



STATE OF DELAWARE  
**DEPARTMENT OF TECHNOLOGY AND INFORMATION**  
 801 Silver Lake Blvd.  
 Dover, Delaware 19904

<b>Doc Ref Number:</b>	PL-OFF-001	<b>Revision Number:</b>	4
<b>Document Type:</b>	Enterprise Policy	<b>Page:</b>	1 of 6
<b>Policy Title:</b>	Offshore IT Staffing		

<b>Synopsis:</b>	Establish Guidelines for use of offshore IT staffing.		
<b>Authority:</b>	<a href="#">Title 29 Chapter 90C Delaware Code, §9004C</a> – General Powers, duties and functions of DTI “2) Create, implement and enforce statewide and agency technology solutions, policies, standards and guidelines, including as recommended by the Technology Investment Council on an ongoing basis and the CIO”		
<b>Applicability:</b>	This Policy is applicable to all users of the State of Delaware communications and computing resources. DTI is an Executive Branch Agency and has no authority over the customers in Legislative and Judicial Branches, as well as School Districts, and other Federal and Local Government entities that use these resources. However, all users, including these entities, must agree to abide by all policies, standards promulgated by DTI as a condition of access and continued use of these resources.		
<b>Effective Date:</b>	03/01/2006	<b>Expiration Date:</b>	None
<b>POC for Changes:</b>	Greg Lane, Chief Technology Officer		
<b>Approval By:</b>	James Collins, Chief Information Officer		
<b>Approved On:</b>	2/10/2015		

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## **I. Policy**

**PURPOSE** - This policy addresses specific requirements for IT services provided by contracted vendors using personnel outside the United States. Additionally, this policy addresses contracted vendors that provide services such as custom application development and support on a SaaS platform. This practice has become increasingly common due to shortage of domestic IT resources and opportunity to reduce costs. The goal is to guide State organizations in the selection, contracting, management and oversight of contracted vendors that if they make an offshore contract, ensure that the results meet the short and long-term requirements of the State.

**Business Considerations** – There are several important business issues to be considered.

1. The quality and usability of a system developed and/or maintained offshore should be at least equal to that available through Domestic Contractors.
2. The State’s information systems and data must remain secure during the development and continuing support of the resulting system.
3. In many cases, the use of offshore staff is a result of use of Subcontractors. It is important that the State organization be aware of and approves in advance the use of Subcontractor offshore staff.
4. Managing a project with offshore staff, especially when subcontracted, will require additional attention from the State organization.
5. State organizations should take into consideration that additional overhead is encountered when using offshore staff, especially subcontracted. Some studies estimate the overhead in the 20% range.

**Legal Considerations** – The full legal implications of using offshore staff and Subcontractors is beyond the scope of this policy.

1. The Primary (Domestic) Contractor shall be responsible for Subcontractor compliance with all terms, conditions and requirements of the primary contract, the Request for Proposal, and local, State and Federal Laws. The Primary Contractor must reside in the United States, and be licensed for business in Delaware. The Primary Contractor





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shall be liable for any noncompliance by any Subcontractor. Provisions must be placed in the contract to ensure the State is protected if any political/environmental crises arise that would prevent the successful completion of the contract by any Subcontractors.

2. It is the responsibility of the State Agency head and Data Steward to ensure that any offshore contract adheres to applicable local, State and Federal laws.
3. The full legal implications of using offshore staff and Subcontractors are beyond the scope of this policy. However, State Agencies should recognize that offshore contracts present complex legal issues. The State Agency should, in cooperation with its Counsel and Counsel for DTI, review and approve all contracts and subcontracts for any use of IT staffing personnel or services outside the United States.

