsibilities in a security incident?				
G13	DEV	What training programs, if any, are available or provided through the supplier for the software? Do you offer certification programs for software integrators? Do you offer training materials, books, computer-based training, online educational forums, or sponsor conferences related to the software?				
G14	DC TEL	Are help desk or support center personnel internal company resources or are these services				

		outsourced to third parties? Where are these resources located?				
<b>G15</b>	DC	Are any of the professional services you plan to provide located outside the United States (e.g., help desk or transcription services)?				
<b>G16</b>	DC	Is the controlling share (51%+) of your company owned by one or more non-U.S. entities?				
<b>G17</b>	DC	What are your customer confidentiality policies? How are they enforced?				
<b>G18</b>	DC POC x	Will this application now or possibly in the future share PHI with other entities on other networks, be sold to another party, or be accessed by anyone outside the US?				
<b>G19</b>	DC	If the product is hosted at the State, will there be a request to include an application to monitor license compliance?				
<b>G20</b>	DC POC	Is telephone assistance available for both installation and use? If yes, are there any additional charges?				
<b>G21</b>	DC TEL	What do you see as the most important security threats your industry faces?				



# **Information Technology Security Policy**

Contractor Version 6.0

March 2022

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## ITSP Change Log

Policy Number	Policy Title	New	Revised	Deleted
1.1.4.2	Chief Information Security Officer		03/01/2020	
10.1	Background Checks		03/01/2020	
10.11	Governance of Regulated Data within Information Systems	03/01/2020		
230.10.4.1	Hardware Maintenance Agreements			03/01/2020
230.11	Federal Tax Information and Federal Parent Locator Service Information		03/01/2020	
230.58.4.2	Physical Access to BIT Offices	03/01/2020		
230.67.4.5	Non-State Accounts	03/01/2020		
230.70.4.1	Authentication for Remote Access to the Data Center			03/01/2020
230.73.4.10	Banned Hardware	03/01/2020		
401.1.4.4	Developer Configuration Management		03/01/2020	
401.3.4.2	APM Assessment of Risk	03/01/2020		
401.3.4.3	Security Assessment Report		03/01/2020	
401.3.4.4	Annual Review		03/01/2020	
401.9	Software Development Life Cycle	03/01/2020		
410.1	Azure DevOps Server		03/01/2020	

Staff Augmentation Contractors must follow the BIT Version of the ITSP.

## General-Information Technology Security Policy-Introduction

### 1.1.1. Overview

This **Information Technology (IT) Security Policy** has been developed by the Bureau of Information & Telecommunications (BIT) of the State of South Dakota. The **Information Technology Security Policy** provides guidance regarding cyber security policies of the State relevant to the IT goals, beliefs, ethics, and responsibilities. Specific procedures that State employees and contractors must follow to comply with the security objectives are identified.

The objective of the **Information Technology Security Policy** is to provide a comprehensive set of cyber security policies detailing the acceptable practices for use of State of South Dakota IT resources. The security policies and procedures set forth are to accomplish the following:

- Assure proper implementation of security controls within the BIT environment.
- Assure government data is protected regardless of hosting location.
- Demonstrate commitment and support to the implementation of security measures by BIT and Executive management.
- Avoid litigation by documenting acceptable use of State IT resources.
- Achieve consistent and complete security across the diverse technology infrastructure of the State and hosted State data.

The **Information Technology Security Policy**, when combined with individual, specific security procedures, provides a comprehensive approach to security planning and execution to ensure that State managed assets are afforded appropriate levels of protection against destruction; loss; unauthorized access, change, or use; and disruption or denial of service.

BIT is responsible for maintaining and updating this policy. An updated version of the Information Technology Security Policy will be posted to the Intranet annually the first of March. The Commissioner of BIT or the Chief Information Security Officer can authorize an out of cycle or special edition to be released.

Information Technology Security is based on three principles:

- Confidentiality
- Integrity
- Availability

**Confidentiality** - ensuring that only permitted individuals are able to view information pertinent to apply defined responsibilities.

**Integrity** - the information is accurate because nothing has been changed or altered.

**Availability** - the technology infrastructure and services built upon that infrastructure are not intentionally disrupted and are available for use by the clientele in a dependable and reliable manner.

Each individual policy defined herein falls within one or more of these guiding principles.

Information Technology security requires on-going vigilance, and employees should understand the importance of cyber security in the protection of State data and technology resources along with the personal/home computing/data assets of every individual. Guardianship of State data, infrastructure, and applications is a critical priority for BIT. The effort is complicated by the balance needed between usability/service and meaningful protection.

**BIT Mission Statement**

The Bureau of Information and Telecommunications (BIT) strives to partner and collaborate with clients in support of their missions through innovative information technology consulting, systems, and solutions.

#### Vision

Through our highly motivated staff - we will be a Leader and valued partner in providing technology solutions, services, and support that directly contribute to the success of our clients.

#### Goals:

##### **Provide a Reliable, Secure and Modern Infrastructure.**

Provide a well-designed and architected secure computing and communications environment to ensure optimal service delivery to business. Architecture and process will be optimized to support agile and reliable computing and communication services.

Technology assets must be high performing and dependable to ensure services are available whenever needed. Centralization, standardization, and collaboration are vital to efficiently leverage investments. To maintain public trust, we must secure data and technology assets through leading security tools, policies, and practices.

##### **Deliver Valuable Services at Economical Costs.**

Develop innovative and cost-effective solutions through collaboration, cooperation, and in partnership with our clients. The solution sets include developing customized business solutions, efficient project management services, and productive relationships with clients.

Regarding our citizens interacting with their government: "People should be online, not waiting in line."

##### **Build and Retain a Highly Skilled Workforce.**

Improve the effectiveness, productivity, and satisfaction of employees in order to attract (and retain) a highly qualified workforce to foster individual innovation and professional growth. Appropriate training and tools will be provided to enhance and improve career skills in the workforce.

Information technology systems are critical, valuable assets. Policies relating to the valuable assets are important to ensure that all entities receive adequate information to enable the department, office, and agency to provide a basic level of protection to the technology systems.

##### **Security is not accomplished at a single point or by a single individual! (Or in a single point in time!)**

Instead of relying on one person or a firewall or anti-virus software or some other single piece of hardware or software, a series of assets and entities together build a safe computing environment. Technically, a layered approach is taken to accomplish security within the State which is called the Information Technology (IT) Security Model. A foundation is established; additional layers may build on the previous layer or may also act independently to provide separate security measures. Each point of accessibility into the wired and wireless network creates security concerns. Security is not limited to technology. A critical portion of cyber security is the human aspect.

##### **Information Technology Security Model**

The different technology layers of the Information Technology Security Model create opportunities for implementing security:

- User Education involves the training of employees to ensure that proper awareness is brought to the topic of security including steps to take when incidents occur that are outside of the scope of the daily work routine.
- Physical Access is taking appropriate steps to physically safeguard technical equipment such as outlining procedures to prevent workstations from being stolen which can include limiting access to a particular room or locking up the device in a cabinet.
- Network Access includes protecting the State Network from unauthorized access via internal methods and from outside our physical offices. Because technology can be manipulated by individuals or workstations to create a detrimental outcome, safeguards must be implemented to prevent, thwart, and repel workstation attacks from inside State Government and the Internet; access protection is not limited to workstations, it includes smartphones, Internet of Thing devices, environmental controls, and network - network connectivity.

- Workstation Platform means taking advantage of the inherent feature sets of workstation platforms. For example, user id and password capabilities must be used as intended within the workstation platform.
- Cyber Strength Evaluation of business software must apply across in-house developed and third party built or supplied software applications. New applications must be tested before being placed into service and existing applications must be re-evaluated on a regular basis.
- Cyber security language is incorporated within all information technology (I/T) requests for proposals and I/T contracts.
- Information System security entails designing the necessary security features and permissions to ensure that only legitimized staff have proper resource access. The design must consider areas such as viewers of departmental data to individuals that can add data or update records.
- Data security is the protection of the asset; often referred to as the "money in the vault". Ensuring that data is only accessible by permitted applications and personnel is the core of the security model. The data could be credit card numbers, social security numbers, health records, or financial information.

### Partners

The IT Security model goal is to ensure that the hardware, software, and data technology assets of the State are protected in a reasonable and prudent manner. Planning, cooperation, and assistance from many different entities is required to meet the goal. The State has various partners in cyber security efforts. BIT must continue to evolve relationships with:

- State government of South Dakota branches, departments, and constitutional offices
- Internet Service Providers
- Multi-State Information And Sharing Center (MS ISAC)
- Department of Homeland Security
- State Fusion Center
- Federal Bureau of Investigation (FBI) - InfraGard program
- National Association of State Technology Directors (NASTD)
- National Association of Chief Information Officers (NASCIO)
- SysAdmin, Audit, Networking and Security (SANS)
- Microsoft, Inc.
- Symantec, Inc.
- US CERT
- A variety of hardware and software contractors.

All of these organizations contribute to the development of cyber security information sharing, policies, procedures, and metrics. In return, specific reporting is distributed amongst the partners.

### Roles and Responsibilities

In the application of information technology, BIT is responsible for providing leadership, policy, and technical support to all agencies of the Executive branch of the State of South Dakota. Also, various levels of support are provided to the Judicial branch, constitutional offices of government, K-12 education, and higher education. In addition to data center operations and related end user and customer support services, the broad statement of roles and responsibilities encompasses major information resource functions such as development, delivery, administration of voice, data, and video, applications - to include services, software, hardware selection, installation, and support.

Individual roles and responsibilities are defined herein; the following responsibilities are shared by all:

- Participate in information security awareness program activities.
- Read, understand, and follow the policies defined in the **Information Technology Security Policy**.
- Report all violations, security incidents, suspected, and/or attempted security incidents to BIT.

BIT Commissioner:

The Commissioner of the Bureau of Information & Telecommunications for the State of South Dakota is responsible for ensuring that:

- Reasonable security measures are taken to protect sensitive files and information.
- Enforceable security rules are created and disseminated.

- System resources are managed and monitored to ensure prudent and legitimate usage.
- Alleged security violations are addressed and problems are investigated.
- Designated individuals are responsible for design, configuration, and support of technology resources.
- Employees and Contractors are responsible for:
  - Taking the time to read, understand, and ask questions if necessary to clarify the policies defined herein.
  - Fully adhering to these policies defined herein.
- Agreeing that use of State technologies which includes equipment, applications, and resources are for work-related purposes.
- Applying recommended password policies.
- Safeguarding sensitive information whether employee / contractor is in the office or traveling for the State.
- Reporting any unusual requests for information or obvious security incidents to the BIT Service Desk.
- Immediately reporting loss of any State technology devices or data.
- Understanding that everyone is a potential target of nefarious individuals seeking 'social engineering' information to be used for illegally accessing State of South Dakota systems and technologies; Hence, be aware that any information provided to outside entities can be dangerous.
- Protecting information technology assets by following policies and procedures.
- Ensuring each individual is authorized to use a given technical asset.
- Understanding and complying with the policies, procedures, and laws related to conditions of use authorizing access to BIT systems and data.
- Not subverting or attempting to subvert security measures.
- Department, Office, Division, or Group Managers are responsible for:
  - Creating, disseminating, and enforcing conditions of use for technology and applications in areas of responsibility.
- Responding to concerns regarding alleged or real violations of this policy.
- Ensuring that their employees understand security responsibilities.
- Monitoring the use of South Dakota technology resources by observing usage.
- Determining the access requirements of staff, and ensuring completion of the appropriate forms, including all required authorizations for the application(s) requested by insuring only legitimate staff have access to the set of functions needed to perform defined tasks.
- Communicating terminations and status changes of individuals immediately to the Bureau of Human Resources (BHR) through BHR-defined procedures so that BIT is notified to ensure proper deletion or revision of user access is performed.
- Ensuring a secure physical environment for the staff use of State equipment, information systems, and data.
- Bureau of Information & Telecommunications (BIT) is responsible for:
  - Taking reasonable action to assure the authorized use and security of data, networks, applications, and communications amongst these technologies.
  - Promptly responding to client questions on details relating to appropriate use of technical resources.
  - Providing advice regarding the development of conditions of use or authorized use and procedures through work order requests.
  - Ensuring that investigations into any alleged personal workstation or network security compromises, incidents, or problems are conducted.
  - Ensuring that appropriate security controls are enabled and are being followed in coordination with BIT staff that are responsible for security administration.
  - Verifying and authorizing individuals for an appropriate level of access to only the resources required to perform one's responsibilities.
  - Overseeing that an individual has the necessary security authorizations in order for the person to perform assigned duties or tasks.
  - Cooperating with appropriate departments, branches, agencies, and law enforcement officials in the course of investigation of alleged violations of policy or law.
  - Overseeing the administration of BIT employee and contractor access to BIT facilities.
  - Coordinating disaster recovery and testing exercises.



## Data Owners

All data files, information, and applications belong to the State. Authorized users or agents of the data are the State of South Dakota departments, agencies, and offices. Files in central systems belong to the account owner. Data owners are responsible for:

- Tracking the data owned/managed by the agency and agency staff.
- Providing BIT notification within 24 hours of any notices regarding federal/state/or industry audits related to any aspects of an agency data, electronic communications, or data processing.
- Working with BIT to ensure access to the data and application(s) is limited to individuals with a legitimate need for the resource access.
- Ensuring that security measures and standards are implemented and enforced in a method consistent with BIT security policies and procedures.
- Establishing measures to ensure the integrity of the data and applications found within the owner's area of responsibility.
- Authorizing individual's appropriate security access rights for accessing the data and applications that are assigned to the data owner for administration.
- Periodically reviewing access rights to determine that the level is still appropriate for authorized users or the level needs to be changed.
- Assuring a process is in place to retain or purge information according to record retention schedules as set by the Records Management office of the Bureau of Administration or other entities.
- Determining the sensitivity and criticality of the data and application based on established Federal, State, and organizational definitions.
- Compliance with system security and integrity; noncompliance and enforcement; reservation of authority and rights is expected of all employees and contractors.
- All State and contractor personnel utilizing information technology resources shall cooperate fully with the cyber security policies of the State.
- The State reserves the right to take all necessary actions to prevent the State network and computing infrastructure from being used to attack, damage, harm, or improperly exploit any internal or external systems or networks.
- The State reserves the right to take all necessary actions to protect the integrity of the State network, the systems attached to the State network, and the data contained therein.
- Violations of federal, State regulations, or any laws respecting information technology will be considered serious matters that may warrant loss of applicable privileges, fines, or more serious action as necessary, to include but not limited, appropriate disciplinary action.

Individuals with questions concerning the policies described herein should be directed to either an immediate State supervisor or the BIT Service Desk for assignment to the most pertinent BIT Division.

## Compliance and Enforcement:

All managers and supervisors are responsible for enforcing the Security Awareness policy.

Any disclosure of regulated data is subject to the Human Resource Policies of BHR.

### 1.1.2. Purpose

This Information Technology Security Policy contains information technology security policies to ensure that employees and contractors are familiar with the laws and regulations that govern use of IT systems and the data those systems contain.

### 1.1.3. Scope

The **Information Technology Security Policy** is intended to address the range of cyber security related topics. Detailed policies are listed and explained throughout the document. Security topics included are workstation, server, network, applications development, mobile, administrative, operational, and other IT areas.



The clientele served by BIT is very diverse. Including the Executive and Judicial branches of State government, local - municipal - county governments, K-12 schools, technical schools, and colleges and universities. Different policies will have a different set of impacted clienteles.

#### 1.1.3.1. Scope Assumptions

The security policies listed within the **Information Technology Security Policy** apply to State employees and contractors working on or with State of South Dakota IT equipment, data, or services. All are expected to comply with BIT cyber security policies.

#### 1.1.3.2. Scope Constraints

Contractors are not given any special privileges or dispensations regarding policies listed herein. Contractors are expected to follow all policies designated as an employee would follow them. Third party hosting companies also have a set of policies applicable to them. This set of policies is normally a subset of the entire BIT catalog of policies.

### 1.1.4. Policy

#### 1.1.4.1. General

The policy of BIT is that information is considered a valuable asset and must be appropriately evaluated and protected against all forms of unauthorized access, use, disclosure, modification, or destruction. Security controls must be sufficient to ensure the confidentiality, integrity, availability, and accountability of sensitive and critical information processed and stored on BIT resources and other hosting parties. In addition to implementing the necessary safeguards, each State department, office, and agency is required to determine that the proper levels of protection for the information for that entity exists to include information that is under the control of the department, office, or agency. The security controls that must be applied will be consistent with the classification or value of the information and associated processes that the security controls are designed to protect. Information that is considered by management to be sensitive, critical, or sensitive and critical requires more stringent controls.

#### 1.1.4.2. Chief Information Security Officer

The Commissioner of BIT shall appoint a Chief Information Security Officer (CISO) to implement the information technology security program for the State. The CISO shall seek to assure that information technology is secure at the State and shall be responsible for the following duties:

- Enforcing the provisions of the Information Technology Security Policy.
- Providing for and implementing, in cooperation with the Data Center, Development, and Telecommunications Divisions of BIT, a written process to investigate any violations or potential violations of this policy or any policy regarding system security and integrity, individually or in cooperation with any appropriate State law enforcement or investigative official.
- Implementing training and education programs to ensure government employees are aware of the risks and expected behaviors towards cyber security.
- Keeping a record of system integrity problems and incidents.
- Maintaining and updating the Information Technology Security Policies.
- Taking such emergency action as is reasonably necessary to provide system control where security is deemed to have been lost or jeopardized.
- Performing periodic security surveys.
- Providing for network security by seeking to preclude misuse of the network of the State to gain or attempt to gain unauthorized access to any system.

