CONTRACT

FOR

INFORMATION TECHNOLOGY OPERATIONS
AND MAINTENANCE SERVICES

CONTRACT NO.: DMS-17/18-039

BETWEEN

THE STATE OF FLORIDA

DEPARTMENT OF MANAGEMENT SERVICES

AND

22ND CENTURY TECHNOLOGIES, INC.
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Contract

This Contract is between the STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES (Department), an agency of the State of Florida with offices at 4050 Esplanade Way, Tallahassee, Florida 32399-0950, and 22ND CENTURY TECHNOLOGIES, INC. (Contractor), a State of New Jersey, foreign profit corporation, with offices at 8251 Greensboro Drive, Suite 900, McLean, VA 22102, each a “Party” and collectively referred to herein as the “Parties”.

The Parties enter into this Contract in accordance with the terms and conditions of solicitation No.: DMS-17/18-039, Invitation to Negotiate (ITN), Information Technology Operations and Maintenance Services, and subsequent negotiation(s).

The Contractor shall be responsible for maintaining all Florida Retirement System (FRS) system-related components and enhancing the system to provide greater system functionality and improved ease of use over the life of the Contract as described in Attachment A (“Statement of Work”) of this Contract.

The Parties therefore agree as follows:

SECTION 1. DEFINITIONS

The following definitions apply in addition to the definitions in Chapter 287, Florida Statutes (F.S.), and Rule Chapter 60A-1, Florida Administrative Code (F.A.C.):

(a) **Access**: To review, inspect, approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any data, regardless of type, form, or nature of storage or the ability to review, inspect, approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any data, regardless of type, form, or nature of storage. Access to a computer system or network includes local and remote access.

(b) **Additional Enhancements**: An additional system modification or upgrade that increases system capabilities that is in addition to the Enhancements. These Additional Enhancements shall be initiated by the Division when the yearly allocation of Enhancement hours is expended.

(c) **Business Day**: 24 hours from time of receipt or 5:00 p.m. on the following day from time of receipt, whichever is later, excluding the hours in Saturdays, Sundays and State-observed holidays.
(d) **Change Order:** The form describing the technical changes to be made to the IRIS Applications which shall include the fees and the System Investigation Request with the change, the assumptions upon which the fees were determined, the performance schedule, start and expiration dates, and any other terms and conditions the Parties mutually agreed upon.

(e) **Commercial Off the Shelf (COTS):** Products that are standard manufactured products rather than customized products.

(f) **Confidential Information or Exempt Information:** Any documents, data, or records that are, by Florida or federal law, confidential or exempt and not subject to disclosure pursuant to Chapter 119, Florida Statutes, and the Florida Constitution.

(g) **Contact Center:** The location staffed with Division customer service representatives that provide support for the Users.

(h) **Contract:** This Information Technology Services Contract between the Department and Contractor resulting from ITN Solicitation No.: DMS-17/18-039.

(i) **Contract Manager:** The representative designated by the Department and Contractor, respectively, who will oversee all aspects of the Contract, monitor performance expectations, and serve as the primary point of contact for each of the Parties.

(j) **Customer Relationship Management (CRM):** A web-based application that can be utilized to manage and analyze customer interactions with the Division of Retirement Contact Center. The application also provides the ability to log and work both phone and email activities/cases, and to import CRM cases to IRIS Applications for further processing.

(k) **Data:** Information, knowledge, facts, concepts, computer software, computer programs or instructions. Data may be in any form, including but not limited to, storage media, computer memory, in transit, presented on a display device, or in physical media such as paper, film, microfilm, or microfiche. Data includes the original form of the Data and all metadata associated with the Data.

(l) **Deliverables:** The goods and services that the Contractor is responsible for providing as listed in **Attachment A – Statement of Work**, Section 4, Contractor Deliverables.

(m) **Department:** The Florida Department of Management Services.

(n) **Department Materials:** Materials and assets owned or licensed to the Department as listed in **Appendix A of Attachment A**.
(o) **Derivative Work:** A derivative work as defined in Title 17 U.S.C. § 101, as amended.

(p) **Disputed Amount:** Any portion of an amount claimed by the Contractor to be due and which the Department disputes is owed.