#### **Policy Details**

1. **Declare In Advance - Primary Contractors and Subcontractors** must declare in advance or as early as is known during execution if offshore staff will be used for any tasks associated with the contract, and must fully disclose the scope (number and location) and role of the offshore staff. This disclosure must specifically identify the components or subcomponents being worked on, and what portion(s) of the lifecycle are being performed. This requirement for advance notice before offshoring applies to the entire life cycle of the effort.
2. **Domestic Project or Support Manager** - The Primary Contractor must provide a Domestic project or Support manager responsible for managing the relationship with offshore staff. This Domestic project or Support manager is responsible for ensuring that all communications (verbal and written) with the State are in English (American).
3. **Coding Standards** - All interim and final work products must be fully compatible with domestic practices. For example, source code, and documentation must be in English, and stored data must use U.S. Standard formats.
4. **Suitability** - Any decision to utilize offshore staffing or support for a system must be made formally by the head of the Agency.
5. **System Access** -
  - A) The Data Steward must ensure that all aspects of the Administrative Safeguards and Technical Safeguards contained in the [State of Delaware Information Security Policy](#) are followed and that the Primary Contractor understands their obligation to require the same of any Subcontractor.



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- B) The Data Steward must ensure that all aspects of the [System Environment standard](#) are followed and that the Primary Contractor understands their obligation to require the same of any Subcontractor.
  - C) It is considered a best practice for the Offshore staff to have access to only the Development Environment any Non-Public data on the Development Environment, which is accessible via Offshore staff, must be masked/obfuscated sufficiently to reduce its data classification to Public.
  - D) Offshore staff must not have access to the production environment.
  - E) Offshore staff must not have access to any State of Delaware confidential, secret or Top Secret data as outlined in the State's Data Classification Policy.
  - F) It is a requirement for the Primary Contractor's Domestic staff or State staff to be responsible for promotion of system changes into the Test and Production environments.
  - G) **State Policy prohibits the sharing of Logon ID's and Passwords among users of its infrastructure. It is explicitly forbidden for Primary Contractor or Subcontractor staff to "share" access privileges. This is particularly egregious when offshore staff is involved. Violation of this clause will be considered by the State to be a material security breach by the Primary Contractor and is grounds for discipline up to and including termination of the contract and exclusion from future IT contracting opportunities. State and Federal Attorneys General will be consulted for further State and Federal criminal and civil action if deemed necessary**
6. Review Components – The Primary Contractor's domestic staff must review all components developed by offshore staff for fitness, purpose and compliance with standards. One of the principle responsibilities of the Primary Contractor is to ensure that the components do not contain any published vulnerabilities or malicious software designed to damage or disrupt the application or its operating environment. **The State holds the Primary Contractor liable for any code containing vulnerabilities or malicious code produced by themselves or any Subcontractor.**

## IMPLEMENTATION RESPONSIBILITY

DTI and/or the organization's technical staff will implement this policy during the course of normal business activities, including business case review, architectural review, project execution and the design, development, or support of systems.

## ENFORCEMENT and WAIVER



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DTI will enforce this policy during the course of normal business activities, including business case and architectural review of proposed projects and during the design, development, or support of systems. This policy may also be enforced by others during the course of their normal business activities, including audits and design reviews.

If there is ambiguity or confusion regarding any part of this policy, contact the point of contact defined in the header of this policy.

## II. Definitions

**Criticality Classifications** – Reference the [State of Delaware Information Security Policy](#)

**Data Classifications** – Reference the [Data Classification Policy](#)

**Domestic** - Domestic is defined as within the United States or its territories.

**Offshore** – Any location other than Domestic.

**Primary Contractor** - The Primary Contractor is the organization with whom the State organization has an executed contract. The Primary Contractor’s right to use Subcontractors for all or part of the work under the contract depends on several factors, including Data Classification, Criticality Classification, and the stipulations of the contract.

**System Environment** – Reference the [System Environment standard](#)

**Subcontractor** – An entity under contractual arrangement to the Primary Contractor to provide all or part of the work under the primary contract. The various obligations of the Primary Contractor must extend to the Subcontractors as well.





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### III. Development and Revision History

Initial version established 03/01/2006

Second version established 8/15/2011

Third version established 8/28/2012

Minor revision – Changed POC on 10/15/2013

Fourth version established on 2/10/2015

### IV. Approval Signature Block

<b>Name &amp; Title:</b> James Collins State Chief Information Officer	<b>Date</b>



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