- Performing checks of information systems to assess system security and integrity, as well as to determine the use or placement of illegal or improper software or equipment.
- Coordinating the cyber security activities across BIT to ensure technology services and IT policies are effective in balancing security requirements vs. client needs.
- Ensuring processes are in place to remove all data before equipment is disposed or redeployed.
- Coordinating and consulting with the BIT Security Infrastructure Team (SIT), Executive Working Group on Cyber Security, other State departments, Board of Regents, K-12 community, federal Department of Homeland Security, and Multi-State Information Sharing and Analysis Center (MS-ISAC).
- Implementing decisions of the State concerning information technology security.
- Providing reports directly to the Office of the Governor where any serious security violation or potential challenge to security occurs.
- Leading the BIT Security Infrastructure Team.
- Leading the Executive Working Group on Cyber Security.
- Coordinating and entering into agreements with organizations on data-sharing.

#### **1.1.4.3. Security Infrastructure Team (SIT)**

The SIT shall, in coordination with the CISO, recommend technology solutions, written policies, and procedures necessary for assuring the security and integrity of State information technology. The SIT shall coordinate with the CISO in creating and implementing a written system to investigate any violations or potential violations of this policy or any policy regarding system security and integrity.

- The CISO shall appoint the Security Infrastructure Team members.
- The SIT shall be chaired by the CISO.
- At a minimum, the SIT communicates internally every two weeks, via a scheduled bi-weekly meeting or via email, the current security posture of the State.
- The SIT shall consist of at least one member from each of the BIT information technology divisions.
- The recommendation is that membership include multiple representation from development, systems integration, desktop support, networking.
- K-12, Regental, Judicial, Legislative, and other government entities can be invited at the discretion of the CISO.

#### **1.1.4.4. Security Operations Team (SOT)**

The Security Operations Team (SOT) shall be appointed by the CISO. The SOT meets daily to review any cyber security findings or issues with the State Infrastructure within the previous day. The SOT includes members of the Telecommunications, Data Center, and Development divisions.

- Logs are fed into the State security information and event management system and are monitored by the SOT daily. These logs include firewall, intrusion detection, intrusion prevention, desktop protection, audit logs, etc.
- The SOT meets daily to review any findings or issues.
- Plans of action are established with assignments established based on the deficiencies.

The SOT can make recommendations and suggestions to the SIT for operational considerations.

#### **1.1.4.5. BIT Executive Working Group on Cyber Security**

The Executive Working group shall be informed and educated on matters regarding cyber security. They shall offer their perspective and feedback on technology, policies and other important matters.

- At the CISO's discretion, the members of the Working group shall come from the Executive, Judicial, Legislative branches of State government, constitutional offices, K-12 public schools and higher education, and other qualified individuals.

The Group shall meet quarterly at a minimum.

## **Administrative-I/T Asset Protection-Background Checks**

### **10.1.1. Overview**

As a condition of employment, all current and prospective Bureau of Information and Telecommunications (BIT) employees and Information Technology contractors desiring to work for the State shall be screened thoroughly including verification of qualifications. Prospective employees and contractors will be notified that a background check will be done as part of the recruiting and selection process. These verifications must be performed at least once every five years.

### **10.1.2. Purpose**

Ensure that current and prospective BIT employees and Information Technology contractors do not have a criminal history that would raise suspicion as to the integrity of their employment.

### **10.1.3. Scope**

Background checks shall be limited to criminal history available through State and Federal resources.

#### **10.1.3.1. Scope Assumptions**

The scope includes BIT employees and prospective BIT employees of the Administration, Data Center, Development, and Telecommunications Divisions, South Dakota Public Broadcasting studio engineers, field engineers, and network operations center staff as well as current and prospective Information Technology contractors desiring to work for the State.

#### **10.1.3.2. Scope Constraints**

Background checks are not performed for financial or credit information.

### **10.1.4. Policy**

#### **10.1.4.1. Background Checks**

BIT requires all current and prospective BIT employees, State Technology contractors, and the South Dakota Public Broadcasting Engineering group who write or modify State of South Dakota-owned software, alter hardware, configure software of State-owned technology resources, have access to source code and/or protected personally identifiable information or other confidential information or have access to secure areas to undergo Federal fingerprint-based background checks and to have these background checks repeated at least once every five years. Failure to comply with a federal background investigation may result in disciplinary action up to and including termination of employment or the rescinding of a conditional offer of employment. These background checks must be fingerprint-based and performed by the State with support from the State's law enforcement resources. Under provisions set forth in Title 28, Code of Federal Regulations (CFR), Section 50.12, the prospective employees and contractors will be provided written notification that their fingerprints will be used

to check the criminal history records of the State and the Federal Bureau of Investigation (FBI). Identification records obtained from the FBI may be used solely for the purpose requested and may not be disseminated outside the receiving department, related agency, or other authorized entity. BIT will supply the fingerprint cards and the procedure that is to be used to process the fingerprint cards. Individuals should plan on the background check taking two to four weeks. The steps to process the background checks are found in procedures document ITSP 1010.1 Background Checks Procedures.

#### **10.1.4.2. Disqualifying Criteria**

SDCL 1-33-63 allows the Commissioner of BIT to require a Federal background investigation be performed on any current or prospective BIT employee or Information Technology contractor that has access to confidential data or information. To implement these provisions, BIT must determine and memorialize its Disqualifying Criteria policy - the specific criminal activity that operates to disqualify a person from having access to the confidential data. For purposes of this Policy, the terms "employee or contractor" means "potential or current BIT employee or Information Technology contractor."

1. An employee or contractor may not have access to confidential data if the individual has been convicted of a felony within 5 years of the date of the most recent criminal background check or any time thereafter.
  1. Employees or contractors involved with technology associated with the division of the South Dakota Lottery must meet the qualifications defined in SDCL 42-7A-14. Primarily, this extends the period beyond completing felony sentencing to 10 years, rather than 5 as defined in A. above.
2. If the employee or contractor has been convicted of a crime not included in Paragraph A, the employee or contractor is not automatically disqualified from having access to confidential data. The determination of whether such an employee or contractor may have access to confidential data will be made on an individual basis. The considerations will include but not be limited to:
  1. The nature of the conviction, particularly if it is a crime of dishonesty, a financial crime, an identity crime, or a crime involving the misuse of confidential information.
  2. The length of time between the offense and the employment decision.
  3. The number of offenses.
  4. The relatedness of the conviction to the duties and responsibilities of the position.
  5. The efforts at maintaining a clean record.
  6. The number of crimes committed.
3. The determination required by Paragraph B will be made by the BIT Chief Information Security Officer (CISO) in consultation with the applicable Division Director.
4. Under no circumstances may an employee or contractor have access to confidential data if the individual is disqualified by this policy.
5. If a position within the BIT requires an employee or contractor to have access to confidential data as an essential part of the job function, the individual's failure to undergo or to successfully pass a criminal background check may result in termination of the employee or contractor.
6. After the adoption of this policy, no employee or contractor may be hired by BIT unless the individual undergoes and successfully passes a criminal background check pursuant to this policy.
7. The hiring of support staff positions and promotions within support staff positions may be excluded from this policy.

#### **10.1.4.3. Noncriminal Agency Coordinator (NAC)**

The CISO is designated as a Noncriminal Agency Coordinator (NAC) to act as the primary contact person for BIT.

#### **10.1.4.4. Local Agency Security Officer (LASO)**

The CISO is appointed as a Local Agency Security Officer (LASO) to act as liaison with the South Dakota Division of Criminal Investigation (SDDCI) to ensure the BIT follows security procedures.

#### **10.1.4.5. Background Check Interpretation**

When an explanation of a charge or disposition is needed, the BIT NAC will communicate directly with the agency (SDDCI) that furnished the data to the FBI.

#### **10.1.4.6. Not Guilty Presumption**

An individual should be presumed not guilty of any charge/arrest for which there is no final disposition stated on the record or otherwise determined.

#### **10.1.4.7. Background Check Information Challenge**

An opportunity to challenge and discuss the disqualification due to information found in the criminal history records of the FBI will be provided to the applicant for five days, if requested. Due to the confidential nature of the criminal history records of the FBI and the restrictions on disclosure of the records, it may be discussed that the applicant was disqualified because of criminal history information; however, the specific FBI results may not be disclosed to the applicant, neither in writing nor verbally. Under provisions set forth in Title 28, CFR, Section 50.12, if the information on the record is used to disqualify an applicant, the official making the determination of suitability for licensing or employment shall provide the applicant the opportunity to complete, or challenge the accuracy of, the information contained in the FBI Identification record. The deciding official should not deny the license or employment based on the information in the record until the applicant has been afforded a reasonable time to correct or complete the information or has declined to do so.

#### **10.1.4.8. Corrective Action**

If the applicant wishes to correct the record as it appears in the FBI's Criminal Justice Information Services (CJIS) Division Records System, the applicant should be advised that the procedures to change, correct, or update the record are set forth in Title 28, CFR, Section 16.34.

#### **10.1.4.9. Training**

BIT will comply with mandatory training requirements as outlined in the South Dakota Division of Criminal Investigation Guide for Noncriminal Justice Agencies. All personnel directly associated with accessing, maintaining, processing, dissemination, or destruction of Criminal History Record Information (CHRI) shall be trained.

#### **10.1.4.10. Emailing Background Check Information**

It is prohibited to mail criminal history background check information either as an email or as an attachment to email. Individuals are prohibited from opening any email that contains background check information. They must report the occurrence to their supervisor and delete the email.

## **Administrative-I/T Asset Protection-Confidentiality**

### **10.3.1. Overview**

All BIT employees and contracted technology professionals shall be granted appropriate access to information, agency documents, records, programs, files, diagrams, and pertinent data resources needed to fulfill the job responsibilities of an individual or a contractual agreement. In return, it is expected that such data is treated as a

trade secret and individuals will not modify data or disclose data to others without proper authorization. Products resulting from employment or custom-built solutions for government agencies are the property of the State.

### **10.3.2. Purpose**

To ensure that employees are familiar with the laws that govern use of information technology systems and the data contained within those systems and that employees and contractor comply with such laws.

### **10.3.3. Scope**

This policy applies to BIT and technology contractors of the State. It includes the protection of sensitive data in addition to the work products built under State guidance. Individuals shall maintain confidentiality and data integrity of documents, records, configurations, programs, and files and understand that work products resulting from such efforts are the property of the State.

#### **10.3.3.1. Scope Assumptions**

The confidentiality and data integrity responsibility of BIT employees and contractors extends to, but is not limited to systems, software, data, configurations, architectures / designs, documentation, and infrastructure information developed on its own or acquired from third parties. Customized work products including specific-built software solutions are the property of the State.

#### **10.3.3.2. Scope Constraints**

Agencies will have their own data protection and confidentiality agreements. Leased and licensed software is exempt from this policy.

### **10.3.4. Policy**

#### **10.3.4.1. Confidentiality Agreement**

The individual must not, at any time, use or disclose any trade secrets or confidential information of the State to anyone, include agencies or contractors that have business with the State, without written permission from the BIT Commissioner, except as required to perform duties for the State. The individual agrees to adhere to all data processing and technology policies governing the use of the technology infrastructure of the State. The individual agrees that all developments made and works created by the individual in connection with the contractual agreement of the State shall be the sole and complete property of the State, and all copyrights and other proprietary interest, therein, shall belong to the State. Upon the request of the State to include the termination of the employment of the person, the individual will leave all reports, messages, programs, diagrams, documentation, code, memoranda, notes, records, drawings, manuals, flow charts, and any other documents whether manual or electronic pertaining to the State, including all copies thereof, with BIT to include all data resources whether manual or electronic involving any trade secrets or confidential information of the State to include agencies or contractors that have business with the State.

#### **Complying with Legal Obligations**

Employees and contractors are subject to Federal, State and local laws governing the use of information technology systems and the data contained in those systems.

- BIT shall comply with all applicable laws and take measures to protect the information technology systems and the data contained within information systems. Agencies must take the initiative to comply with applicable laws and regulations pertaining to their field of business.



- BIT shall ensure that all BIT employees and technology contractors are aware of legal and regulatory requirements that address the use of information technology systems and the data that reside on those systems.
- Agencies shall ensure that each public employee and other agency authorized users are provided with a summary of the legal obligations that apply to that agency such as HIPAA, etc.

### 10.3.4.2. Security Acknowledgement and Access

Once chosen, contractors must identify all individual contractors that will be participating in work for the State and begin participating after the work has begun. Contractors working with the State shall be required to sign the *Security Acknowledgement form* ( <http://intranet.bit.sd.gov/forms/> ). All BIT employees and contractors need to have a copy signed and filed. Contractor access to the technology infrastructure of the State is closely managed and limited. Contractors do not have the same degree of access nor privileges given to State employees. At the sole discretion of BIT, access for a contractor to the technology infrastructure of the State can be amended or terminated.

## Administrative-I/T Asset Protection-Governance of Regulated Data within Information Systems

### 10.11.1. Overview

Standards for the governance of regulated data within information systems.

### 10.11.2. Purpose

This policy states the requirements for acquisitions and contracts with third parties as the contracts include information systems containing regulated data.

### 10.11.3. Scope

The scope of the policy includes all software or hardware processing, transferring or housing regulated data within BIT.

#### 10.11.3.1. Scope Assumptions

The State of South Dakota hereby recognizes the status of the State as a carrier of regulated data under the definitions contained in State and federal regulations; "The State of South Dakota must comply with State and federal regulations pertaining to the establishment and management of an appropriate cyber security program in accordance with the regulatory requirements;" Compliance with regulations is mandatory and failure to comply can bring severe sanctions and penalties. BIT recognizes that data stored in BIT data centers is subject to this policy. Contracts and third-party agreements that store regulated data in any non-BIT managed data center must contain language outlined in this policy.

#### 10.11.3.2. Scope Constraints

Business associate agreements referenced herein are the responsibility of the agency. BIT is not a party to those agreements.

### 10.11.4. Policy

#### **10.11.4.1. Acquisitions**

Whenever the information systems contain regulated data, the agencies must:

- Include the following requirements and specifications, explicitly or by reference, in information system acquisition contracts based on an assessment of risk and in accordance with applicable federal laws, executive orders, directives, policies, regulations, and standards:
  - Security functional requirements and specifications
  - Security-related documentation requirements
  - Developmental and evaluation-related assurance requirements.
- Ensure third party providers of information systems used to process, store, or transmit the information are secure by designing and implementing the information system using security engineering principles.
- Perform configuration management during information system design, development, implementation, and operation; manage and control changes to the information system. The agency shall implement only organization-approved changes, document approved changes to the information system, and track security flaws and flaw resolution.
- Obtain, protect as required, and make available to authorized personnel adequate documentation for the information system;
- Comply with software usage restrictions enforcing explicit rules governing the installation of software by users.
- Ensure the information system developers create a security test and evaluation plan, implement the plan, and document the results.
- Manage the information system using a system development life cycle methodology that includes information security considerations.

#### **10.11.4.2. Contracts with Third Parties**

- For every Business Associate or third party identified, a contract or other written agreement must be in place.
- The agreement must document satisfactory assurances that the business associate or third party meets the applicable requirement set forth in the HIPAA Security Rule, the IRS 1075 for which the protected information is regulated, and any other federal laws or regulations. It must provide that all appropriate cyber safeguards will be implemented including administrative, physical, and technical; that all safeguards reasonable and appropriate that protect the confidentiality, integrity, and availability of regulated information are implemented by the business associate or third party.
- The agreement must identify roles and responsibilities of each party. The definitions must provide that the agents of both the business associates or third parties also comply with the agreement.
- The agreement must allow for the contract to be updated by the covered entity as appropriate by regulatory law.
- The agreement must provide that all business associates or third parties will report any and all security incidents to the covered entity which the business associate or third party suffers.
- The agreement must establish a process for measuring contract performance and terminating the contract if security requirements are not being met by the business associate or third party.
- The agreement must provide that the business associate or third party will authorize termination of the agreement if the contract is materially breached.
- An arrangement other than a business associates' contract is permissible if reasonable and appropriate in a situation when both entities are government entities or if the business associate or third party is required by law to perform a function or activity on behalf of a covered entity. A memorandum of understanding or reliance on law or regulation that requires equivalent actions on the part of the business associate or third party is acceptable only in these situations. The law, regulation, or memorandum that



assures the governmental entities will implement all required safeguards in transactions between the entities must be documented in the agreement.

#### **10.11.4.3. Third Party Management Requirements (HIPAA, IRS) - DSS**

All entities that are Business Associates under the HIPAA Security Rule and all third-party services that have been acquired for IRS information systems purposed must be identified.

## **Mainframe-Mainframe Security-Mainframe Accounts**

### **210.3.1. Overview**

This policy covers the mandatory use of individual User IDs to control access to specific mainframe resources.

### **210.3.2. Purpose**

To protect mainframe resources from unauthorized or inappropriate access unique User IDs are used. Rights are granted case-by-case allowing for auditing of both successful and unsuccessful access attempts that can be tracked for security audits.

### **210.3.3. Scope**

Mainframe security requirements apply all those who have access to or use mainframe resources administered by BIT.

#### **210.3.3.1. Scope Assumptions**

This policy applies to those who use or wish to use and/or have access to mainframe resources.