(q) **Division:** The Florida Division of Retirement within the Florida Department of Management Services.

(r) **Enhancement:** A modification or upgrade that increases system capabilities, as opposed to maintenance of current functionality, including development, modifications, and improvements to IRIS Applications or other system components as set forth in Appendix A of Attachment A. Tasks detailed in Sections 3.2 (“Operations and Maintenance Tasks”) and 3.3 (“Disaster Recovery”) of Attachment A are not Enhancements; however, once an Enhancement has been implemented in the production environment, the ongoing Operations and Maintenance and disaster recovery related to the new Enhancement becomes part of the scope of Section 3.2 (“Operations and Maintenance Tasks”) and 3.3 (“Disaster Recovery”) of Attachment A.

(s) **Incident:** Any event that causes an interruption to, or a reduction in, the quality of the Services pertaining to and impacting compliance with performance metrics as specified in Section 5 of Attachment A.

(t) **Intellectual Property Right(s):** means any and all intellectual property rights existing from time to time under any law including patent law, copyright law, semiconductor chip protection law, moral rights law, trade secret law, trademark law (together with all of the goodwill associated therewith), unfair competition law, publicity rights law, or privacy rights law, and any and all other proprietary rights, and any and all applications, renewals, extensions and restorations of any of the foregoing, now or hereafter in force and effect worldwide. For purposes of this definition, rights under patent law shall include rights under any and all United States patent applications and patents (including letters patent and inventor’s certificates) anywhere in the world, including, without limitation, any provisionals, substitutions, extensions, supplementary patent certificates, reissues, renewals, divisions, continuations in part (or in whole), continued prosecution applications, requests for continued examination, and other similar filings or stages thereof provided for under the laws of the United States or another country.

(u) **IRIS Applications:** Computer applications comprising the Integrated Retirement Information System, including IRIS 1.0, IRIS 2.0, FRS Online and all software and hardware necessary to support these applications, the Contact Center, as identified in Appendix A: IRIS Applications Listing, and other required functions (e.g., local government reporting).
(v) **Operations and Maintenance (O&M):** The control and maintenance of the IRIS Applications in accordance with this Contract.

(w) **Protected Data:** Information, knowledge, facts, concepts, computer software, computer programs or instructions that are Confidential Information or Exempt Information, protected health information as defined in 45 C.F.R. § 160.103, or Sensitive Personal Information. Protected Data may be in any form, including, but not limited to, storage media, computer memory, in transit, presented on a display device, or in physical media such as paper, film, microfilm, or microfiche. Protected Data includes the original form of the Protected Data and all metadata associated with the Protected Data.

(x) **Representatives:** Any employees, Subcontractors, consultants, representatives or agents of a Party hereunder.

(y) **Security Breach:** The proven unauthorized acquisition or use of computerized data or hard copy documents that compromises the security, confidentiality, or integrity of information maintained by the Contractor resulting from the fault of Contractor, its agents, employees or its Subcontractors.

(z) **Security Incident:** An act or event that has or had the potential to compromise the security, confidentiality, or integrity of information maintained by the Contractor.

(aa) **Sensitive Personal Information (SPI):** Information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, or employment information.

(bb) **Services:** The services to be provided by Contractor as described in this Contract, Attachment A - Statement of Work.

(cc) **Start Date:** The date whereby the last Party signs this Contract and the Contractor is responsible for providing Services.

(dd) **State Data Center:** Location used to house the server landscape (servers, hardware, wiring, switches, etc.) for the IRIS Applications. The data center includes typical data center physical attributes such as segregated secured areas, built in cooling system, raised floors, server cages, etc.

(ee) **Subcontractor:** Any third party, staffing company, agent, or independent contractor that the Contractor seeks to engage to provide or assist in providing the Services under this Contract. The term also includes any third party, staffing company, agent, or independent contractor hired by a Subcontractor that provides or assists in providing Services under
this Contract. Notwithstanding the foregoing definition, the following are not Subcontractors and, therefore, are not subject to the terms of the applicable sections of this Contract: hardware providers, hardware maintenance providers, software providers, telecommunications providers, providers of real estate / facilities, catering / cafeteria services, telecommunication infrastructure providers, and providers of office supplies.

