

MEMORANDUM OF UNDERSTANDING

between

NC DIT

and

Town of Hillsborough

CLOUDFLARE WEB APPLICATION FIREWALL (WAF) SERVICE

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Purpose

This Memorandum of Understanding (MOU) is entered by and between the North Carolina Department of Information Technology (NCDIT) and Town of Hillsborough ("Customer") (hereafter referred to as "Parties"), effective upon the date of signature by NCDIT to document the understandings, obligations, and agreements of the Parties regarding service delivery, administration, and support of the NCDIT Cloudflare WAF Service. In addition, this agreement delineates the roles and responsibilities of the service Customer and the NCDIT Digital Solutions Team.

Service Description

Web application firewall protection is important for protecting state assets exposed to the wider internet. It is a highly recommended component for any public-facing web application because, as a protocol Layer 7 defense in the OSI model, it restricts public inbound traffic's would-be attack vectors on infrastructure to Cloudflare's IP ranges.

WAF typically protects web applications from attacks such as:

- Cross-site forgery
- Cross-site-scripting (XSS)
- File inclusion
- SQL injection

NCDIT Roles and Responsibilities

NCDIT will provide support with the following defined roles and responsibilities:

- Serve as the primary point-of-contact for the Customer on all Cloudflare WAF-related service requests. Customer shall also have the ability to engage directly with Cloudflare enterprise support for incident response and critical issues, where applicable under the State's enterprise agreement.
- Engage resources from Cloudflare as needed in support of the Customer, including support ticket remediation and training opportunities. Nothing herein shall restrict Customer from direct communication with Cloudflare where such access is available.
- NCDIT support will be available:
 - Dedicated ServiceNow catalog item
https://ncgov.servicenowservices.com/sp_dit?id=sc_cat_item&sys_id=2fac cbb21be7d11499510f6fe54bcb13
 - Contact Mac Clark, NCDIT Service Owner for Cloudflare, by email at mac.clark@nc.gov or by phone 252-714-0076.
- Provide requested support as a super administrator.
 - NCDIT super administrator will not make changes to the Customer's account without written Customer approval.

- NCDIT super administrator shall notify the Customer's administrators of personnel changes regarding access to the Customer's Cloudflare account.
- Provision and configure log push jobs within the Customer's account for ingestion within the NCDIT's Enterprise Security & Risk Management Office Security Information and Event Monitoring (SIEM) instance.
 - This will be for security event traffic reviews.
- NCDIT warrants that services shall be carried out according to industry standards in a professional workmanlike manner by qualified personnel.

Customer Roles and Responsibilities

Customer will be responsible for the following defined roles and responsibilities:

- Establish a primary and backup administrator for the Customer's Cloudflare account.
 - These individuals will be responsible for the day-to-day operations in Cloudflare but will have the support of NCDIT/Cloudflare Enterprise.
- Grant access to the NCDIT super administrator on the account.
 - Enabling NCDIT super administrator allows NCDIT the ability to manage NCDIT member access, maintain Cloudflare account, and provide technical support.
- Enable two factor authentication on the account.
- The Parties acknowledge that Customer is responsible for configuration and day-to-day management of WAF rules, except where NCDIT acts pursuant to written direction or in emergency response scenarios.

Term and Termination

Underlying Agreement.

Customer acknowledges that NCDIT maintains an existing enterprise agreement with Cloudflare under which the Cloudflare services described in this MOU are made available to Customer.

NCDIT Non-Renewal or Termination.

In the event NCDIT elects not to renew or terminates its enterprise agreement with Cloudflare, NCDIT will provide Cloudflare with one-hundred eighty (180) days advance written notice, consistent with the requirements of that agreement. NCDIT will, to the extent able, notify Customer of such action in a timely manner to allow Customer to make necessary transition plans.

Customer Termination.

Should Customer elect to discontinue participation in the Cloudflare enterprise tenant, Customer agrees to provide NCDIT with ten (10) days advance written notice.

Data Handling Upon Termination.

Upon termination of participation, NCDIT agrees that Customer information stored within the enterprise tenant on behalf of Customer shall be erased, destroyed, and rendered unrecoverable, consistent with applicable policy and contractual obligations. Customer may elect to retain its individual Cloudflare account and configurations but will no longer receive enterprise entitlements originating from the NCDIT contract.