#### **210.3.3.2. Scope Constraints**

This policy applies to only to those who wish or do use or access any mainframe resources. It does not necessarily apply to resources on Windows, Unix, or AS/400 platforms.

### **210.3.4. Policy**

#### **210.3.4.1. Unique Account Requirement**

All mainframe resources are protected by one or more mainframe security systems. Each individual that requires access to mainframe resources must have a unique User ID which allows for viewing, updating, creating or deleting of protected resources controlled by least one of the security systems.

#### **210.3.4.2. Requests for Mainframe User IDs**

Access to mainframe systems and data is granted only when a specific business need is proven, as defined by BIT client departments and BIT Mainframe Security Administration. All access for department personnel must be requested in writing to the BIT Service Desk using the *Employee Request Form (New/Move)* at the BIT Intranet <http://intranet.bit.sd.gov/forms>. All requests must be made by department personnel authorized to make such

requests and access will be assigned based on the principle of least privilege, which requires that a user be given no more privilege than necessary to perform a job.

#### **210.3.4.3. Responsibility for Mainframe User IDs and Passwords**

All client user access to mainframe resources is identified by assigned mainframe User IDs and authenticated by passwords. Individuals that have been assigned an individual mainframe User ID are considered the owner of the ID and are responsible for securing and protecting its password. Individuals must not write the password on paper, post the password on terminals, save the password in computer files or allow the password to be known by other individuals. Individuals on record as being the owner of an ID are responsible for all valid or invalid access made by that ID. Unauthorized access to State or Federally protected data may be prosecuted by State and Federal authorities.

## **Mainframe-Mainframe Security-Mainframe Accounts**

### **210.4.1. Overview**

This policy covers the mandatory use of individual User IDs to control access to specific mainframe resources.

### **210.4.2. Purpose**

To protect mainframe resources from unauthorized or inappropriate access unique User IDs are used. Rights are granted case-by-case allowing for auditing of both successful and unsuccessful access attempts that can be tracked for security audits.

### **210.4.3. Scope**

Mainframe security requirements apply to all those who have access to mainframe resources administered by BIT.

#### **210.4.3.1. Scope Assumptions**

This policy applies to those who use or wish to use and/or have access to mainframe resources.

#### **210.4.3.2. Scope Constraints**

This policy applies only to those who wish to or do use or access any mainframe resources. It does not apply to resources on Windows, UNIX or mobile devices.

### **210.4.4. Policy**

#### **210.4.4.1. Mainframe User ID Revocation**

Mainframe user IDs will be disabled if they are not used within forty-five days and will need to be reset by the BIT Service Desk.

## **Mainframe-Mainframe Security-Mainframe Access**

## **210.25.1. Overview**

This policy covers requirements that must be met before physical access will be granted to the BIT Computer Room.

## **210.25.2. Purpose**

The purpose of this policy is to protect physical mainframe resources from unauthorized access through the use of physical access requirements.

## **210.25.3. Scope**

These security requirements apply those who have a need to gain physical access to the location that houses mainframe hardware administered by the BIT.

### **210.25.3.1. Scope Assumptions**

The policy applies to those who wish to gain physical access to the BIT Computer Room.

### **210.25.3.2. Scope Constraints**

This policy applies to only to those who wish to access the BIT Computer Room. It does not necessarily apply to other facilities or rooms administered by BIT personnel.

## **210.25.4. Policy**

### **210.25.4.1. Mainframe Access**

For security reasons, BIT maintains what is referred to as a "closed" computer room. No individuals, other than BIT Operations personnel, are permitted in the mainframe computer room unless the person can show a need to be in the room, provide a form of photo identification, and sign in and sign out. Individuals who meet these requirements must also be escorted by Data Center staff at all times.

## **Server-Server Security-Server Maintenance and Administration**

## **220.1.1. Overview**

Servers require maintenance. Failure to maintain a server exposes the State to unacceptable security risks. Allowing server patching status to be visible outside a network can also expose the network to unacceptable risk. Out-of-date systems that are accessible from the Internet may have vulnerabilities related to the application servers or the application framework. There can be design flaws or implementation bugs. Hackers look for evidence of weak links in cyber defenses. A successful exploitation may result in data loss, bad reputation, loss of credibility, or financial problems.

## **220.1.2. Purpose**

This empowers BIT to manage State enterprise servers and provide for secure server maintenance on any network State data and applications reside.

### **220.1.3. Scope**

This policy covers BIT managed enterprise servers, Contractor managed servers connecting to the State network, and Contractor managed networks that host State data and/or applications.

#### **220.1.3.1. Scope Assumptions**

A server is connected to the State network or hosts state data and/or applications.

#### **220.1.3.2. Scope Constraints**

This only applies to the State's enterprise distributed system that hosts state data and/or applications. This policy does not include the State mainframe, AS/400, desktop, and mobile devices.

### **220.1.4. Policy**

#### **220.1.4.1. Visibility of Server and Framework Patching Status**

The server patch status will not be visible outside a network hosting State data and/or application. This policy applies to both the State network and Contractor networks that host State data or applications.

## **Server-Server Security-File Transfer Protocol**

### **220.7.1. Overview**

The State supported FTP server is meant for short term storage only and is not meant as a permanent data store. The FTP service should be used for applications uploading or downloading files that have a limited lifespan, transfer of files of large size, and temporary placement for files to be downloaded outside the technology infrastructure of the State. The FTP server is not backed up and all files placed on the server have a lifespan of seven days. If the files are not removed after seven days, the data will be automatically deleted. The FTP server is secured to the Internet; in order for outside entities to get into the FTP server, an FTP username and password is required. In addition, the FTP server is secured from internal clients of the State through the configuration of the permissions for the device. By default, all State users have Read, Write and Delete access while internet users have no access.

- All access will require a user id and password. Anonymous FTP is not acceptable;
- Retention period on all files will be limited to seven calendar days. Individual files will be deleted after seven days of storage.

### **220.7.2. Purpose**

To limit the volume of data storage on the FTP server and assure the FTP server serves the purpose for which it is intended, namely a reliable way to temporarily store data that is being transferred into or out of the state.

### **220.7.3. Scope**

The scope is the use of the State's FTP server within the State domain.

#### **220.7.3.1. Scope Assumptions**

This policy only covers only the State's FTP server within the State domain.

#### **220.7.3.2. Scope Constraints**

This policy only applies to the State's FTP server and its use as a temporary storage location. It does not apply to any other data storage locations or data-transfer processes.

### **220.7.4. Policy**

#### **220.7.4.1. Use of File Transfer Protocol Server**

Internet users shall use the available FTP software to get to the FTP server. The FTP server is meant for short term storage only and is not meant as a permanent data store. Copying or retrieving files from the FTP server by Internet clients is not allowed unless an account is created for the individual or company. Contact the BIT Service Desk to request access to the available FTP software and/or the steps, costs, and authorizations required to create an FTP account for a non-State user.

## **Server-Server Security-Assurance HIPAA Regulations are Met**

### **220.10.1. Overview**

BIT will establish and maintain the security and privacy of electronic Health Insurance Portability and Accountability Act (HIPAA) information created, used, transmitted, stored, and destroyed by State employees and/or the State in accordance with Federal laws and regulations.

### **220.10.2. Purpose**

Ensure HIPAA regulations covered by title 45 of the Code of Federal Regulations (CFR) Part 160 and Part 164 are met.

### **220.10.3. Scope**

This policy applies to those who access or create HIPAA data on systems managed by BIT.

#### **220.10.3.1. Scope Assumptions**

You use HIPAA data in electronic form, electronic Personal Information (ePHI).

#### **220.10.3.2. Scope Constraints**

This policy only applies to users of HIPAA data in electronic form (ePHI).

### **220.10.4. Policy**

#### **220.10.4.1. The Data User is Responsible for Adhering to HIPAA Regulations**

Each user with access to HIPAA data is responsible for understanding federal requirements for data handling and security and accountable for any actions they take that may compromise the security or confidentiality of HIPAA data. BIT will work with HIPAA authorized agency staff and authorized federal audit staff as well as written

federal rules and regulations to assure security and access controls are in place to meet 45 CFR Part 160 and Part 164 and other applicable rules and regulations relating to electronic HIPAA information created, used, transmitted, stored, and destroyed on technology managed by BIT. Where deficiencies are determined to exist, BIT will work with the appropriate resources within the State and the applicable federal audit group to address those.

## **Data Center General-Data Center Security-Cloud Based Services and System Information**

### **230.9.1. Overview**

Cloud-based technology providers rely on a wide range of technologies and business models to offer and maintain their services. The security, reliability, portability, resilience, and long-term viability of any given service offering is largely dependent on the technologies and business models in use and the manner in which those technologies and business models are implemented, maintained, and managed.

However, it is impossible to know what the nature of the underlying technologies or business practices may be without a collaborative, detailed, and thoughtful review with the cloud-based technology provider.

BIT must approve and be a signatory to all cloud-based and remote technology service and system agreements.

### **230.9.2. Purpose**

Define BIT's authority to review, approve, and be a signatory to cloud based systems and technology services agreements used or contracted for by client agencies.

### **230.9.3. Scope**

The scope of this policy includes all executive branch technology acquisitions that use any cloud-based system or service that originates from outside the direct physical or logical control and management of BIT.

#### **230.9.3.1. Scope Assumptions**

This policy applies to any cloud-based system or services used or acquired by an agency that originates from outside the direct physical or logical control and management of BIT.

#### **230.9.3.2. Scope Constraints**

This policy does not apply to third party systems or services that are hosted at the state on BIT managed infrastructure and/or managed by BIT. This policy does not apply to systems or services for the State's K-12 or clients.

### **230.9.4. Policy**

#### **230.9.4.1. Responsibility for Cloud Based Services and Systems.**

As the approving entity for all statewide IT services and systems, including cloud-based services and systems, BIT must review, approve, and be a signatory to all agreements for acquiring or using cloud-based types of systems or services. Cloud-based technology providers include, but are not limited to, any entity that uses technologies and business processes to store, access, or manipulate state or citizen data from outside the direct

physical or logical control and management of BIT managed systems.

It is critical to plan ahead for the purchasing of these services from an IT or cloud provider. Agencies must factor in the time required for BIT staff to perform a detailed review and assessment to determine whether approval can be granted.

## **Data Center General-Data Center Security-Federal Tax Information and Federal Parent Locator Service Information**

### **230.11.1. Overview**

This policy covers safeguarding Federal Tax Information (FTI). Special handling instructions must be in place when working with FTI including the prohibition of remote access to FTI without using multi-factor authentication. This policy documents what is FTI, what is not, and what safeguards must be implemented specific to files that contain FTI.

### **230.11.2. Purpose**

To define FTI as well as the safeguards that must be in place when receiving, handling, or sharing FTI.

### **230.11.3. Scope**

This policy applies to all FTI obtained directly from the Internal Revenue Service (IRS) or from an official IRS form.

#### **230.11.3.1. Scope Assumptions**

It is assumed that individuals receiving and/or accessing FTI have a legitimate business need to do so, and have obtained the necessary permissions from the IRS to transfer information of this nature to State-owned servers and/or to access information of this nature.

#### **230.11.3.2. Scope Constraints**

This policy applies only to Federal Tax Information. This policy does not apply to information that is not FTI.

### **230.11.4. Policy**

#### **230.11.4.1. Federal Tax Information Returns and Return Information**

A return is any tax or information return, estimated tax declaration or refund claim to include amendments, supplements, supporting schedules, attachments or lists required by, and filed with the IRS by, on behalf of, or with respect to any person or entity. Examples of returns include forms filed on paper or electronically, such as Forms 1040, 941, 1120, and other informational forms, such as 1099 or W-2. Forms include supporting schedules, attachments or lists that are supplemental to or part of such a return.

Information collected or generated by the IRS regarding a person's Internal Revenue Code liability or potential liability includes but is not limited to:

- Information, including the return, that IRS obtained from any source or developed through any means that relates to the potential liability of any person under the IRC for any tax, penalty, interest, fine, forfeiture, or other imposition or offense.
- Information extracted from a return, including names of dependents or the location of business, the taxpayer's name, address, and identification number.
- Information collected by the IRS about any person's tax affairs, even if identifiers such as name, address, and identification number are deleted.
- FTI may include PII. FTI may include the following PII elements, the:
  - Name of a person with respect to whom a return is filed.
  - Mailing address.
  - Taxpayer identification number.
  - Email addresses.
  - Telephone numbers.
  - Social Security Numbers.
  - Bank account numbers.
  - Date and place of birth.
  - Mother's maiden name;
  - Biometric data (e.g., height, weight, eye color, fingerprints).
  - Any combination of the preceding.

If the preceding information needs clarification or should ever come in question, BIT will review and define FTI as Federal Tax Information as defined within the tax codes of the United States of America by accessing [www.irs.gov](http://www.irs.gov) to search for Tax Code, Regulations and Official Guidance. For the purpose of BIT security planning anything stored on mainframe media is treated as if the media contains FTI.

#### **230.11.4.2. What is Not Federal Tax Information**

FTI does not include information provided directly by the taxpayer or third parties. If the taxpayer or third party subsequently provides returns, return information or other PII independently, the information is not FTI as long as the IRS source information is replaced with the newly provided information.

#### **230.11.4.3. Safeguarding Federal Tax Information**

Safeguarding FTI is critically important so confidential taxpayer information is continuously protected as required by federal law. Access to FTI is permitted only to individuals who require the FTI to perform their official duties and as authorized under the IRC. FTI must never be indiscriminately disseminated, even within State government.

#### **230.11.4.4. Emailing Federal Tax Information**

It is prohibited to email FTI either as an email or as an attachment to an email. Do not open any email that contains FTI but report the occurrence to your supervisor and delete the email.

## **Data Center General-Procedural-Physical Access - Proximity Cards**

### **230.58.1. Overview**

This policy addresses the issuance, use, and monitoring of proximity cards which provide access to BIT facilities.



## **230.58.2. Purpose**

Physical access to equipment facilities controlled by BIT must be restricted to authorized personnel only.

## **230.58.3. Scope**

Authorized personnel may be BIT employees, BIT contractors, or other State personnel that have equipment located in BIT facilities. The general public is not allowed in secure BIT facilities unless approved by the CIO, CISO, or BIT Division level manager, have a government issued means of identification, wear a visitor's badge, and are escorted by authorized BIT personnel.

### **230.58.3.1. Scope Assumptions**

Staff and visitors have a legitimate business need for entering BIT facilities.

### **230.58.3.2. Scope Constraints**

This policy does not apply to locations equipped with proximity card readers that are not maintained by BIT.

## **230.58.4. Policy**

### **230.58.4.1. Proximity Card for Non-BIT Employee Access**

#### **Temporary Access**

When contractor or agency personnel need temporary access to a secure BIT room, they must provide their escort a photo ID and they and their escort must jointly sign-in using the sign-in sheets inside the door of each room. The contractor or agency personnel must be monitored at all times by an authorized employee of BIT. The individuals cannot be left alone in a secure room without supervision. Only BIT employees with access privileges to the room being accessed are authorized to escort visitors.

#### **Access by Non-BIT Employees**

Contractors and other agency personnel that have been issued a proximity card do not have the authority to sign-in visitors that have not been issued a proximity card.

#### **Access to the state campus tunnel system**

All agencies follow the process and policies regarding tunnel system access on the state campus as set and managed by the Department of Public Safety (DPS). BIT shall support the policy and follow its requirements and processes as defined and as directed by DPS.

### **230.58.4.2. Physical Access to BIT Offices**

Access to BIT office spaces, is limited to:

- BIT staff with an identification badge.
- Agency employees with a State or Federal government issued means of identification and visitor's badge, and who are escorted by BIT staff.
- Contractors who have passed a background check, company or government issued means of identification, and have a visitor's badge, and are escorted by BIT staff.
- Vendor representatives with a government issued and a vendor issued means of identification and a visitor's badge and who are escorted by BIT staff.

## Data Center General-Data Center Security-Accounts Access Control and Authorization

### 230.67.1. Overview

All devices that can connect to the State domain or managed by BIT as well as their peripheral devices will have security policies established and implemented to restrict unauthorized activities. Authorization for individuals to access programs, databases, and related technologies will be enforced. Access must be based on least privilege. Individual accounts are created for those with a need to access State IT resources. Access must end when the manager of an employee or contractor determines access is no longer required or when job responsibilities change, and privileged access must be adjusted. Only authorized personnel will be allowed to change passwords and they must have proper credentials to prove who they are.

There are policies for thresholds for lockouts, duration of lockouts, and resets specific to the Department of Human Services (DHS), Department of Revenue (DOR), Department of Social Services (DSS), and the Department of Labor and Regulation (DLR).

### 230.67.2. Purpose

This policy provides the forms and processes to authorize, create, maintain and terminate accounts.

### 230.67.3. Scope

This policy covers all State IT resources managed by BIT.

#### 230.67.3.1. Scope Assumptions

Employee and contractor access are authorized by an immediate supervisor or higher-level manager. Security administrators will conduct periodic reviews to verify that only access needed by an individual's job duties have been assigned. When a supervisor or manager determines access needs to be changed, they must notify BIT using the [Employee Request Form \(New/Move/Change Responsibilities\)](#).

#### 230.67.3.2. Scope Constraints

This policy does not apply to the mainframe, the AS/400s, or IT resources which are not managed by BIT. The lockout threshold, lockout duration, and reset requirements apply only to DHS, DOR, DSS, or DLR workstations.