(ff) **System Investigation Request (SIR):** A work intake and tracking mechanism for service requests requiring code changes, both for O&M and Enhancement items.

(gg) **SIR Tracking System:** A custom-developed system within IRIS to track SIRs.

(hh) **Technical System Design:** The process of defining the components, modules, interfaces, and data for a system to satisfy specified requirements.

(ii) **User Acceptance Testing (UAT):** Formal testing with respect to User needs, requirements, and business processes conducted to determine whether a system change satisfies the acceptance criteria and to enable the User, customers, or other authorized entity to determine whether or not to accept a system change.

(jj) **User:** Anyone authorized to access or receive data from IRIS Applications.

(kk) **Virtual Private Network (VPN):** The Florida Division of State Technology’s approved method of employing encryption to provide secure access to a remote computer over the internet.

**SECTION 2. TERM**

2.1 **Initial Term.**
The initial term of the Contract will be for five (5) years and will begin on the Start Date. Contractor shall initiate performance under the Contract in accordance with a schedule agreed upon by both Parties.

2.2 **Renewal Term.**
Upon written agreement, the Department and the Contractor may renew the Contract, in whole or in part, for renewal terms of up to five (5) years. Any renewals shall be contingent upon satisfactory performance evaluations by the Department and subject to the availability of funds.

2.3 **Termination.**

2.3.1 **Suspension of Work.**
The Department may, at its sole discretion, suspend any or all activities under the Contract, at any time, when it is in the best interest of the State of Florida to do so. The Department will provide the Contractor written notice outlining the particulars
of suspension. Examples of a reason for suspension include, but are not limited to, budgetary constraints, declaration of emergency, or other such circumstances. After receiving a suspension notice, the Contractor must comply with the notice and will cease the enumerated activities being performed under the Contract.

Within ninety (90) calendar days, or any longer period agreed to by the Contractor, the Department will either (1) issue a notice authorizing resumption of work, at which time activity will resume, or (2) terminate the Contract. Suspension of work will not entitle the Contractor to any additional compensation for work that has not been performed.

2.3.2 Termination for Convenience.
Upon thirty (30) calendar days prior written notice, the Department may terminate the Contract, in whole or in part, at any time during the Contract term when it is in the best interest of the State of Florida. If the Contract is terminated before performance is completed, the Contractor will be paid only for that work performed in accordance with the Contract through the effective date of termination. All work in progress will become the property of the Department and will be turned over promptly by the Contractor within fifteen (15) Business Days of Contract termination.

2.3.3 Events of Default.
Each of the following constitutes an Event of Default:

(a) Breach of a material obligation under this Contract.

(b) For any other reason identified elsewhere in the Contract as an Event of Default.

For purposes of this section, the obligation to pay Contractor is the Department’s sole material obligation under this Contract.

2.3.4 Remedies for Events of Default.
If there is an Event of Default then: the non-breaching party may: (a) immediately terminate the Contract upon written notice if an Event of Default is not curable, or is the result of intentional misconduct; (b) notify the breaching party of the Event of Default and require correction within a reasonable amount of time as specified in Section 2.3.5 or (c) take other action available under this Contract.

2.3.5 Opportunity to Cure Default.
In the Event of Default, the non-breaching party will give the breaching party written notice of the Event of Default and request that such default be cured. If the
breaching party fails to cure the specified Event of Default within forty-five (45) calendar days of receipt of the written notice (or such other mutually agreed upon time) and the Parties have completed the dispute resolution process in Section 5.2 (“Dispute Resolution, Governing Law, and Venue”) without resolution (“Default”), then the non-breaching party may terminate this Contract; provided that Department shall have the right to initiate the transition period in accordance with Section 6 of Attachment A (“Transition Plan and Services”) effective upon at least thirty (30) calendar days prior written notice to the Contractor, subject to any continuing rights or obligations hereunder. The non-breaching party’s right to terminate this Contract or the Department’s commencement of the transition period shall automatically expire if the Contractor has cured the Event of Default prior to the Contractor’s receipt of the written termination notice.