Effect and Modification

This agreement supersedes any and all prior understandings and agreements between the Parties with respect to the subject matter hereof, and it may be modified or amended only by a writing signed by authorized representatives of both Parties.

Other Provisions/Severability/Entire Agreement

Nothing in this MOU is intended to conflict with current federal or state laws or regulations, or any governing policies of NCDIT or the Customer. If any term of this MOU is found by any court or other legal authority or is agreed by the Parties to be in conflict with any law or regulation governing its subject, the conflicting term shall be considered null and void. The remaining terms and conditions of this MOU shall remain in full force and effect. Waiver of any breach of this MOU shall not be a waiver of any subsequent breach nor shall it be a waiver of the underlying obligation.

Liability and Indemnification

Nothing herein shall be construed as a waiver of the sovereign immunity of the State of North Carolina or the assumption by the State of any liability contrary to the laws and statutes of North Carolina. Each Party shall be responsible for its own liabilities and neither Party shall seek indemnification from the other. This MOU shall inure to the benefit of and be binding upon the parties hereto and their respective successors in the event of governmental reorganization pursuant to N.C.G.S. § 143A-6.

Dispute Resolution

The Parties agree that it is their mutual best interest to resolve disputes informally and amicably. If representatives of the Parties are unable to resolve any dispute after reasonable negotiation, such issue shall be escalated to the respective legal counsel of the Parties, and then, if necessary, to the heads of the respective agencies. If the dispute still remains unresolved, then either Party may seek resolution using the mechanism set out in law.

Security Requirements

Subject to applicable law and this MOU, both parties agree to comply with all applicable Statewide security policies as published at <https://it.nc.gov/programs/cybersecurity-risk-management/esrmo-initiatives/statewide-information-security-policies>, including the applicable sections of the Statewide Information Security Manual <https://it.nc.gov/resources/cybersecurity-risk-management/initiatives/information-security-policies#StatewideInformationSecurityManual-1379>. Each Party shall notify the other of any specific security requirements or policies concerning the other party systems, applications, or data in connection with the services provided herein. Each Party agrees that it will not take any action that would compromise the integrity or effectiveness of the other's systems, network, security measures or data, and the Parties agree that should either determine that such compromise has occurred, other may take such timely action to remedy the problem as it may determine in its reasonable judgment is required and will provide prompt notification to the other in accordance with the terms of the Service Level Agreement found on the [NCDIT Web Application Firewall Webpage](#).

Customer Data and Usage

Any information entered, loaded, and stored within NCDIT's SIEM instance is the property of the Customer. Customer Data consists of configuration settings created by the Customer within the Cloudflare dashboard, associated analytics or metadata generated by Cloudflare in the normal course of service operation, and any firewall event or HTTP traffic information displayed within the Cloudflare dashboard environment. Customer data shall be stored in the United States. NCDIT does not export or retain Customer Data outside of the Cloudflare administrative interface except as required to provide support or comply with applicable law. Access to Customer's Confidential Information shall be restricted to the NCDIT's Digital Solutions or ESRMO Security Operations engaged in the use permitted under this MOU. Access to Customer Data is limited to designated NCDIT super-administrators for the sole purpose of service administration, configuration assistance, and troubleshooting. NCDIT personnel may view Customer configurations, DNS records, and dashboard-displayed analytics only as they exist within Cloudflare. NCDIT does not store, archive, or otherwise retain this information independently.

NCDIT shall not use Customer Data for monitoring unrelated Customer activity, data analytics, research, or any purpose beyond service support and administration as described in this MOU.

Unauthorized access or disclosure of non-public data is considered a breach. The Customer requires NCDIT to notify of unauthorized access or disclosure, or when any data compromise is confirmed, or when a security incident occurs, as soon as possible and without unreasonable delay, but in no event not later than five (5) business days after the breach is confirmed. If NCDIT is responsible for the loss, NCDIT shall bear all costs associated with the investigation, notification, response, and recovery from the breach. The breach must be communicated to the Customer's Cloudflare administrators.