### 230.67.4. Policy

#### 230.67.4.1. Individual Access Authorization

The [Employee Request Form \(New/Move/Change Responsibilities\)](#) is used to request access to State IT resources and it must be filled out by an authorized manager. This form must be used when a contractor starts, a new employee is hired, an employee transfers positions, or when an employee's or a contractor's duties change. If the change in duties is enough to regard the change as a new position or requires a new or amended contract the [Security Acknowledgement form](#) must also be signed.

#### 230.67.4.2. Least Privilege

Access privileges must be layered to reflect job functions and separation of duties, and minimal security privileges or only the security privileges required for an individual to perform work duties must be assigned.

### **230.67.4.3. Password Requirements**

Must:

- Be changed every ninety days.
- Be at least eight characters.
- Contain at least three of the following four-character groups:
  - English uppercase characters (A through Z).
  - English lowercase characters (a through z).
  - Numerals (0 through 9).
  - Non-alphabetic characters (such as !, \$, #, %).
- Must not be one of the twenty-four most recent passwords;
- Must not have been changed within the last seven days.
- Does not contain first name, last name, username.
- Does not contain Social Security Number.
- Does not contain permutations of "password".
- Cannot be a dictionary word.

User accounts with no administrative rights will need to change their passwords every 90-days. User accounts with administrative rights will need to change their passwords every 60-days. Where existing State technology products can support multiple expiration password policies for individual administrators' accounts that have administrative access rights without altering the general 90-day expiration password policy for individual users' accounts that do not have administrative access rights, the expiration password policy shall be set to 60-days for such administrators' accounts that have administrative access rights. Contractor(s) must not share passwords with other contractor(s).

### **230.67.4.4. Individual Access Termination**

Access privileges must be terminated immediately when authorization ends for a user identified by the individual's manager. When an employee or contractor employment is terminated, the manager is responsible for completing the [Exiting Employee Request form](#). If the termination is immediate, the BIT Service Desk (773-4357) must be notified without delay so that access and authorization assigned to the individual can be disabled. In all departing employee situations, managers must take reasonable steps to ensure no assets of the State including data, software, or hardware are taken, shared, inappropriately modified, or destroyed by the individual.

### **230.67.4.5. Non-State Accounts**

Non-State accounts (NS) are used by persons not directly employed by the State to access the State's domain. An NS account must be requested by an agency by submitting the Non-State Account Request information to the BIT Service Desk (773-4357). The request must be approved by the BIT LAN Services Manager. Any access to resources must follow the principle of least privilege. The requesting agency must specify those State resources to which the NS account needs access.

If an NS account is not logged in for six consecutive months, it will expire. If the account is not logged in for twelve consecutive months, it will be deleted. The agencies are responsible for reviewing their NS Accounts for accounts that are about to be expired or deleted.

## **Data Center General-Payment Card Industry Data Security-Payment Card Industry Data Security Standard**

### **230.72.1. Overview**

Payment Card Industry Data Security Standard (PCI) requirements are set by the Payment Card Industry Security Standards Council to protect cardholder data. The standards govern all merchants and organizations that store, process, or transmit this data, and include requirements for software developers and manufacturers of applications and devices used in the transaction process. Compliance with the PCI security standards is enforced by the major payment card brands who formed the Council: American Express, Discover Financial Services, JCB International, MasterCard Worldwide and Visa Inc.

PCI compliance is required of all merchants and service providers that store, process, or transmit cardholder data. The requirements apply to all payment methods, including retail (in person), mail/telephone order, and e-commerce. Failure to adhere to PCI standards can result in the State not being able to use payment cards and can result in fines.

### **230.72.2. Purpose**

The purpose is to ensure the State complies with PCI security standards.

### **230.72.3. Scope**

These policies cover the servicing of payment cards for goods and/or services provided by the State.

#### **230.72.3.1. Scope Assumptions**

Payment cards are used to reimbursement the State for goods and/or services provided by the State.

#### **230.72.3.2. Scope Constraints**

This policy covers payments made to the State not use of the State of payment cards to acquire goods and services.

### **230.72.4. Policy**

#### **230.72.4.1. Payment Card Industry Data Security Standard Requirements**

The State is required by the payment card association to follow the PCI security standards. These standards assure a secure environment for our customers, protecting them against both loss and fraud. The State must comply with PCI requirements for securely processing, storing, transmitting, and disposing of cardholder data. Annually all payment card service providers (such as banks) that perform card processing for the State must be certified as PCI compliant. The service providers must submit a letter to BIT confirming compliance with PCI standards.

## **Data Center General-Secure Information Technology Acquisition Policy- Secure Information Technology Acquisition Policy**

### **230.73.1. Overview**

Secure information technology acquisition is the methodology the State uses to acquire information technology goods and services. The goal is to acquire I/T goods and services that meet security and technology standards as inexpensively as possible. To that end there must be processes that filter out insecure technology that does not meet State standards, identify solutions that are technological unsound and discover all cost associated with the acquisition. These processes must work in conjunction to accomplish those ends. This must be accomplished while recognizing the sometimes-unique needs of BIT's clients and encouraging their full participation in the process. BIT acquisition resources can be found on the [BIT Technology Review](#) webpage.

## **230.73.2. Purpose**

The purpose is the acquisition of I/T goods and services as securely as possible.

## **230.73.3. Scope**

These policies cover the acquisition of I/T goods and services by the executive branch and any other branch or entity acquiring technology that will be used on or with the State's I/T infrastructure.

### **230.73.3.1. Scope Assumptions**

These policies assume that you are acquiring I/T related goods and/or services.

### **230.73.3.2. Scope Constraints**

These policies only apply to the acquisition of I/T goods and services.

## **230.73.4. Policy**

### **230.73.4.1. Acquisition of Services Involving HIPAA Data**

Any contractor providing services that potentially can expose HIPAA data to the contractor, must sign the BIT business associate agreement before the work can start. If having the contractor sign a BIT business associate agreement is not possible or if it is thought that a business associate agreement is not needed, permission to proceed with the work must be obtained from the BIT Chief Information Security Officer before any work can proceed. There also must be a risk assessment performed by the BIT Chief Information Security Officer or a designee. There are no exceptions to these policies.

### **230.73.4.2. Security Scanning Requirements**

Applications installed on the State's system or service(s) hosted by a contractor such as SaaS, PaaS or IaaS, must be scanned for security vulnerabilities. For any application, installed on either the State's infrastructure or the Contractor's, where a contract has not been signed, an authorization to scan must be signed before scanning can be done. Any exceptions to this policy must be approved by the BIT Chief Information Security Officer and may require a signed release by the agency recognizing the risks involved.

### **230.73.4.3. Hardware Maintenance Agreements**

Any hardware acquired must include a commitment by the supplier to keep the hardware's associated software and firmware patched and up to date as well as providing a hardware maintenance agreement. BIT will scan all hardware and the software and firmware associated with the hardware for security vulnerabilities on a regular basis and will apply vendor-supplied mitigation for any vulnerabilities found. When a hardware reaches the vendor's end-of-life date, BIT will continue scanning the hardware and will mitigate any new vulnerabilities found,

up to and including replacing the hardware if the vulnerability is severe enough and if there is no other mitigation available.

## **Data Center General-Use of Production Data-Use of Production Data in a Non-Production Environment**

### **230.74.1. Overview**

Precautions must be taken when copying data from a production environment to a non-production environment. A non-production environment can be, but is not limited to, staging, development, or test environments. State employees must store State data in non-production environments securely and must have approval before they move any protected production data to a non-production environment.

### **230.74.2. Purpose**

This policy states how protected production data should be handled outside of production environments. The testing of applications can be enhanced with the use of live data. Precautions must be taken ensure that the protected data is safeguarded.

### **230.74.3. Scope**

This policy includes all non-production environments that store, or process protected production data on State systems and the movement of State data to and from a contractor infrastructure. Movement of data on infrastructure completely outside the State's control by a Contractor is not covered by this policy. Movement of data on infrastructure outside the State's control by a Contractor will be governed by any agreements made between the State and the Contractor

Approval is obtained by using the [BIT Moving Live Data Request Form](#). Any data protected under Federal or State regulation or statute or industry standard is considered protected data. Protected data includes but is not limited to Personally Identifiable Information (PII), Protected Health Information (PHI), Federal Tax Information (FTI), Family Educational Rights and Privacy Act (FERPA), Criminal Justice Information System data (CJIS), The Federal Parent Locator Service (FPLS), and Payment Card Industry data (PCI). Protected production data that is masked, deidentified or aggregated is no longer considered to be protected data. Information on what is legally protected data that is Personally Identifiable Information (PII) is found [here](#).

#### **230.74.3.1. Scope Assumptions**

This policy does not apply to Mainframe systems provided both the source and destination environments are the State Mainframe.

This policy assumes State employees and contractors are authorized to work with the data and need to move protected production data into:

- A non-production State environment.
- A Contractor environment.
- From a Contractor environment to a State environment.

#### **230.74.3.2. Scope Constraints**

This policy only covers State production data that will be moved into a non-production environment.



## **230.74.4. Policy**

### **230.74.4.1. Use of Production Data in a Non-Production Environment**

Approval must be obtained before moving protected production data to a non-production environment. The non-production environment must have the same level of security as the production environment. The BIT [Moving Live Data Request Form](#) must be used for approval. Contractors can obtain the form from their agency contact.

Approval for moving protected production data is valid for six months. If the data is needed in the non-production environment longer than the approval period, another BIT Moving Live Data Request Form must be filled out and approved before the last approval expires. An expedited approval can also be requested through the Moving Live Data Request Form for data that will only be in the non-production environment for two-business days or less. All data must be purged before either approval expires.

Prior to moving production data from the State's environment to the Contractor's system there must be a security scan. This scan must be done by the State or a BIT approved third-party. This scan can be done up to three-months before the data is moved. If there is a third-party scan the scan results must be provided to the State contact. An acceptable security scan report of the data must consist of a least:

- The system that was evaluated (URL if possible, mask if needed);
- The categories that were evaluated (for example SQL injection, cross site scripting, etc.);
- What were the general findings (for example how many SQL injection issues were found and the count per category);
- Technical details of each issue found including, where it was found, web address, what was found, and the http response if possible.

The infrastructure scan report must include at least:

- What software, platform and framework were used to perform the scan;
- What general categories were evaluated, host discovery, vulnerability scan, external vulnerability scan or compliance checks;
- Explain the exact details of the test run with those categories;
- General findings or summary report;
- Technical findings, including the exact details of what was found and their severity.

The use of Federal Tax Information (FTI) in non-production environments requires authorization from the IRS Office of Safeguards by filling out the [IRS Live Data Testing Notification Form](#). A copy, or link, to the approved IRS form must be attached to the BIT Moving Live Data Request Form. The use of FTI production data in a non-production environment is limited to tax administration or other authorized IRS purposes including:

- Testing new systems.
- Validation of Federal data load.
- Data matching between state and federal forms.
- Testing audit selection.

FTI data may only be disclosed to those requiring the data to perform their official duties. The requester may also be required to sign a form, provided by the data owner, prior to obtaining access to the production FTI. IRS approved sanitization methods must be used after the data is no longer needed.

The FPLS can be a secondary source of FTI. FTI from the FPLS is treated as if the FTI was from the IRS. Other forms of data that have unique requirements are:

- CJIS data can only be moved by the Office of Attorney General (ATG), it cannot be moved by BIT. The ATG must notify the CISO when CJIS data is moved, provide the location of that data, and inform the CISO if dual authorization is required before disposal of the data. After the CJIS data is no longer needed it must be disposed of as stated in ITSP 230.68. The documentation and verification of the disposal of the data will be completed by the ATG.
- PCI data may not be used in non-production environments.

Contractors with access to protected data must sign the [Security Acknowledgement Form](#) and have passed a background check before they can have access to the data.

Protected State data cannot be moved outside the United States of America or its territories.

The Data Center may be requested to verify compliance using, but not limited to, business tool reports, internal, and external audits. The request to verify can be made by the data owner or CISO.

#### **230.74.4.2. Purging of Data**

If there is unapproved protected production data in a non-production environment, the data must be purged. Any protected production data on a BIT-developed system that was moved to a non-production environment prior to this policy going into effect must be approved or purged. Any protected production data on BIT-hosted Contractor-developed system that was moved to a non-production environment prior to this policy going into effect must be approved by November 7, 2018 or purged.

Protected production data must be purged from the non-production environment before the BIT Moving Live Data Request Form approval has expired or it must be re-approved. It is the responsibility of the requestor of the data move to verify that the data has been purged.

#### **230.74.4.3. Compliance**

If an individual finds unapproved, unmasked protected production data in a non-production environment, they must:

1. Notify her or his manager.
2. The manager must notify the Development Director and CISO.
3. The data must be purged.
4. The Development Director and CISO will be notified when it is purged.

If unapproved, unmasked, protected production data is found in a non-production environment, the CISO will decide if it is a security incident. The individual(s) responsible for unapproved unmasked protected production data in a non-production environment may be subject to disciplinary action up to and including dismissal. The placing of unapproved unmasked FTI, HIPAA, or FPLS data on a non-production environment may subject the responsible individual to legal action as stated in IRS 1075 or The American Recovery and Reinvestment Act of 2009.

## **Data Center General-Security Impacts-Data Classification**

### **230.75.1. Overview**

Data classification establishes the agency and BIT responsibilities for handling, maintaining, and meeting required levels of security control for the data.



## **230.75.2. Purpose**

The purpose of this policy is to provide data classification for confidentiality, integrity, and availability.

## **230.75.3. Scope**

These policies include all State data located on State infrastructure or Contractor infrastructure. These policies also include data owned by Contractors if the data is used by an agency and resides on BIT managed systems. An example is Geographic Information System data. While the data may be owned by the Contractor the agency is considered the data owner for the purposes of these policies. If the data is owned by the Contractor and there are data handling requirements in the contract, the contractual data handling requirements preempts these policies.

### **230.75.3.1. Scope Assumptions**

These policies cover all state data residing on the State's or a Contractor's system and Contractor data residing on State systems. Contractor owned data on a Contractor's system is not included.

### **230.75.3.2. Scope Constraints**

These policies are limited to data and does not cover applications.

## **230.75.4. Policy**

### **230.75.4.1. Data Classification System**

Each agency shall serve as a classification authority for the data and information for which it is considered the data owner. BIT is not the data owner of data it collects or maintains for another State agency to fulfill that agency's mission; the State agency is the data owner.

Data classification is based on three objectives:

- **Confidentiality**
- **Integrity**
- **Availability**

There are four risks associated with each objective:

- **High Risk**
- **Medium Risk**
- **Low Risk**
- **No Risk**

Starting March 31, 2019, all State hosted data must to be classified using [Application Portfolio Management](#) (APM). Starting June 30, 2019, all Contractor hosted data will be classified using APM. Starting March 1, 2019 all contracts must use the Data Classification Table to assess the contracts risks. This information will be entered on the Contract MOU Review Checklist and Summary. Both the Data Classification Table and the checklist can be found on the [Templates: Technology Contracts](#) webpage.

Any data that is Personally Identifiable Information (PII), data protected under the Family Educational Rights and Privacy Act (FERPA), Protected Health Information (PHI), Federal Tax Information (FTI), Health Information

Portability and Accountability Act (HIPAA), or any information defined under State or Federal statute as confidential is automatically considered to be highly confidential. Examples risk assessments are:

- Public Assistance Records- **High Risk**.
- Pistol Permits Records- **Medium Risk**.
- Inventory of Emergency Vehicles- **Low Risk**.

Further information on protected information can be found in the ITSP Terms and Acronyms Directory and <http://intranetbit.sd.gov/standards/PII.aspx>.

All data on the State's mainframe system is automatically treated by BIT as being high risk for confidentiality, integrity and availability.

### **230.75.4.2. Classification of Data Produced under Contract**

As part of the contract process the data owner is required to document the classification of all data produced or utilized by the project. The data classification is recorded on the Contract MOU Review Checklist and Summary provided by BIT. A copy of which will be kept by BIT and included with a copy of the contract. This includes State data that resides on a Contractor's system or data that the Contractor generates as part of a project. Also included is any State data utilized by a Contractor while providing Software as a Service (SaaS). The checklist can be found on the [Templates: Technology Contracts](#) webpage.

### **230.75.4.3. Data Classification Responsibilities**

**It is the data owner's responsibility to:**

- Choose a systematic decision process to classify the data.
- Document the classification.
- Determine whether existing laws, regulations or agreements limit or regulate the collection, use, disclosure, access, retention and disposal of their state data. Agencies shall use all applicable published requirements, guidelines and limitations.
- Educate agency staff on the data classification procedures, requirements and guidelines.
- Based upon the results of the agency's data classification, establish data maintenance guidelines and communicate them to BIT.
- Establish a process to regularly review the appropriateness of the assigned data classifications and to adjust classifications in the event of:
  - Regulatory changes affecting an agency's management of information under its control.
  - Technologies for which data classification policies do not yet exist.

If the data is Protected Health Information (PHI) BIT recommends that the data owner perform a risk assessment as well as data classification.

**It is BIT's responsibility to:**

- Assure that proper access controls are implemented, monitored and audited for building, floor and/or cage access in accordance with the data classification labels assigned by the data owner.
- Submit audit results to the data owners as required by law or regulation.
- Perform regular backups of state data.
- Validate data integrity.
- Restore data from backup media.
- Fulfill the data requirements specified in agency security policies, standards and guidelines pertaining to information security and data protection.