SECTION 3. PAYMENTS

3.1 Pricing.
The Contractor shall adhere to the price of an annual fixed rate of [REDACTED COPY] with 10,000 Enhancement hours included. Contractor will charge the hourly rate of [REDACTED COPY] for Additional Enhancements. For the month in which the Contract or Contract renewal begins, expires or is terminated, the monthly payment will be prorated based on the following formula: <<Insert the number of calendar days Services were provided in the month, divided by the total number of calendar days in the month>> multiplied by <<Insert the monthly payment>>.

Enhancement hours roll over to the next calendar year if not used in the current calendar year. For the month in which the Contract or Contract renewal begins, expires or is terminated, the number of Enhancement hours will be prorated based on the following formula: <<Insert the number of calendar days Services were provided in the year, divided by the total number of calendar days in the year>> multiplied by <<10,000 Enhancement hours>>. The Contractor will not exceed the pricing set forth in this Contract.

The O&M work to support the IRIS Applications shall be billed on a fixed-price basis per calendar month, regardless of the number of hours in that month or the number of people the Contractor assigns to perform O&M activities. The fixed monthly payment will be calculated as follows: total annual Contract amount for O&M activities included in the Scope of Services divided by twelve (12) months.

Before Contractor commences work on Enhancements, it must have the Division’s approval for the Enhancements. The Contractor shall not charge hours more than the approved estimated effort for the Enhancements without additional written approval from
the Division. The Division reserves the right to stop the Contractor’s work on any Enhancements at any time or to withdraw approval of any Enhancements at any time. The Contractor will only be entitled to the hours associated with the work performed before the Division stopped the Contractor’s work on the Enhancements.

The Additional Enhancements as described in this Contract shall be billed on a monthly basis. The Division shall initiate utilization and provide approval for the use of Additional Enhancements. The Contractor shall not charge more than the approved estimated effort for the Additional Enhancements without additional written approval from the Division. The Division reserves the right to stop the Contractor’s work on any Additional Enhancements at any time or to withdraw approval of any Additional Enhancements at any time. The Contractor will only be entitled to payment for work performed before the Division stopped the Contractor’s work on the Additional Enhancements.

3.2 Price Adjustments.
Price increases are not permissible during the duration of the Contract (initial and renewal terms).

3.3 Payment Invoicing.
The Contractor will be paid upon submission of monthly invoices to the Department after delivery and acceptance of commodities or contractual services is confirmed by the Department in accordance with Section 5.7, (“Inspection”) and the terms of Attachment A.

The Contractor shall request payment through submission of a properly completed invoice following the end of each calendar month. The monthly invoice must be submitted with the associated Performance Metric Monthly Report as defined in Section 4 of Attachment A (“Contractor Deliverables”). The invoice shall include the date the invoice was provided to the Department, the contract number and title, the Contractor’s Federal Employer Identification Number, the period of time in which Services were rendered, a line item for O&M services, and a line item for Enhancement hours worked. The invoice line item for Enhancement hours worked must reconcile to the System Enhancement Hours Tracking Report Deliverable as prescribed in Appendix D. All invoices for fees or other compensation for services must be submitted in detail sufficient for a proper pre-audit and post-audit thereof. The Department will review and pay the invoice in accordance with sections 215.422 and 287.0585, F.S.

3.4 Travel.
Travel expenses are not reimbursable unless specifically authorized by the Department in writing, and may be reimbursed only in accordance with section 112.061, F.S.
3.5 **Annual Appropriation.**
Pursuant to section 287.0582, F.S., if the Contract binds the State of Florida or an agency for the purchase of services or tangible personal property for a period in excess of one (1) fiscal year, the State of Florida’s performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Legislature.

3.6 **Transaction Fees.**
The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system pursuant to section 287.057(22), F.S. All payments issued by the Department to Contractor for the purchase of commodities or contractual services will be assessed transaction fees as prescribed by rule 60A-1.031, F.A.C., or as may otherwise be established by law. Contractor must pay the transaction fees and agree to automatic deduction of the transaction fees when automatic deduction becomes available. Contractor will submit any monthly reports required pursuant to the rule. All such reports and payments will be subject to audit. Failure to comply with the payment of the transaction fees or reporting of transactions will constitute an Event of Default and subject Contractor to exclusion from business with the State of Florida.

3.7 **Taxes.**
The Department will not be assessed taxes, customs, and tariffs on commodities or contractual services purchased under the Contract unless authorized by Florida law.