The Parties acknowledge that Customer retains primary responsibility for configuration of WAF rules and policies. NCDIT shall not be responsible for security incidents arising from Customer-directed configurations, except to the extent caused by NCDIT's negligence or unauthorized actions. Conversely, NCDIT shall be responsible for actions taken by its personnel in a super administrative capacity that materially impact Customer security posture.

Confidentiality

As a result of this MOU, each Party is likely to have access to information or records of the other Party that are exempt from disclosure under applicable law. Such information shall be deemed "Confidential Information." Each Party shall maintain all Confidential Information of the other Party in strictest confidence and will not at any time use, publish, reproduce, or disclose any Confidential Information, except to the extent necessary to carry out the Party's duties under this MOU or as expressly authorized in writing by the other Party. Nothing in this paragraph is intended to prevent either Party from compliance with any order issued by a North Carolina state or federal court.

Public Records Request

In the event that a subpoena or other legal process in any way concerning the Customer data or software is served upon NCDIT, then NCDIT agrees to notify the Customer promptly following receipt of such subpoena or other legal process and to cooperate with the Customer in any lawful effort by the Customer to contest the legal validity of such subpoena or other legal process. In the event that a subpoena or other legal process in any way concerning the NCDIT data or software is served upon the Customer, then the Customer agrees to notify NCDIT promptly following receipt of such subpoena or other legal process and to cooperate with NCDIT in any lawful effort by NCDIT to contest the legal validity of such subpoena or other legal process.

Both Parties are subject to the North Carolina Public Records Act (the "Act") at North Carolina General Statutes (N.C.G.S.) 132-1 et seq. The Parties further acknowledge that any information that is not otherwise protected by law is a public record under North Carolina law and may be released and disclosed pursuant to the Act, and that any such release or disclosure shall not in any way constitute a breach of this MOU. In the event NCDIT receives a request for disclosure of Confidential Information which the Customer has specifically marked "Confidential" or "Proprietary", NCDIT shall give the Customer written notice of such request (the "Notice of Request for Disclosure"). In the event the Customer has a reasonable basis for contending that the disclosure of such Confidential Information is not required by the Act, Customer shall within ten (10) days after receipt of the Notice of Request for Disclosure notify NCDIT in writing of its objection to disclosure and the basis therefore. In accordance with the North Carolina electronic data-processing records law N.C.G.S. §132-6-1, all software and documentation are subject to potential public inspection and examination.

Performance and Limitations on Resources

NCDIT shall provide services under this MOU in accordance with the applicable Service Level Agreement (SLA). The applicable SLA shall be provided to Customer and is hereby incorporated by reference. In the event of a natural disaster, other emergency, or any event outside the reasonable control of NCDIT that results in abnormal availability or constraint on NCDIT resources, the Customer shall have no priority or greater right of access to available resources of NCDIT than any other customer or source. In such event, notwithstanding any other provision of this MOU, NCDIT may implement emergency procedures to allocate available resources and services as it may determine necessary or practicable in its reasonable judgement, and any failure or delay of performance during such period shall be excused.

Costs

There will be no costs associated with the services provided by the NCDIT Cloudflare account.

Customer is permitted to add their own Cloudflare add-on services not covered by NCDIT, but the costs incurred for these services will be billed directly from Cloudflare to the Customer's account.

Assignment or Subcontracting

No assignment of the MOU or components of the MOU can occur.

NCDIT shall not subcontract any of the work contemplated under this MOU.

Transition of Service

Upon termination of this MOU, Customer retains its Web Application Firewall account, and all rights to its continued use shall survive the expiration of this Agreement. NCDIT shall provide reasonable transition assistance, including knowledge transfer and documentation, to support Customer's continued operation of the WAF service upon termination.

Signature Page

WHEREFORE, intending to be bound hereby, this Memorandum of Understanding is executed by the undersigned authorized representatives of each Party, effective as of the date of execution of all Parties hereto.

Town of Hillsborough

(Signature of CIO)

(Printed Name and Title)

(Date Signed)

Department of Information Technology

(Signature of SCIO or Designee)

(Printed Name and Title)

(Date Signed)