- Retain records of data activity that include information on who accessed the data and what data was accessed as considered appropriate by the federal regulatory agency responsible for establishing security controls for the data.
- Provide appropriate security controls for contractor hosted services according to the data classification labels assigned by the data owners.

## **Data Center General-Remote Access to State Information System-Multi-Factor Authentication**

### **230.76.1. Overview**

The implementation of Multi-Factor Authentication (MFA) improves authorization access to technology systems and enhances cyber security.

MFA provides an additional layer of protection towards the access control aspect of cyber security. MFA is an authorization technology based on at least two pieces of information. This is one additional step in the authentication process beyond the standard set of user id and passwords.

### **230.76.2. Purpose**

The purpose of this policy is to provide direction on MFA use within State government.

### **230.76.3. Scope**

This policy applies to remote access to the State's network.

#### **230.76.3.1. Scope Assumptions**

The usage of MFA will meet / fulfill all audit findings against the State. The solution will meet the MFA needs of protected data, equipment and sensitive applications.

#### **230.76.3.2. Scope Constraints**

This policy applies to remote access of State data, equipment, and applications.

### **230.76.4. Policy**

#### **230.76.4.1. Usage of Multi-Factor Authentication (MFA)**

Remote access is any access to a State information system by a user communicating through an external network, for example, the Internet. MFA will be required for remote access of State data, equipment and applications. Assurance Level 3 as given in NIST 800-63 must be used.

#### **230.76.4.2. MFA Tokens**

If a user has a mobile device enrolled in the State's standard Mobile Device Management System to gain access to State resources, that mobile device is their second factor of authentication and the user will not be issued a hard token.

Mobile device authentication is the preferred method of secondary authentication.

Hard tokens are only allowed as a user's second factor of authentication if the user does not have a mobile device enrolled in the State's standard Mobile Device Management System. A user may receive and use a hard token as their alternative second factor of authentication upon approval from BIT and at the agency's expense.

## **Data Center General-Approved Disposal of State Data-Media Sanitization**

### **230.77.1. Overview**

There can be a significant risk when sensitive data is collected and kept on media. This media must be appropriately sanitized when no longer needed. Media sanitization methodology is dependent on the confidentiality of the data. Effective sanitization requires knowing where the data is, what the data is, and how the data needs to be protected. Any sanitation must also be checked and documented.

### **230.77.2. Purpose**

The purpose of this policy is to ensure State data is properly sanitized when it is out of the State's control.

### **230.77.3. Scope**

Any media containing State data in a Contractor's control. Media is any material on which data is on or may be recorded on, such as paper, punched cards, magnetic tape, magnetic disks, solid state devices, or optical disks. This includes both portable media and media that is installed on devices like workstations, servers, laptops, tablets, and phones.

#### **230.77.3.1. Scope Assumptions**

Electronic media with State data must be securely sanitized. The methods used are dependent on the confidentiality of the data.

#### **230.77.3.2. Scope Constraints**

Mainframe electronic media is out of scope, it has its own IRS policy requirements. Any media that is in BIT's control is also out of scope. Only media in a Contractor's control is in scope.

### **230.77.4. Policy**

#### **230.77.4.1. Sanitization of Media in a Contractor's Control**

The required sanitization method is dependent on the data's classification, see ITSP 230.75.4.1. The data owner is responsible for classifying their data. Contractors are responsible for either sanitizing media in their care or returning it to the State as agreed to in their contract. There are two approved sanitation methods, purge or destroy see NIST 800-88:

**Purge-** A method of sanitization by applying physical or logical techniques that renders target data recovery infeasible using state of the art laboratory techniques.

**Destroy-** A method of sanitization that renders target data recovery impossible using state of the art laboratory

techniques and results in the subsequent inability to use the media for storage of data.

Using the data security classification table which can be found on this [webpage](#), classify the confidentiality of the data. The data's status will be based on the risks associated with the data. Any data classified as no risk does not have to be sanitized. No risk data in a contractor's care is still subject to any adverse event notification requirements agreed to in their contract.

These are the media sanitization requirements:

**Low confidentiality status:**

Purge

**Moderate confidentiality status:**

Media is not reused- Destroy

Media is reused- Purge

**High confidentiality status:**

Destroy

In some cases, a Contractor is legally required to keep highly confidential State data intact or otherwise cannot sanitize the data. These circumstances are dealt with in the Contractor's contract with the State. The inability to sanitize data must be included in any response to a Request for Proposals and the data owner must be informed before any contract is signed.

Following sanitization, a Certificate of Media Sanitization should be completed for each piece of media that has been sanitized, the certificate can be found on this [webpage](#). This certificate must be sent to the State Contact who will pass it on to Data Center Director.

## **Data Center General-Transfer of Data-Secure Transfer of Data**

### **230.78.1. Overview**

Secure File Transfer Protocol (SFTP) is a secure version of File Transfer Protocol (FTP), which allows data access and data transfer over a Secure Shell (SSH) data stream. It is part of the SSH Protocol. This term is also known as SSH File Transfer Protocol

The SFTP makes sure data is securely transferred using a private and safe data stream. The SFTP's main purpose is to transfer data but can also be used to access an FTP server. The SFTP protocol runs on a secure channel, the client user must be authenticated by the server and no clear text passwords or file data are transferred.

### **230.78.2. Purpose**

The purpose of this policy is to ensure that State data is securely transferred.

### **230.78.3. Scope**

The policy covers any transfer of State data.

#### **230.78.3.1. Scope Assumptions**

This policy assumes that State data needs to be sent to or from outside the State's network or between non-State networks.

#### **230.78.3.2. Scope Constraints**

The policy does not cover non-State data.

### **230.78.4. Policy**

#### **230.78.4.1. Use of Secure File Transfer Protocol**

SFTP must be used when State data is being sent outside the State's network, from another network to the State or is being sent between non-State networks.

## **Development-Application Security-Federal Tax Information**

### **401.1.1. Overview**

The acquisition, development, installation, and operation of all information systems must meet Federal requirements necessary to protect Federal Tax Information (FTI).

### **401.1.2. Purpose**

The purpose of this policy is to meet federal security requirements to safeguard FTI on any information system that is acquired or developed by BIT.

### **401.1.3. Scope**

The scope of this policy includes all information systems developed by BIT, contractors, or any third party that is involved in receiving, processing, storing, or transferring Federal Tax Information (FTI).

#### **401.1.3.1. Scope Assumptions**

This policy assumes that if the information system receives, processes, stores, or transfers FTI, it will be capable of having a security assessment.

#### **401.1.3.2. Scope Constraints**

The policy only applies to information systems that receive, process, store, or transfer FTI. Security assessments are not conducted on mainframe or desktop applications. If BIT is unable to conduct a security assessment on a vendor hosted application, the vendor must still follow Federal requirements to protect FTI and must meet BIT security requirements specified in contact terms.

### **401.1.4. Policy**

#### **401.1.4.1. Allocation of Resources and Life Cycle Support**

As part of the capital planning and investment control process, BIT will determine, document, and allocate the resources required to adequately protect information systems. Security assessments will be performed as part of the Software Development Life Cycle (SDLC) process.

#### **401.1.4.2. Information System Security Documentation**

BIT will obtain, protect as required, and make available to authorized personnel, security assessment documentation for the information system. Any newly developed or acquired software, hardware, application, or website will be required to pass a security assessment:

- Prior to being moved into production.
- After a significant change.
- Prior to any updates being moved into production.

A report specifying each area reviewed and the deficiencies found during the assessment process will be stored in the Pegasus system. If BIT is unable to conduct a security scan on a vendor hosted solution, the vendor must meet all security audit and vulnerability assessment requirements deemed appropriate by BIT and provide documentation of such to BIT as specified in contract terms.

#### **401.1.4.3. Software Usage Restrictions and User Installed Software**

To safeguard FTI, BIT will comply with software usage restrictions, impose and enforce limitations on user installed software on BIT workstations. Preventing unauthorized installation of non-standard software on BIT workstations and verifying that licensing requirements are met ensures that security controls implemented by BIT are not circumvented. Software and associated documentation will be used in accordance with software contract agreements and copyright laws. BIT will track the use of software and associated documentation that is protected by quantity licenses to control copying and distribution. BIT will control and document the use of peer-to-peer file sharing technology to ensure that it is not used for unauthorized distribution, display, performance, or reproduction of copyrighted work. Prior to installation on BIT workstations, open source software must go through the BIT moratorium process that includes, but is not limited to, a security assessment. Only authorized individuals are permitted to install software.

#### **401.1.4.4. Developer Configuration Management**

BIT requires that information system developers and integrators perform configuration management annually during information system SDLC and operation as well as manage and control changes to the information system to include:

- Documentation of approved changes to the information system and potential security impacts of the changes.
- Track security flaws and flaw resolution within the system.
- Implementation of only BIT approved changes.



## Development-Application Security-Security Assessments

### 401.3.1. Overview

This policy ensures that applications developed by BIT, contractors, or any third-party are protected and monitored to prevent unauthorized use, modification, disclosure, destruction, or denial of access to assets of the State.

### 401.3.2. Purpose

The purpose of this policy is to ensure applications, systems, or websites developed by BIT, contractors, or by any third-party must pass a security assessment prior to being accepted into production.

### 401.3.3. Scope

This policy applies to any system, application, or website developed by BIT, contractors, or by any third-party.

#### 401.3.3.1. Scope Assumptions

This policy assumes that if the application, website, or system hosts any type of State data can have a security assessment.

#### 401.3.3.2. Scope Constraints

This policy does not apply to mainframe or desktop applications.

### 401.3.4. Policy

#### 401.3.4.1. Security Assessments

Configurations and installation parameters on all State applications must comply with BIT security management policies, procedures, and standards. All BIT developed applications, third-party applications, internally hosted websites, and externally hosted websites must pass a security assessment before being accepted into production. The originator of the request to release to production has the responsibility of verifying that a security assessment has been performed. The requestor must obtain written verification from the BIT Security Operations Center (SOC) that the software, application, or website has passed the security assessment. Security assessments will be done as part of the Software Development Life Cycle (SDLC) process.

#### 401.3.4.2. APM Assessment of Risk

BIT Development Managers and BIT Point of Contacts (POC) will complete an Assessment of Risk with the agencies that own the system, application, or website and enter the results in Application Portfolio Management (APM). Once the system, application, or website is in production, the frequency of security assessments will be determined by the BIT Security Operations Center (SOC), based on the Assessment of Risk.

A security assessment of all applications supporting the needs of the Medical Management Information System (MMIS) and the Medicaid eligibility determination system will be conducted annually, at minimum.



#### **401.3.4.3. Security Assessment Report**

A report specifying each area reviewed or audited during the assessment process will be completed and stored with the system documentation.

#### **401.3.4.4. Annual Review**

The BIT Security Operations Center (SOC) will conduct an annual review of security controls for applications and systems. This review will occur concurrently with annual security discussions and will verify:

- The extent to which security controls are implemented correctly.
- Security controls are operating as intended.
- Security controls meet the life cycle and level of risk security requirements of the applications, websites, software, and systems.

## **Development-Application Security-Data Encryption**

### **401.5.1. Overview**

This policy covers rules for storing sensitive data used by applications and systems.

### **401.5.2. Purpose**

The purpose of this policy is to outline what encryption algorithms and encryption tools are approved to use to encrypt columns in the State databases. The policy defines the minimum level of data that is required to be encrypted.

### **401.5.3. Scope**

All data required to be encrypted must comply with this policy by June 30, 2024.

#### **401.5.3.1. Scope Assumptions**

This policy does not apply to Mainframe systems. Mainframe data is encrypted at rest which complies with IRS 1075.

#### **401.5.3.2. Scope Constraints**

This policy applies to applications and/or systems that have been developed or rewritten by BIT, contractors employed by BIT, and/or third-party vendors contracted by the State.

### **401.5.4. Policy**

#### **401.5.4.1. Data Encryption**

All High Impact Personally Identifiable Information (PII) Data is required to be encrypted at both at rest and in transit. High Impact PII includes, but is not limited to, Social Security Numbers (SSNs), Federal Tax Information (FTI), and Protected Health Information (PHI). See BIT PII Storage Standards <http://intranetbit.sd.gov/standards/PIIstorage.aspx>. Other data may be recommended or required to be encrypted depending on the results of Software Development Life Cycle (SDLC) security reviews.

#### **401.5.4.2. Hashing Values**

Only values that are not going to be decrypted can use a hashing algorithm, all other values must use one of the encryption tools or algorithms listed above. Data that cannot be hashed includes, but is not limited to, Protected Health Information (PHI), Federal Tax Information (FTI), and Personally Identifiable Information (PII).

#### **401.5.4.3. Tools**

See BIT PII Storage Standards <http://intranetbit.sd.gov/standards/PIIstorage.aspx> for the acceptable Tools for encryption.

#### **401.5.4.4. Compliance Measurements**

The BIT Development Enterprise Team will verify compliance to this policy through various methods including, but not limited to, business tool reports, and internal and external audits.

#### **401.5.4.5. Exceptions**

Any exceptions to this policy must be approved in advance by the BIT Development Enterprise Team Manager.

#### **401.5.4.6. Non-Compliance**

Applications that do not meet the requirements of this policy will not be permitted into a production environment until the requirements of this policy have been satisfied.

## **Development-Application Security-Authentication and Authorization**

### **401.7.1. Overview**

This policy defines how authentication and authorization is implemented on websites, applications, and systems for the protection of State data.

### **401.7.2. Purpose**

The purpose of this policy is to set the minimum requirements for how to work with and create applications, websites, and systems that require user authentication and role-based authorization of users.

### **401.7.3. Scope**

This policy applies to all new applications, websites, and system rewrites.

#### **401.7.3.1. Scope Assumptions**

The applications, websites, or systems referred to in this policy include new development and those being rewritten. Any application, website, or system that receives, possesses, stores, or transfers Federal Tax Information (FTI) must follow the policy sections for FTI.

#### **401.7.3.2. Scope Constraints**

The applications, websites, or systems referred to in this policy must have been developed or rewritten by the Development division of BIT, contractors employed by BIT, and/or third-party vendors contracted by the State. This policy does not apply to applications or websites hosted by contractors or third-party vendors.

### **401.7.4. Policy**

#### **401.7.4.1. User Authentication and Authorization**

If your project uses authentication and authorization of users with different roles it must include the following requirements.

- Web applications for sd.gov services that require a logon screen for user authentication must use mySD single sign on (SSO) authentication.
- Desktop applications that require user authentication functionality must use Active Directory or SSO for logon and role management, if possible.
- Mainframe systems that require user authentication functionality must use Resource Access Control Facility (RACF).
- Shared use of User Accounts is not permitted. When user accounts are created, they must be created for an individual - not for a group.

If custom authentication is required, it must be approved before the project begins, unless an exception has already been granted.

#### **401.7.4.2. Password Requirements**

The following password requirements must be built into your project.

1. Enforce a minimum password complexity of:
  - Eight-character minimum and a maximum of 64 characters
  - At least one numeric and at least one special character
  - A mixture of at least one uppercase and at least one lowercase letter
  - Storing and transmitting only encrypted representations of passwords
2. Enforce password minimum lifetime restriction of one day
3. Prohibit Password reuse for 24 generations
4. Allow the use of a temporary password for system logon requiring an immediate change to a permanent password
5. Password-protect system initialization (boot) settings
6. Allow passwords to be copied and pasted into the login.
7. No passwords hint.
8. No knowledge-based authentication. (For example, what was the name of your first pet?).

If your project involves FTI it must include the following requirements, in addition to those listed above.

- Enforce non-privileged account passwords to be changed at least every 90 days
- Enforce privileged account passwords to be changed at least every 60 days

#### **401.7.4.3. Invalid Login Attempts for projects using Federal Tax Information**

If your project involves FTI, it must include the following requirements.

- Enforce a limit of three consecutive invalid login attempts by a user during a 120-minute period by automatically locking the account for a period of at least 15 minutes.
- Prevent further access to the system by initiating a session lock after 15 minutes of inactivity or upon receiving a request from a user.
- Retain the session lock until the user reestablishes access using established identification and authentication procedures.
- The information system must automatically terminate a user session after 30 minutes of inactivity.

#### **401.7.4.4. reCAPTCHA**

ReCAPTCHA will be required on all login pages and public facing form submissions unless they are protected by a login page that already uses reCAPTCHA. For more details on how to implement reCAPTCHA, see Procedure 1451.3.

#### **401.7.4.5. Public Key Infrastructure Certificates**

BIT will issue public key infrastructure certificates or obtain public key infrastructure certificates from an approved service provider.

#### **401.7.4.6. Tools**

For instructions on how to use mySD in your application, visit [mySD.sd.gov](https://mySD.sd.gov) and click **Developer Toolkits**.

#### **401.7.4.7. Compliance Measurements**

The BIT Development Enterprise Team will verify compliance to this policy through various methods including, but not limited to business tool reports and internal and external audits.

#### **401.7.4.8. Exceptions**

Any exceptions to this policy must first be approved in advance by the Development Enterprise Team Manager.

#### **401.7.4.9. Non-Compliance**

Projects that do not meet the requirements of this policy will be subject to additional development to add the required functionality listed in this policy to the project before it will be permitted into a production environment.

## **Development-Application Security-Software Development Life Cycle**

### **401.9.1. Overview**

A Software Development Life Cycle (SDLC) is a consistent and repeatable process for the planning, managing, development, design, testing, and implementation of IT projects.