3.8 **Return of Funds.**
Contractor will return any overpayments due to unearned funds or funds disallowed pursuant to the terms of the Contract that were disbursed to the Contractor. The Contractor must return any overpayment within forty (40) calendar days after either discovery by the Contractor, its independent auditor, or notification by the Department of the overpayment.

3.9 **Disputed Invoices.**
The Department will timely pay any undisputed portion of the Disputed Amount. The Department will provide the Contractor with written notice of any Disputed Amount and the basis for the dispute in reasonable detail, within twenty (20) calendar days after receipt of the proper invoice. Disputed Amounts shall be handled in accordance with section 215.422, F. S.

3.10 **Payment Upon Expiration or Termination.**
Upon expiration or termination of this Contract, the Department agrees to pay the Contractor the amounts due and owing to Contractor for Services rendered pursuant to this Contract. To be eligible for such payment, Contractor shall submit to the Department, within sixty (60) calendar days of expiration or termination, a request for payment of such amounts. However, the Department will pay any amounts it agrees are owed based upon
invoices previously submitted pursuant to Section 6.2 of Attachment A (“End of Contract Transition Responsibilities”), of this Contract. Requests submitted later than sixty (60) calendar days after expiration or termination will not be honored and will be returned unpaid. Payment for Services requested and provided post-termination shall be paid as mutually agreed upon.

SECTION 4. CONTRACT MANAGEMENT

4.1 Composition and Priority.
The Contractor agrees to provide commodities or contractual services to the Department as specified in this Contract. Additionally, the terms of this Contract supersede the terms of any and all prior agreements between the Parties.

4.2 Notices.
All notices required under the Contract must be delivered to the designated Contract Manager by certified mail, return receipt requested; reputable air courier service; email; personal delivery; or as otherwise identified by the Department.

4.3 Department’s Contract Manager.
The Department’s Contract Manager, who is primarily responsible for overseeing the Contractor’s performance of its duties and obligations pursuant to the terms of this Contract shall be as follows:

Andrea Simpson  
Division of Retirement  
Florida Department of Management Services  
1317 Winewood Blvd., Bldg. 8  
Tallahassee, FL 32399-0950  
Telephone: (850) 778-4401  
Email: andrea.simpson@dms.myflorida.com

In the event that the Department changes the Contract Manager, the Department will notify the Contractor within ten (10) Business Days of the change. Such a change does not require an amendment to the Contract.

4.4 Contractor’s Contract Manager.
The Contractor’s Contract Manager, who is primarily responsible for the Contractor’s oversight of the Contract performance shall be as follows:

Mark Burak  
22nd Century Technologies, Inc.  
8251 Greensboro Drive  
McLean, VA 22102
In the event that the Contractor changes its Contract Manager, the Contractor will notify the Department within ten (10) Business Days of the change. Such a change does not require an amendment to the Contract.

4.5 SIR Process.

The Parties recognize that system modifications (including additions and deletions) to the technical specifications in the IRIS Applications are normal and that an orderly process should be established for those occasions. At the Department’s sole discretion, the Department may choose to use its allotted Enhancement hours to require the Contractor to take prompt and reasonable measures to analyze, design, develop, test, and implement a system modification.

The Parties will confirm in writing all relevant aspects of the system modification; however, it is expressly agreed and understood that when the Division uses its Enhancement hours for a system modification or when system modifications do not require payment, either at the hourly rate provided in Section 3.1 (“Pricing”) or a reduced rate, the system modification will not require the formal execution of a Change Order Form (Appendix E) or an amendment to the Contract unless the system modification also would require a change to the terms of the Contract.

The Division shall propose the system modification in a SIR and the Contractor shall estimate the total number of Enhancement hours to implement the system modification. The Enhancement hours are committed by both Parties once the Division has approved the SIR. If the Contractor is the Party to propose the change, the proposal can start with a functional design summary. Once the item is committed, the Division and the Contractor shall agree on the due dates for the completion of all related system modifications.