### **401.9.2. Purpose**

The purpose of this policy is to describe requirements for developing and implementing applications and systems developed by BIT and to ensure that development work is compliant with all regulatory, statutory, Federal, or State guidelines.

### **401.9.3. Scope**

BIT Development is responsible for developing and maintaining in the BIT SDLC.

#### **401.9.3.1. Scope Assumptions**

BIT Development IT projects will follow the BIT SDLC.

#### **401.9.3.2. Scope Constraints**

BIT Development enhancements and maintenance work are out of scope for this policy.

### **401.9.4. Policy**

#### **401.9.4.1. Software Development Life Cycle**

The BIT Software Development Life Cycle (SDLC) defines and documents security processes, roles, and responsibilities. BIT SDLC requires the Application Portfolio Management risk assessment to be completed in APM prior to releasing the application to production. BIT approved agile methodologies will be used to complete the SDLC.

#### **401.9.4.2. Change Management**

Change Management is a required process in the BIT SDLC, a Change Management form must be approved prior to releasing any code to production.

## **Network-Service-Access Control**

### **610.1.1. Overview**

Access to the technology infrastructure of the State is essential to maintaining a productive workforce. With this access comes the risk and responsibility of approving, monitoring, and securing the users, workstations, and systems being accessed to protect their confidentiality, integrity, and availability. Controlling access to State technology systems is paramount to avoid damages. Such damages include loss of sensitive or confidential data, destruction or theft of intellectual property, harm to public image, disruption of or damage to public safety activities, and fines or financial liabilities incurred as a result of the damage.

### **610.1.2. Purpose**

The purpose of this policy is to establish rules, guidelines and expectations surrounding access to State technology resources.

### **610.1.3. Scope**

BIT is responsible for designing, configuring and maintaining access to technology systems owned by or operated for the State and its citizens. To supply reliable and secure access, standards and policies for limiting and controlling technology access are established in this policy.

- All State employees and contractors with a State-owned or non-State-owned workstation used to connect to the State network or State infrastructure;
- Remote access connections, to include but not limited to the Internet, used to complete tasks on behalf of the State, including email access and viewing Intranet resources;
- All workstations and devices utilized, and the technical implementations of access used to connect to State networks;
- Communication - originating from and to - DDN Intranet and DMZ.

### 610.1.3.1. Scope Assumptions

BIT has standardized access control methods and technologies. Only users, workstations, accounts and services compliant with or outlined in this policy are permitted within the DDN. An Agency specific clause is documented in the policy section. The policy applies to the Department of Social Services systems and applications referenced. The policy assumes that Department of Social Services systems and applications referenced are supported or maintained by developers and support staff who have access to remote connections.

### 610.1.3.2. Scope Constraints

While this policy applies to BIT managed technology systems at our K-12 and Higher Education client locations, this policy does not apply to users and workstations managed and operated by those institutions on their local networks.

## 610.1.4. Policy

### 610.1.4.1. System Access Expectations

All access for user and/or system level rights must be granted, reviewed and approved by BIT for accuracy and adequacy to ensure that the appropriate level of access for the intended functions is granted. All access methods utilized to connect to State networks must be implemented through approved combinations of hardware and software security tools that have:

- Unique identification or UID for each user.
- System level identification for each system (e.g. Active Directory accounts).
- Capability to restrict access to specific nodes or network applications.
- Access control software or hardware that protects stored data and the security system from tampering. Audit trails of successful and unsuccessful log-in/access attempts.
- Account credentials must not be stored in unencrypted fashion on any workstation or storage platform.

If a system requires access control methods that fall outside of the listed requirements, the agency sponsoring or requesting that system must work with their BIT Point of Contact to engage BIT in a review of this system. If an exemption would be required, the *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>) must be submitted to the BIT HELP Desk (773-4357) for exemption considerations. Unrestricted access into or out of the DDN Intranet and/or DMZ is prohibited. Systems or applications that must call out to a remote system or "call home" for any reason must be vetted and approved by BIT prior to their installation within State infrastructure.

### 610.1.4.2. Contractor Access

Access to the DDN Intranet and DMZ by contractors is rigorously controlled and managed. The following rules apply to any contractors connecting to State infrastructure:

- Requests for contractor access to technology infrastructure must be approved by BIT. A *Security Exemption Form*, located at the BIT Intranet (<http://intranet.bit.sd.gov/forms>), submitted to the BIT HELP Desk (773-4357) is required to gain any level of access to State technology systems.
- Contractor access will be limited to the bare-minimum number of systems necessary to accomplish BIT-approved tasks and procedures. This access will be controlled by any number of mechanisms, to include, but not limited to, user accounts, firewall policies, Group Policy, scheduled lockdown and maintenance windows, and/or Skype for Business remote access with BIT personnel monitoring and controlling the access.
- Contractors will not have any access to State workstations without explicit authorization from the BIT Commissioner or BIT Chief Information Security Officer. A *Security Exemption Form*, located at the BIT Intranet (<http://intranet.bit.sd.gov/forms>), submitted to the BIT HELP Desk (773-4357) is required to request access.
- Administrative accounts on State technology systems must be fully vetted by BIT, periodically reviewed for accuracy and necessity, and limited to the minimum level of systems and access necessary. Domain, enterprise, or similar administrative access levels are strictly prohibited for contractors.

#### **610.1.4.3. Modems**

Dial-in or dial-out telephony modems are not allowed to be connected to servers or any other technical assets of the State for any use. Digital Subscription Lines (DSL), cellular and cable modems managed by BIT are not considered telephony modems under this policy.

#### **610.1.4.4. Remote Access**

Remote access to the DDN Intranet and DMZ, to include all data files and applications, must be BIT managed, secured and encrypted. Any remote access where Federal Tax Information (FTI) and or Criminal Justice Information System (CJIS) data is accessed over the remote connection must be performed using multi-factor authentication. Supported forms for remote access are:

- Secure Sockets Layer (SSL) - an Internet Web Browser with a minimum of 256-bit encryption.
- NetScaler ADC
- NetMotion - a VPN client maintained by BIT.
- Skype for Business - a collaboration system operated by BIT, can be used if and only if a BIT staffer monitors and manages the access during all remote access sessions.

SSL VPNs are not permitted under any circumstances. There is no direct remote access using Remote Desktop Protocol (RDP) allowed from the Internet to the State network or to any cloud-based resource with access to the State network. Indirect RDP access from the Internet is only allowed if it goes through a BIT-approved remote access service.

#### **610.1.4.5. Inspection and Review**

BIT will verify compliance to this policy through a number of methods, including but not limited to: periodic walk-throughs, video monitoring, internal and external audits, automated systems processes, business tool reports, and inspections. Feedback will be provided to the required entities.

#### **610.1.4.6. Department of Social Services**



In November of each year, a review will be conducted of all personnel with remote access to a major system supporting the needs of the Medicaid Management Information System (MMIS).

- A document will be generated and filed containing the names of personnel with remote access and privileged functions.
- If a determination is made that an individual no longer requires remote access to MMIS, then the remote access will be terminated.

In November of each year, a review will be conducted of all personnel with remote access to a major system supporting the needs of the Division of Child Support.

- A document will be generated and filed containing the names of personnel with remote access and privileged functions.
- If a determination is made that an individual no longer requires remote access to the Division of Child Support System, then the remote access will be terminated.

## **Network-Concept-Security Domain Zones**

### **610.3.1. Overview**

All devices connected to any technology infrastructure of the State must be protected. The connections must be designed and implemented to ensure compliance with the access control policies for each connected system.

### **610.3.2. Purpose**

Different areas or zones of the State network require different levels of protection and security. This policy will define the different zones and expectations for each zone.

### **610.3.3. Scope**

Links to external networks, including but not necessarily limited to, the Internet, federal agencies, and third-party companies must be managed by BIT to ensure the security of the technology infrastructure of the State.

#### **610.3.3.1. Scope Assumptions**

All individuals that utilize the DDN must work with BIT to define business practices or align connectivity into one of the three security domain zones which are the Intranet Zone, De-Militarized Zone (DMZ), and Extranet Zone. BIT will not always be able to allow devices and assets to communicate amongst the Security Domain Zones for security reasons, which can include Federal requirements.

#### **610.3.3.2. Scope Constraints**

Networks outside of the control of BIT, such as the local university networks operated by Higher Education are outside of the scope of this policy.

### **610.3.4. Policy**

#### **610.3.4.1. Intranet**



The Intranet zone is the private, internal network that contains traditional clients of the State and internal business systems. To access the Intranet from external locations, such as the Public Internet, a *Firewall Modification Request Form* must be completed at the BIT Intranet (<http://intranet.bit.sd.gov/forms>). Only approved methods and technologies can be used to traverse into the Intranet from other network zones.

### 610.3.4.2. DMZ

The DMZ is the portion of the DDN that provides limited security services and is designed to support services and systems that are utilized by external users. In most situations, the external users require access to resources in the DMZ from the Public Internet. All services and systems that need to be publicly accessible must be placed within the DMZ zone. Access to the DMZ from external locations will require an approved *Firewall Modification Request Form* completed at the BIT Intranet (<http://intranet.bit.sd.gov/forms>).

### 610.3.4.3. Extranet

The Extranet zone is segmented from the Intranet zone and the DMZ zone to support network connections for agencies that are not part of the infrastructure of the State Intranet due to business situations. Access to the Extranet from external locations will require an approved *Firewall Modification Request Form* completed at the BIT Intranet (<http://intranet.bit.sd.gov/forms>).

## Network-Concept-Network Integrity

### 610.9.1. Overview

The DDN is a complex network containing a multitude of inter-dependent systems, connections, and roles. Adequate security measures must be in place to protect the technical assets of the State - physically and logically - from damage, theft, vandalism, and other forms of threats in order to maintain the integrity of the network.

### 610.9.2. Purpose

This policy is to establish the baselines of how network integrity is maintained through technology standards and personnel practices. Adequate security measures must be in place through these standards to protect the technical assets of the State.

### 610.9.3. Scope

Technologies, contracts, and practices, to include hardware, software or circuits, must be physically and logically protected against theft, damage, and misuse.

#### 610.9.3.1. Scope Assumptions

By maintaining accurate accountability of property and instituting appropriate countermeasures to safeguard property, the opportunity for loss, theft or pilferage of valuable technical resources can be greatly diminished. Clients that request the construction of a local or wide area network will work with BIT for the design, implementation, and support matrix of the proposed network segment.

#### 610.9.3.2. Scope Constraints

While this policy applies to BIT managed equipment at BIT's higher education client locations, this policy does not include the private, internal networks of BIT's higher education clients.

## **610.9.4. Policy**

### **610.9.4.1. Responsibilities**

BIT is responsible for providing secure and reliable network connectivity through approved and managed platforms for agencies. This responsibility encompasses local networks, wide-area networks, wireless networks, cellular networks, secure remote access networks, and relevant security components.

### **610.9.4.2. Management**

BIT will manage network connectivity platforms for agencies. This responsibility encompasses local networks, wide-area networks, wireless networks, cellular networks, secure remote access networks, and relevant security components.

### **610.9.4.3. Disabling Critical Components of Network Security Infrastructure**

Critical components of the BIT network security infrastructure must not be disabled, bypassed or turned off without prior approval from the Director of the Division of Telecommunications or their designee(s).

### **610.9.4.4. Technical Asset or Contractor Connections**

Connection of any contractor and/or their equipment to the DDN or any subsystem requires prior approval from the BIT Commissioner or their designee(s). To request any equipment to be installed or connected to the DDN, requestors will begin by submitting a request to the BIT HELP Desk (773-4357) and must provide two weeks' notice. The request must include the dates, times, duration of connection, and the reasons for the connectivity. The requestor must be ready to provide the technical device, any available documentation, and technical contacts to BIT.

### **610.9.4.5. Local Area Network**

All LANs must follow the Institute of Electrical and Electronics Engineers (IEEE) 802.3 standard for wired Ethernet networks. State wireless networks operate only in accordance to the wireless policy. Devices and systems in use must meet the specifications laid out by IEEE, to include but not necessarily limited to: 802.1x, 802.3x full duplex, 802.3, 802.3z 1000BASE-LX, 802.3ab 1000BASE-T, 802.3z 1000BASE-X, 802.3ae 10GbE LAN-PHY, 802.1w RSTP, 802.1s, 802.3ad with LACP support, 802.1Q. Wired network ports that are not individually identified as in use by a State employee, such as those in conference rooms or public areas, will remain disabled unless specifically requested via the BIT HELP Desk (773-4357). Requests must include the dates and times these ports will be used by State employees.

### **610.9.4.6. Wide Area Network**

To assure privacy through carrier networks, all carrier-based services utilize private virtual links in a fashion determined and maintained by BIT. This can include, but is not necessarily limited to, carrier managed Multiprotocol Label Switching (MPLS) networks, Metro Ethernet (MEF) networks, dark fiber networks, or IPSec secured virtual private networks (VPNs) over commercial Internet services. Secure socket layer (SSL) VPNs are not allowed in any location on the network.

### **610.9.4.7. Physical Controls**

All line junction points to include cable and line facilities must be located in secure areas or an area that is locked with a key or similar allowed system. Devices to include but not limited to firewalls, servers, switches, hubs, routers, and wireless access points, must be protected from unauthorized physical access.

## **Network-Communication-Internet**

### **610.11.1. Overview**

All devices connected to any technology infrastructure of the State must be protected. BIT is responsible for defining and managing the method, services, and providers used to access the Internet. The Internet is a tremendous tool to be utilized by the State, but the open-system architecture of the Internet creates risks that must be mitigated; BIT does not control the Internet. All Internet access to or originating from the DDN must be approved through the BIT HELP Desk (773-4357).

### **610.11.2. Purpose**

Access to and access from the Internet is approved, managed, and maintained by BIT.

### **610.11.3. Scope**

This policy establishes acceptable expectations for connections from a State office or connected entity to the public Internet. It establishes rules and regulations for the types of, ownership of, and equipment involved in public Internet connections and the DDN.

#### **610.11.3.1. Scope Assumptions**

Devices or networks connected to the DDN are expected to comply with this policy.

#### **610.11.3.2. Scope Constraints**

Networks not fully under the management of BIT, such as the local county government networks in a courthouse, are out of scope for this policy.

### **610.11.4. Policy**

#### **610.11.4.1. Multiple Connections**

No entity or device that participates on the DDN may maintain or install an Internet connection on a network that is also connected to the DDN. Devices are not permitted to be dual homed (connected to the DDN and the public Internet simultaneously). All traffic destined to the Internet from a DDN-connected entity or arriving from the Internet to the DDN must be through BIT managed solutions. K-12 schools or Post-Secondary Educational institutions that are connected to the DDN are not allowed to have a connection to a public ISP.

#### **610.11.4.2. Interfaces**

Establishing a direct, real-time connection between the DDN and external organizations networks, such as Federal Government, contractor support, or any other public or private network, must be approved by BIT. Additional tasks may be required from BIT to determine what additional suitable security measures can be implemented for the connection. All real-time, external connections to the technology infrastructure of the State must pass through a firewall or a similar technology entry point.

#### 610.11.4.3. Security

Only services that are explicitly authorized by BIT will be permitted inbound and outbound between the DDN Intranet and the Internet. BIT is responsible for periodically reviewing the implemented security rules for devices that manage inbound and outbound connections. Depending on vulnerabilities and other security risks identified, access to the Internet and from the Internet to the DDN can be restricted and/or expanded without notice. Individuals may not probe security mechanisms at any DDN site, State facility or Internet location without specific, written permission that has been obtained from an authoritative person from each of the affected entities. Similarly, any scanning or security probing activity against a DDN site or State facility requires written permission from the BIT Chief Information Security Officer before such an activity is performed. Unauthorized behavior will be referred to the appropriate law enforcement agency.

#### 610.11.4.4. Responsibilities

Devices connected to the DDN may not be used to make unauthorized connections, to break into, or adversely affect the performance of any asset on the DDN or the Internet. All equipment of the State, including but not limited to, workstations, email system, Internet access tools, and other information systems, are restricted to official State business use only.

#### 610.11.4.5. IPv4/IPv6 and Device Names

BIT is responsible for the management of the DDN public IPv4/IPv6 address space which has components used by the State to include the assignment of device names. Workstations and servers are required to use Dynamic Host Configuration Protocol (DHCP) for the assignment of IPv4/IPv6 addresses. Requests for an exemption from DHCP must be submitted to the BIT HELP Desk (773-4357) for review using the *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>). For application access, applications are prohibited from using individual IPv4/IPv6 addresses. Domain names must be created for application reference instead of IPv4/IPv6 address. Requests for an exemption from references to domain names must be submitted to the BIT HELP Desk (773-4357) for review using the *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>). If an exemption is granted, the requestor assumes all liability for the support and the maintenance of the application when the host address is required to change due to infrastructure changes on the DDN. IPv4/IPv6 Addresses and device names are considered classified, private information of the State. Naming standards and IPv4/IPv6 addresses for workstations, servers, networking equipment, security devices, and any other technical device are classified as protected, nonpublic information that may not be distributed without express, written approval of the BIT Commissioner to an entity not associated with the State. Other internal network addresses, identifiers, configurations, and related system design information for the technology infrastructure of the State must be restricted. Technical devices and users outside the DDN must be unable to access classified information without explicit management approval. Exemptions to information access must be submitted to the BIT HELP Desk (773-4357) using the *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>).