4.6 Change Order.

4.6.1 Generally.

A Change Order is used in cases where the Division chooses not to use its allotted Enhancement hours for a system modification or Deliverable (e.g., number of estimated hours exceeds the Division’s allotted number of Enhancement hours), or where the Division chooses to pay the Contractor for the change. The Contractor’s hourly rate for development (design, coding, testing, implementing) shall be the rates provided in Section 3.1 (“Pricing”). Time required by the Contractor to develop the cost estimate is considered a cost of doing business and shall not be counted in the cost of the Change Order.
4.6.2 Process.
Once the SIR process has been completed pursuant to Section 4.5, the Contract Manager of either Party shall deliver a proposed Change Order to the Contract Manager of the other Party specifying (i) the proposed change, (ii) the objective or purpose, and (iii) the requirements and specifications of the Services or Deliverables to be delivered pursuant to such change.

The Parties shall cooperate in discussing the scope and nature of the proposed Change Order, the availability of Contractor personnel, expertise, and resources to provide such proposed change, and the time period during which such proposed Change Order will be implemented. Within ten (10) Business Days of receipt of the proposed Change Order, the Contractor shall, at its expense, review the proposed Change Order.

4.6.3 Approval.
The Department shall review any edits to the proposed Change Order and respond within twenty (20) Business Days, indicating whether it desires the changes pursuant to the proposed Change Order and, if so, the Parties shall execute the Change Order, in the form set forth in Appendix E. The Change Order shall be made in writing, executed by the Parties’ authorized representatives and otherwise in accordance with the terms of the Contract. A Party will have no obligation or authority to commence work in connection with any proposed Change Order until the written Change Order is signed by both Parties. Once the Change Order has been executed, the Change Order shall follow the established formats for Enhancements under Section 3.4 of Attachment A (“Enhancements – System Development Life Cycle (SDLC) Tasks”) of this Contract.

4.7 Diversity Reporting.
The State of Florida supports its diverse business community by creating opportunities for woman-, veteran-, and minority-owned small business enterprises to participate in procurements and contracts. The Department encourages supplier diversity through certification of woman-, veteran-, and minority-owned small business enterprises, and provides advocacy, outreach, and networking through regional business events. For additional information, please contact the Office of Supplier Diversity (OSD) at osdinfo@dms.myflorida.com.

Upon request, the Contractor will report to the Department it’s spend with business enterprises certified by the OSD. These reports must include the time period covered, the name and Federal Employer Identification Number of each business enterprise utilized during the period, commodities and contractual services provided by the business
enterprise, and the amount paid to the business enterprise on behalf of each Department purchasing under the Contract.

4.8 RESPECT.

Subject to the agency determination provided for in section 413.036, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES THAT ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM A NONPROFIT AGENCY FOR THE BLIND OR FOR THE SEVERELY HANDICAPPED THAT IS QUALIFIED PURSUANT TO CHAPTER 413, FLORIDA STATUTES, IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 413.036(1) AND (2), FLORIDA STATUTES; AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THE STATE AGENCY IN SO FAR AS DEALINGS WITH SUCH QUALIFIED NONPROFIT AGENCY ARE CONCERNED.

Additional information about RESPECT and the commodities or contractual services it offers is available at http://www.respectofflorida.org.

4.9 PRIDE.

Subject to the agency determination provided for in sections 287.042(1) and 946.515, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES WHICH ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM THE CORPORATION IDENTIFIED UNDER CHAPTER 946, F.S., IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 946.515(2) AND (4), F.S.; AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THIS AGENCY IN SO FAR AS DEALINGS WITH SUCH CORPORATION ARE CONCERNED.

Additional information about PRIDE and the commodities or contractual services it offers is available at http://www.pride-enterprises.org.

4.10 Vendor Ombudsman.

A Vendor Ombudsman has been established within the Florida Department of Financial Services. The duties of this office are found in section 215.422, Florida Statutes, which include disseminating information relative to prompt payment and assisting vendors in
receiving their payments in a timely manner from the Department. The Vendor Ombudsman may be contacted at (850) 413-5516.

4.11 Order of Precedence.
In the event any of the following documents conflict, the conflict will be resolved in the following order of priority:

1. This Master Contract Document.
3. Terms and Conditions contained in a purchase order (Conflicting or additional terms and conditions appearing on any purchase order issued under this Contract shall not apply to or become a part of this Contract, regardless of any statement to the contrary in such purchase order, except for mutually agreed provisions governing the scope of services or identification of deliverables specific to the subject of the purchase order.).