## Security-Network Discovery-Probing-Exploiting

### 620.1.1. Overview

BIT establishes and maintains security controls to secure State devices and protect data; therefore, it is important to provide guidelines to strictly prohibit individuals from probing the DDN network, including network, service and port discovery, or trying to exploit these security controls that exist on the DDN.

### 620.1.2. Purpose

This policy is designed to provide clarification on Probing/Exploiting Security Controls.

### 620.1.3. Scope

This policy provides a baseline set of expectations for security policies as applied to the State information technology systems.

#### 620.1.3.1. Scope Assumptions

Security controls are tested frequently throughout the State infrastructure. This includes testing all BIT managed devices; external devices that require connectivity, including contractors and other unmanaged connections; workstations used by K-12 and Higher Education.

#### 620.1.3.2. Scope Constraints

While this policy applies to BIT managed devices and users at our K-12 and Higher Education client locations, it does not apply to the local devices and networks operated by those institutions.

### 620.1.4. Policy

#### 620.1.4.1. Limiting Tool Functionality

Technical tools must be used as directed by the manufacturer or BIT. Utilizing technical tools to cause damage to devices or disrupting the desired data flow across the DDN is prohibited. Authorization to use software such as packet capture, network probing, and network and endpoint discovery tools for troubleshooting activities does not imply that consent has been provided to utilize these tools without limitations. Individuals, identified in name, by the Director of the Division of Telecommunications are permitted to use discretion to expand the functionality of technical tools.

#### 620.1.4.2. Exploiting Security Controls of Information Systems

All individuals must not exploit vulnerabilities or deficiencies found in information systems or perform probing of State network devices to damage systems or data. It is not permitted to obtain information that the individual is not authorized to view, to take resources away from other individuals, or to gain access to other systems for which proper authorization has not been granted. Any exploitation of vulnerabilities in information systems and damage from scanning or probing found must be reported using the Detailed Incident form located on the BIT Intranet.

#### 620.1.4.3. Cracking Application or Passwords

All individuals are strictly prohibited from "cracking" passwords of the technical assets that exist on the DDN. Exemptions must be approved, in advance, and in writing, by the BIT Chief Security Information Officer. The *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>) must be used to request an exemption. Individuals, identified in name, by the Director of the Division of Telecommunications are permitted to "crack" passwords.

#### 620.1.4.4. Exemptions

Exemptions must be approved, in advance, and in writing, by the BIT Chief Information Security Officer. Activities that are prohibited include but are not limited to the use of scanning software and utilities, keylogging devices, vulnerability assessment tools, and denial-of-service utilities. Exemptions for probing and exploiting security controls must be submitted to the BIT HELP Desk (773-4357) by using the *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>).

## Security-Content Control-Internet Filtering

### 620.5.1. Overview

All content accessed from the DDN must be sufficiently protected and monitored to be consistent with BIT Information Technology Security policies. These policies are designed to prevent unauthorized use, modification, disclosure, destruction or denial of access to State assets. Therefore, Internet traffic is monitored for all users and workstations connected to the DDN Intranet. Domain administrative accounts are prohibited from browsing the Internet.

### 620.5.2. Purpose

Primary purpose is to protect and secure information and assets managed by the State. Secondary purpose is to inform and educate users of their responsibilities towards the use of information, products, and services obtained from the Internet.

### 620.5.3. Scope

This policy incorporates all users initiating communication between workstations connected to the DDN and the Internet, including web browsing, (IM) instant messaging, file transfer, file sharing and the Intranet.

#### 620.5.3.1. Scope Assumptions

Content filtering is provided to all users to protect them from the unintentional or deliberate accessing of Internet content that is offensive and inappropriate. Employees, contractors, and devices connected to the DDN must adhere to this policy.

#### 620.5.3.2. Scope Constraints

This policy does not apply to K-12 and Higher Education accounts with administrator privileges. While this policy applies to BIT managed devices and users at our K-12 and Higher Education client locations, it does not apply to the local devices operated by those institutions.

### 620.5.4. Policy

#### 620.5.4.1. Exemptions

If requesting a filter exemption, then justification is required. Exemptions to this policy must be submitted to BIT via the *Security Exemption Request Form* at the BIT Intranet (<http://intranet.bit.sd.gov/forms>). BIT will review the impact to the technology infrastructure of the State for each requested exemption; the period for the review process should not exceed two weeks. Exemption Details:

- All Internet filtering exemptions must be approved by the BIT Commissioner.
- All requests for the data of an individual pertaining to Internet practices must come from the Department Secretary or Bureau Commissioner of the agency directly to the BIT Commissioner as requests for data are handled at the highest level possible.
- A report on an individual should be completed within two weeks. All requests for data must be approved by the BIT Commissioner.

#### 620.5.4.2. Appropriate Use of Administrator Access



Accounts that are members of the SD Domain Administrators group have administrator access to Active Directory services and systems. Use of those accounts specific to Internet access is strictly prohibited. These include Administrators, Domain Administrators, and other accounts with a level of access beyond that of a normal user account. Use of these privileged accounts is restricted to administrative responsibilities and must be prohibited from non-administrative activities. Web browsing or any access to/from the Internet under an Administrator role is strictly prohibited. A malicious website can be used to compromise a workstation or server while online. A compromised asset with elevated Administrative privileges can cause significant additional harm over that of a normal user account.

#### **620.5.4.3. DDN Content Filtering**

BIT does not manage filtering of any degree for K-12 schools. BIT does not manage content filtering of any degree for Higher Education facilities. K-12 and Higher Education are completely responsible for the content that is permitted or blocked for their institutions.

#### **620.5.4.4. DDN Intranet Content Filtering**

BIT policy shall block access to the following categories, based on standard Web filtering suggestions. These categories are deemed inappropriate:

- Adult/Sexually Explicit Material
- Gambling
- Hacking
- Illegal Drugs
- Personals and Dating
- Malicious Websites
- Phishing
- Tasteless and Offensive Content
- Violence, Intolerance, and Hate
- Weapons
- Web Based Email
- Peer to Peer (P2P) File Sharing

#### **620.5.4.5. Filter Exemption Requests**

If access to a blocked Internet site is necessary for reasons related to work expectations or data is needed to understand the Internet surfing habits of an individual, the Department Secretary, Bureau Commissioner, or Executive Leadership must submit a request directly to the BIT Commissioner through the BIT HELP Desk (773-4357). Requests related to Internet site administration for the individual to meet work expectations or individual investigations are handled at the highest management level possible. Requests for access to blocked sites and requests for information on surfing habits are documented in the work order system maintained by the BIT HELP Desk (773-4357). The content-filtering category database of the filtering solution is updated daily. Requests must include:

- The name(s) of the requestor.
- The phone number(s) of the requestor.
- The SD Domain UID(s) of the requestor;
- The site for which access is required or the scope of the data requested for an individual.
- The length of time required for access to the site or the time-period to be recorded in a report.

## TERMS

### Abstraction Technologies

The removal of the network control and forwarding functions that allows the network control to become directly programmable and the underlying infrastructure to be separated for applications and network services. See also Directory, IP Address, and Relative Pathing.

### Access Attempts

When a user tries but fails to connect to an application or database so that they can make use of the resource.

### Accreditation (also referred to as Vulnerability Assessment)

Scanning of a system looking for security vulnerabilities.

### Accreditation Boundary

All components of an information system to be accredited by an authorizing official and excludes separately accredited systems to which the information system is connected. If a set of information resources is identified as an information system, the resources should generally be under the same direct management control; have the same function or mission objective and essentially the same operating characteristics and security needs; reside in the same general operating environment (or in the case of a distributed information system, reside in various locations with similar operating environments.)

### ADABAS

Software AG's database management system (DBMS). ADABAS organizes and accesses data according to relationships among data fields. The relationships among data fields are expressed by ADABAS files, which consist of data fields and logical records.

### Ad hoc Networking (WANET or MANET)

A decentralized type of wireless network, considered ad hoc because it does not rely on a pre-existing infrastructure, such as routers or access points.

### Adverse Event

An observable occurrence where there is unauthorized use of system privileges, unauthorized access to State data, execution of malware, physical intrusions, or electronic intrusions that may include network, applications, servers, workstations, and social engineering of staff.

### Agency

An association, authority, board, commission, committee, council, department, division, task force or office within the Executive Branch of State government. Includes the staff of that individual department.

### Application

A complete and self-contained program or group of programs designed to perform a function for the user.

### Application Scans

Scans performed by BIT against business software applications to identify security vulnerabilities. This includes applications BIT writes and software that is procured from other software companies.

### Application Server

A type of server designed to install, either on workstations or other servers, operate, host applications, and associated services for end users and I/T services. It facilitates the hosting and delivery of applications, which are used by multiple and simultaneously connected local or remote users.

### Authorized Developer

An individual which has been granted permission and access to systems by an administrator of said system so that they can build and create software and applications.

### Authorized Persons

The vendor's and their employees, contractors, subcontractors or other agents who need and have been granted access to the State's data or IT facilities to enable the Vendor to perform the services required.

### Back Door

Access to a computer program that bypasses security mechanisms. A programmer may sometimes install a back door so that the program can be accessed for troubleshooting or other purposes during development. Attackers can use back doors that they detect, or install themselves, to gain access to an application, or database, for malicious purposes.

### Blocked mail

Incoming emails which are being stopped at the mail gateway because they are or appear to be phishing emails, spam, or they have malicious attachments.

### Bluetooth

The wireless communication technology that conforms to the Bluetooth computing and telecommunications industry specification. This specification describes how mobile phone, landline phones, computers, and mobile devices can easily exchange information by using a short-range wireless connection.

### Browser

A software application used to locate, retrieve and display content from the World Wide Web, including Web pages, images, video and other files.

### Brute Force Attack

A hacker sets up an automated process against login pages to repeatedly test the user id and/or password. If they guess a correct combination, they have gained access to the system.

### Bureau of Information and Telecommunications

The Bureau of Information and Telecommunications which strives to partner and collaborate with clients in support of



their missions through innovative information technology consulting, systems, and solutions.

### Business Associate (BA)

A person or entity that performs certain functions or activities that involve the use or disclosure of protected health information on behalf of, or provides services to, a covered entity or another Business Associate. Business associate functions and activities include: claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing. Business associate services are: legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, and financial. BIT is considered a Business Associate of DSS, DOH, DHS and BHR.

### Business Associate Agreement (BAA)

An agreement with a third party or vendor to assure the State that the vendor is appropriately protecting confidential client information and data. If a governmental agency is the BA of another governmental agency who is the covered entity a MOU maybe substituted for a BAA. See also Regulated data and Health Information Portability and Accountability Act.

### Chief Information Security Officer (CISO)

BIT senior executive charged with implementing the information technology security programs for the State.

### Circuit

A theoretical structure simulating electrical and data paths.

### Closed Source

Proprietary software where the state does not hold the copyright.

### Cloud Service

Services made available to users on demand via the internet from a cloud computing provider's servers as opposed to being provided by the State's on-premise servers. See also Infrastructure as a Service and Platform as a Service.

### Code

The instructions commonly used in a program that cause a computer to perform a specific task.

### Commercial off the Shelf Software

Closed source software that is purchased and used by the State with no changes made by the vendor.

### Communication Protocols

The agreed upon format for data that allows the data to be sent between computers.

### Connectivity

The ability of hardware devices or software packages to transmit data between other devices or packages.

### Content Filtering

Using a program to screen and exclude from access or availability, Web pages or email that is deemed objectionable.

### Contractor

Regarding a signatory to a contract or agreement, the terms Contractor, Consultant, and Vendor are equivalent. Subcontractors, Agents, Assigns and/or Affiliated Entities are not signatories to the contract or agreement. The ITSP may be attached to the contract or agreement and all policies in the ITSP apply to all.

### Covered Entity

A HIPAA covered entity is any organization or corporation that directly handles Personal Health Information (PHI) or Personal Health Records (PHR). The most common examples of covered entities include hospitals, doctors' offices and health insurance providers. DSS, DOH and BHR are covered entities. See also Business Associate, Regulated data and Health Information Portability and Accountability Act.

### Cracking passwords

The process of recovering passwords from data that have been stored in or transmitted by a computer system.

### Credentials

Credentials are a UID plus additional information and data such as a password, account number, or access code. Examples are:

- RACF
- NATURAL

### Data and Information Types

Data is measured, collected, reported, and analyzed. Data as a general concept refers to the fact that some existing information or knowledge is represented or coded in some form suitable for better usage or processing. Pieces of data are individual pieces of information.

### Data and Information Types: Confidential

Any data or information, other than trade secrets, that is materially sensitive in nature, whether manual or electronic, which is valuable and not generally known to the public. Identified here, are few examples, this list is not inclusive. Personally identifiable information which is not in the public domain, and if improperly disclosed could be used to steal the identity of an individual, violate the right of an individual to privacy or otherwise harm the individual or business to include, but is not limited to social security numbers, tax payer identification numbers, and any other department determined data that is not in the public domain or intended for release to the public domain and if improperly disclosed might:

- Cause a significant or severe degradation in mission capability.
- Cause loss of organizational integrity or public confidence.

- Result in significant or major damage to organizational assets.
- Damage the integrity of the State.
- Result in significant or major financial loss.
- Result in significant, severe or catastrophic harm to individuals.

### Data and Information Types: Return Information

Any information and data collected, or generated, by the IRS with regard to any person's liability, or possible liability, under the Internal Revenue Code (IRC). Return information and data includes, but is not limited to:

- Information and data, including the return, that IRS obtained from any source or developed through any means that relates to the potential liability of any person under the IRC for any tax, penalty, interest, fine, forfeiture, or other imposition or offense;
- Information and data extracted from a return, including names of dependents or the location of business, the taxpayer's name, address, and identification number.
- Information and data collected by the IRS about any person's tax affairs, even if identifiers, such as name, address, and identification number are deleted. FTI may include PII. FTI may include the following PII elements:
  - The name of a person with respect to whom a return is filed
  - His or her mailing address
  - His or her taxpayer identification number
  - Email addresses
  - Telephone numbers
  - Social Security Numbers
  - Bank account numbers
  - Date and place of birth
  - Mother's maiden name
  - Biometric data (e.g., height, weight, eye color, fingerprints)
  - Any combination of the preceding.

Returns are forms submitted on paper or electronically with return information to the IRS by, or on behalf of, or with respect to any person or entity. Examples can include Forms 1040, 941, 1120 and other informational forms, such as 1099 or W-2.

### Data and Information Types: Sensitive

Any information and data not available to the public via the [Freedom of Information Act](#) or the [State Open Records Laws SDCL 1-27](#).

### Data and Information Types: Trade Secret

Any scientific or technical information and data, design,

process, procedure, formula, pattern, compilation, program, device, method, technique, process, strategic planning information or improvement whether manual or electronic that is:

- Valuable and not generally known to the public, including, but not limited to, workstation software programs;
- Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use;
- The subject of efforts that are reasonable under the circumstances to maintain its secrecy.

See [SDCL 1-27-30](#)

### Database

An organized collection of data that supports the processing of the data to provide information.

### Data Breach

The unauthorized access by a non-authorized person(s) that result in the use, disclosure, corruption or theft of State's data.

### Data Mining

The analysis of a data base to extract patterns that can be used to learn more about the user; usually used for marketing purposes

### Dataset

A collection of related sets of information and data that is composed of separate elements but can be manipulated as a unit by a workstation.

### DDN Intranet

The private, internal network of State government. Executive, judicial branch and constitutional offices connect to the internal aspect of the DDN. The DMZ, K12, REED are examples of external aspects of the DDN.

### De-Militarized Zone (DMZ)

A perimeter network that contains external network facing services. Applications needing access from the public Internet are located in the DMZ.

### Digital Dakota Network (DDN)

The name of the Statewide workstation network including, but not limited to, data, video, and VoIP services that connects many entities together, including the local and wide area networks of the Executive & Judicial branches, K12 schools and Board of Regents.

### Directory

The service that identifies all resources on a network and

makes them accessible to users and applications. Resources include e-mail addresses, computers, and peripheral devices such as printers. The directory service allows a user on a network to access any resource without knowing where or how it is physically connected.

### **Distributed Denial of Service (DDOS)**

A botnet is a series of computers compromised. A DDOS attack utilizes 1 or more botnets to target a single computer or website. The massive amount of botnet traffic overloads the recipient with more data than it can handle, resulting in service delays or outages. The counts indicate the number of attacks targeting the Board of Regents, K12 public schools and State government.

### **Domain Name**

A name owned by a person or organization and consisting of an alphabetical or alphanumeric sequence followed by a suffix: used as an Internet address to identify the location of particular Web pages.

### **Dynamic Naming System (DNS)**

An automated means of translating Internet URLs into the equivalent IP address (translating web addresses from near-English into the URL's digital address).

### **Easter Egg**

A secret message buried in an application.

### **Employee**

Anyone employed directly by the State of South Dakota or employed by any third-party company (contractor or subcontractor) that has a contract to provide work for a State government agency. Contractors and Employees are treated identically throughout the Information Technology Security Policy.

### **End User Data**

Data that is not state data but is non-public or personal data provided by an entity other than the state and is used by someone other than the state.

### **External Network**

Any network that resides outside of the established security perimeter.

### **Extranet**

A controlled private network that allows access to an authorized set of customers.

### **Fail Over**

The process that takes place when a computing resource fails and the functions are automatically moved to another computing resource. Federal Parent Locator System (FPLS) The FPLS is an assembly of systems operated by Office of Child Support Enforcement (OCSE), to assist states in locating noncustodial parents, putative fathers, and custodial parties for the establishment of paternity and child support

obligations, as well as the enforcement and modification of orders for child support, custody and visitation. It also identifies support orders or support cases involving the same parties in different states. The FPLS helps federal and state agencies identify over-payments and fraud and assists with assessing benefits.

### **Federal Tax Information (FTI)**

FTI is any return or return information and data received from the Internal Revenue Service (IRS) or secondary source, such as SSA, Federal Office of Child Support Enforcement or Bureau of Fiscal Service. FTI includes any information created by the recipient that is derived from return or return information and data. Even if identifiers are deleted the data is still considered FTI. Information and data provided directly by the taxpayer or third parties is not FTI. If FTI is replaced with the same data provided by the taxpayer or third party, it is no longer considered FTI. For additional information see **Data and Information Types: Return Information**.

### **File Transfer Protocol (FTP)**

A standard network protocol used to transfer data files between one workstation network and another.

### **Firewall**

A set of related programs, located on a state network gateway server that protects the resources of the state's network from un-authorized users from other networks.

### **Hackers**

Individuals or a group of individuals with the intent of doing harm to state data, infrastructure, or services.

### **Hot Spot**

A physical location where people may obtain Internet access. Hypervisor Is a program that is running one or more virtual machines on a single physical server. See also virtualization.

### **Identity Theft**

When a hacker gains access to enough personal information about someone that they can impersonate one to acquire financing in that person's name or can gain access to data networks as that person.

### **Inbound Traffic**

Network traffic that originates outside of the enterprise network with a destination inside the network.

### **Individually Identifiable Health Information (Also known as Personal or Personally Identifiable Health Information)**

Is information that is a subset of health information, including demographic information collected from an individual, and (1) is created or received by a health care provider, health plan, employer or health care clearinghouse; and (2) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (a) that

identifies the individual; or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

### **Information system**

A computer, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data.

### **Infrastructure**

The technology (hardware and software) that comprise the computer network, phone network, and connections to the Internet including the computer and storage environments.

### **Infrastructure-as-a-Service**

The capability provided to the state to provision, process, and store networks and other fundamental deployments and run arbitrary software, which can include operating systems and applications. The state does not manage or control the underlying cloud infrastructure but has control over operating systems, storage, deployed application; and possibly limited control of select networking components, for example, host firewalls.

### **Internet of Things (IoT)**

The Internet of things (IoT) is the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and network connectivity which enable these objects to connect and exchange data.

### **IP Address**

The address of a connected device on the State's IP network. Every desktop and laptop computer, server, scanner, printer, modem, router, smartphone, and tablet is assigned an IP address.

### **Load Balancing**

Dividing the amount of work that a computer has to do between two or more computers so that more work gets done in the same amount of time and, in general, all users get served faster.

### **MAC Address**

A 12-digit hexadecimal address that is preprogrammed into a computer's network adapter that uniquely identifies that computer on the network.

### **Malicious Phishing**

Email messages disguised to entice the user to enter personal information, network, or banking account information. This information will be sent to the attacker who will use it to steal the user's identity, money, or to access the state network using the user's network log-in information to steal data. State Facilitated Phishing is internal phishing of employees to test and evaluate our education and training efforts.

### **Malicious Software**

A program that gives a hacker control of your computer.

### **Malware**

A program that is inserted into a system, usually covertly, with the intent of compromising the confidentiality, integrity, or availability of the victim's data, applications, or operating system or otherwise annoying or disrupting the victim.

### **Metadata**

Data that describes other data. For example, the date modified field in a listing of files is metadata.

### **Mobile Applications**

Applications running on a mobile device like a smart phone or tablet.

### **Mobile Device**

A portable, wireless computing device that is small enough to be used while held in the hand.

### **Mobile Wi-Fi**

A wireless router that acts as a mobile wireless network outbound spot.

### **NATURAL**

A programming language created by Software AG used to interface with ADABAS (Adaptable Data Base System).

### **Network**

A group of computer systems and hardware devices linked together to facilitate the communication between the devices, the sharing of resources, and that make the exchange of information easier.

### **Non-Public Data**

Data, other than personal data, that is not subject to distribution to the public as public information. It is deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance or administrative rule from access by the general public as public information.

### **Non-State Account (NS)**

An account that provides access to State IT resources used by a non-State employee.

### **On Premise**

The IT infrastructure, applications or data that is located at State facilities. Cloud services, SaaS, PaaS and IaaS would not be considered to be on premise.

### **Open Source**

Software where the copyright holder allows anyone to study, change and distribute the software to anyone for any purpose without paying a licensing fee.



### Operating System

A program that controls the operation of a computer and directs the processing of other programs.

### Outbound Traffic

This is traffic that originates inside an enterprise network and has a destination outside of the network.

### Payment Card Industry (PCI)

Credit card security specifications created by the credit card industry.

### Peripherals

Devices that are utilized to enter data and information into a workstation or retrieve data and information from a workstation.

### Personally Identifiable Information (PII)

Data that includes information that identifies a person by name or by government-issued identification numbers including Social Security, driver's license, and passport numbers. It also includes data that can be used to distinguish an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records. PII also includes financial account information, including account number, credit or debit card numbers, or protected health information (PHI), educational, or employment data relating to a person.

### Platform

The type of computer system the network is running on. The state has three; the Windows based platform, the mainframe system, and the AS 400 system.

### Platform-as-a-Service (PaaS)

The capability provided to the state to deploy onto the cloud infrastructure state-created or -acquired applications created using programming languages and tools supported by the provider. This capability does not necessarily preclude the use of compatible programming languages, libraries, services and tools from other sources. The state does not manage or control the underlying cloud infrastructure, including network, servers, operating systems or storage, but has control over the deployed applications and possibly application hosting environment configurations.

### Portable Device

Any computing device that can easily be carried that is designed to be held and used in the hands. Portable devices include laptops, tablets and smartphones. A portable device may also be called a handheld device or mobile device. See also Remote Access Device (RAD).

### Portable storage device

A computer media storage device that is capable of being physically transported, including but not limited to USB/flash drives/thumb drives, external hard drives, tapes, CDs, DVDs, and cameras.

### Power over Ethernet (POE) switches

A network switch that has Power over Ethernet injection built in.

### Presentation Layers

The layer that translates between multiple data formats used by computers that are trying to communicate. The internal communication functions of a computer system are conceptualized by being partitioned into layers, each layer having different functions.

### Processor

The actual circuit that processes the instructions that drive a computer.

### Production Environment

The setting where applications are run using actual client data as opposed to test environment which is the setting where applications are run using test data.

### Program

A sequence of instructions that can be interpreted and executed by a computer.

### Protected Data

Data protected by any law, regulation, industry standard, or has been designated as sensitive by the State or Federal government.

### Protected Health Information (PHI)

Individually identifiable health information that is:

- Transmitted by electronic media.
- Maintained in electronic media.
- Transmitted or maintained in any other form or medium.
- PHI excludes individually identifiable health information in:
  - Education records covered by the Family Educational Rights and Privacy Act.
  - Employment records held by a covered entity in its role as employer.

PHI includes but is not limited to the patient's name, address, doctor, clinic, diagnosis, and prescribed medication. See **Data and Information Types: Protected Health Information** for additional information.

### Reaccreditation

The periodic rescanning of a system looking for security vulnerabilities.

### Relative Pathing

A location that is relative to the current directory or folder. By making pathing relative rather than hard coded in an application is less likely to "break" the application because it is looking for a location that has been changed.

### Remote Access Device (RAD)

RADs include smartphones like iPhones, Windows and Android phones; mobile computing devices like iPods, iPads,

and notebooks; as well as other non-state workstations such as public access terminals located in libraries, schools and airports or any other internet capable computing device that is mobile or outside the management of BIT. This list is not inclusive.

### **Resource Access Control Facility (RACF)**

An IBM software product. It is a security system that provides access control and auditing functionality for the z/OS and z/VM operating systems.

### **Rogue Access Point**

A wireless access point (WAP) that has been installed on a secure network without authorization.

### **Router**

A networking device that forwards data packets between computer networks.

### **Sanitization**

A process by which data is irreversibly removed from media or the media is permanently destroyed.

### **Script**

A list of commands used by a program to automate processes on a computer.

### **Security Activity**

Activity meant to enhance and maintain a high level of security. This includes scanning network and email communications with sources and destinations that are outside of the state network. It also includes installing upgraded security software and hardware including anti-virus software, firewalls, content-filtering software, and intrusion detection software.

### **Security Incident**

A violation of any BIT security policies, privacy policies, or contract agreements involving sensitive information, or the imminent threat of a violation.

### **Security Infrastructure Team (SIT)**

The BIT SIT shall, in coordination with the CISO, recommend technology solutions, written policies and procedures necessary for assuring the security and integrity of State information technology.

### **Security Operations Team (SOT)**

The BIT SOT meets daily to review any cyber security findings or issues with the State Infrastructure within the previous day.

### **Server**

A computer that contains a program that awaits and fulfills requests from other programs in the same or other computers. A given application in a computer may function as a source of requests for services from other programs and also as a server of requests from to other programs.

### **Service Level Agreement**

A written agreement between both the State and the Vendor that is subject to the terms and conditions in this document that unless otherwise agreed to includes (1) the technical service level performance promises, (i.e. metrics for performance and intervals for measure), (2) description of service quality, (3) identification of roles and responsibilities, (4) security responsibilities and notice requirements, (5) how disputes are discovered and addressed, and (6) any remedies for performance failures.

### **SIM card**

A smart card that stores a subscriber's personal identifier, billing information, and data.

### **Social engineering**

Manipulating individuals to provide confidential information or access to a secured site. Purposely "conning" individuals for the purpose of obtaining information to allow for nefarious cyber activities. The tendency of our culture in SD is to be helpful and thus makes us very vulnerable to being socially engineered.

### **Software-as-a-Service (SaaS)**

Refers to the capability provided to the State to use the provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin-client interface such as a Web browser (e.g., Web-based email) or a program interface. The State does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

### **Software Development Life Cycle (SDLC)**

A software development methodology used by BIT.

### **Software patches**

Changes made to applications to fix security vulnerabilities or impaired functionality.

### **Spoofing**

Refers to various practices that conceal the identity of a user account, an email account, or a computer's Internet Protocol (IP) address that is taking some action. For example, email spoofing involves forging the header of an email message so that the message appears to come from someone other than the true sender.

### **State**

Refers to the government of the State of South Dakota when capitalized.

### **State Contact**

The person or persons designated in writing by the State to receive general project communications, adverse event notifications, security incident notifications, or breach notifications.

### State Data

Means all data created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, the Vendor's hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Vendor.

### State Proprietary Information

The state data plus any other record, information, or document, in any format, that originated with the state.

### Statement of Work

A written statement in a solicitation document or contract that describes the State's service requirements.

### Structure Query Language

A computer language that is used to manage data, where the data is presented as a set of related tables, and to make queries of a database.

### System

A set of interrelating or interdependent component parts forming framework, either software or hardware, connected together to facilitate the flow of data or information.

### Test Environment

The setting where applications are run using test data as opposed to production environment which is the setting were applications are run using actual client data.

### Time Bomb

A program that will stop functioning once a set time is reached.

### Trojan Horse

A malicious program that gives a hacker access to a computer system were the program is disguised as something safe but hides a malicious program.

### User Identification (UID)

A user, identifier, or account utilized for access control to specify which technical assets and resources an individual or entity can access. Examples are:

- USERID
- A User ID
- SD Domain Account

### Virtual Private Network (VPN)

A method to encrypt data that is sent or received over the public Internet.

### Virtualization

The creation of a virtual version of something, such as an operating system, a server, a storage device or network

resources. By allowing multiple virtual versions of something on the same physical server more efficient use is made of network resources.

### Web Probing

An intelligence gathering effort to gather background information and to identify configuration files and directories of servers providing web content.

### Web Server

A computer that acts as a server that serves up Web pages and applications.

### Web Server attacks

Attacks against the servers that connect the state network to the Internet as well as servers that host (store and run) websites. These attacks can be to access data that is not meant to be accessible through the websites via direct probes and software injections from malicious hosts. They can also be meant to prevent users from accessing the websites or the servers. Incidents is the number of successful compromises and Hack Scans are the number of infiltration attempts.

### Wi-Fi

The 802.11b standard for wireless networking. A standard for delivering digital information over high-frequency, wireless local area networks.

### Wireless Access Point (WAP)

A networking hardware device that allows a Wi-Fi device to connect to a wired network.

### Wiring closet

A small room commonly found in institutional buildings where electrical connections are made.

### Workstations

Any State-owned desktop, laptop, or tablet computer.

### Worm

A malicious program that reproduces itself so it can spread from one computer to others.

## ACRONYMS

### ACL

Access Control List

### ADABAS

Adaptable Data Base System

### BA

Business Associate

### BAA

### Business Associate Agreement

#### **BHR**

South Dakota Bureau of Human Resources

#### **BIT**

Bureau of Information & Telecommunications

#### **CISO**

Chief Information Security Officer

#### **COTS**

Commercial off the Shelf Software

#### **DBMS**

Database Management System

#### **DDN**

Digital Dakota Network

#### **DDOS**

Distributed Denial of Service

#### **DHCP**

Dynamic Host Configuration Protocol

#### **DMZ**

De-Militarized Zone

#### **DNS**

Dynamic Naming System

#### **DOH**

South Dakota Department of Health

#### **DSN**

Data Source Name

#### **DSS**

South Dakota Department of Social Services

#### **EAR**

Export Administration Regulations

#### **FERPA**

Family Educational Rights and Privacy Act

#### **FPLS**

Federal Parent Locator System

#### **FTI**

Federal Tax Information

#### **FTP**

File Transfer Protocol

#### **GLBA**

Gramm-Leach Bliley/ Financial Services Modernization Act

#### **HIPAA**

Health Information Portability and Accountability Act

#### **IaaS**

Infrastructure as a Service

#### **IEEE**

Institute of Electrical and Electronics Engineers

#### **IoT**

Internet of Things

#### **IPv4**

Internet Protocol version 4

#### **IPv6**

Internet Protocol version 6

#### **IRS**

Internal Revenue Service

#### **ITAR**

International Traffic in Arms Regulations

#### **MANET**

Mobile Ad Hoc Network

#### **MIFI**

Mobile Wi-Fi

#### **MMIS**

Medicaid Management Information System

#### **MOU**

Memorandum of Understanding

#### **NIST**

National Institute of Standards and Technology

#### **NS**

Non-State Account

#### **OWASP**

Open Web Application Security Project

#### **PaaS**

Platform-as-a-Service

#### **PCI**

Payment Card Industry

#### **PII**

Personally Identifiable Information

#### **PHI**

Protected Health Information

#### **RACF**

Resource Access Control Facility

#### **RAD**

Remote Access Device



**RADIUS**

Remote Authentication Dial-In User Service

**SaaS**

Software-as-a-Service

**SDLC**

Software Development Life Cycle

**SLA**

Service Level Agreement

**SNMP**

Simple Network Management Protocol

**SOC**

Security Operations Center

**SOT**

Security Operations Team

**SOW**

Statement of Work

**SSID**

Service Set Identifier

**SQL**

Structure Query Language

**TACACS+**

Terminal Access Controller Access-Control System Plus

**UAT**

User Assurance Testing

**UID**

User Identification

**VOIP**

Voice Over Internet Protocol

**VPN**

Virtual Private Network

**WAN**

Wide Area Network

**WANET**

Wireless Ad Hoc Network

**WAP**

Wireless Access Point

## BIT Attachment 2



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### Contractor Agreement to Comply with BIT Information Technology Security Policy

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#### **Please return agreement to your designated BIT Contact**

Pursuant to the terms of the Agreement between the Contractor and the State, the Contractor is required to sign this Contractor Agreement to Comply with the BIT Information Technology Security Policy (the "Policy") on behalf of its current and future employees who will be responsible for fulfilling the requirements of the Agreement. The Contractor is responsible for ensuring that each Contractor employee complies with all information security policies and procedures found within the Policy. By signature below, the Contractor hereby acknowledges and agrees to the following:

1. In providing services under a contract, the Contractor will use non-public State of South Dakota technology infrastructure or information;
2. The Contractor will protect technology and information assets of the State from unauthorized activities including but not limited to access, disclosure, modification, deletion, and usage;
3. The Contractor agrees to follow state and federal regulations in regard to confidentiality and handling of data;
4. The Contractor has read and agrees to abide by the Policy, which is attached to the Agreement;
5. The Contractor will discuss with a state contact any violation of the Policy;
6. The Contractor understands that any individual found to have violated the Policy is subject to privilege revocation and, at the State's discretion, may be considered a breach of the Agreement with the State;
7. Access to the technology infrastructure of the State or the State's information is a privilege which may be changed or revoked at the discretion of BIT management;
8. Access to the technology infrastructure of the State automatically terminates upon contract termination unless otherwise agreed upon in writing by the parties; and
9. The Contractor shall promptly report violations of the Policy to the State Contact and BIT Help Desk (605-773-4357).

**Acknowledgement: State of South Dakota Information Technology Security Policy**

**Contractor:** The individual signing this form on behalf of their entire company affirms that he/she has the authority to commit the Contractor and all its employees to follow the terms of this agreement.

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
BIT Contact

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Contractor name and Company name