SECTION 5. COMPLIANCE WITH LAWS

5.1 Conduct of Business.
The Contractor must comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and authority. For example, the Contractor must comply with section 274A of the Immigration and Nationality Act, the Americans with Disabilities Act, Health Insurance Portability and Accountability Act, if applicable, and all prohibitions against discrimination on the basis of race, religion, sex, creed, national origin, handicap, marital status, or veteran’s status. Pursuant to subsection 287.058(1), F.S., the provisions of subparagraphs 287.058(1)(a)-(c), and (g), F.S., are hereby incorporated by reference, to the extent applicable.

5.2 Dispute Resolution, Governing Law, and Venue.
Any dispute concerning performance of the Contract shall be decided by the Department’s designated Contract Manager, who will reduce the decision to writing and serve a copy on the Contractor. Exhaustion of this administrative remedy is an absolute condition precedent to the Contractor’s ability to pursue legal action related to the Contract or any other form of dispute resolution. The laws of the State of Florida govern the Contract. The Parties submit to the jurisdiction of the courts of the State of Florida exclusively for any legal action related to the Contract. Further, the Contractor hereby waives any and all
privileges and rights relating to venue it may have under Chapter 47, F.S., and any and all such venue privileges and rights it may have under any other statute, rule, or case law, including, but not limited to those based on convenience. The Contractor hereby submits to venue in the county chosen by the Department.

5.3 **Department of State Registration.**
Consistent with Chapters 605 through 623, F.S., the Contractor and any Subcontractors that assert status, other than a sole proprietor, must provide the Department with conclusive evidence of a certificate of status, not subject to qualification, if a Florida business entity, or of a certificate of authorization if a foreign business entity.

5.4 **Suspended, Convicted and Discriminatory Vendor Lists.**
In accordance with sections 287.042, 287.133, and 287.134, F.S., an entity or affiliate who is on the Suspended Vendor List, Convicted Vendor List or the Discriminatory Vendor List may not perform work as a contractor, supplier, subcontractor, or consultant under the Contract. The Contractor must notify the Department if it or any of its suppliers, Subcontractors or consultants have been placed on the Suspended Vendor List, Convicted Vendor List, or the Discriminatory Vendor List during the term of the Contract.

5.5 **Scrubinized Companies—Termination by the Department.**
The Department may, at its option, terminate the Contract if the Contractor is found to have submitted a false certification as provided under section 287.135(5), F.S., or been placed on the Scrubinized Companies with Activities in Sudan List or the Scrubinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, or to have been placed on the Scrubinized Companies that Boycot Israel List or is engaged in a boycott of Israel.

5.6 **Cooperation with Inspector General and Records Retention.**
Pursuant to subsection 20.055(5), F.S., Contractor, and any Subcontractor to the Contractor, understand and will comply with their duty to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Upon request of the Inspector General or any other authorized State official, the Contractor must provide any information the Inspector General deems relevant to the Contractor's integrity or responsibility. Such information may include, but will not be limited to, the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Contract. The Contractor will retain such records for five (5) years after the expiration of the Contract, or the period required by the General Records Schedules maintained by the Florida Department of State, at the Department of State’s Records Management website, whichever is longer. The Contractor agrees to reimburse the State of Florida for the reasonable costs of investigation incurred by the Inspector General or other authorized State of Florida official for investigations of the Contractor's compliance with the terms of
this or any other agreement between the Contractor and the State of Florida which results in the suspension or debarment of the Contractor. Such costs will include, but not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees.

5.7 Inspection.
Section 215.422, F.S., provides that agencies have five (5) working days, unless the contract specifies otherwise, to inspect and approve commodities or contractual services. Items may be tested for compliance with the specifications set forth in this Contract or otherwise mutually agreed in writing by the Parties. Items delivered not conforming to specifications may be rejected and returned at the Contractor's expense. Interest penalties for late payment are also limited according to section 215.422, F.S.

SECTION 6. MISCELLANEOUS

6.1 Subcontractors.
The Contractor will not subcontract any work under the Contract without prior written consent of the Department. The Contractor is fully responsible for completion of all its subcontracted work in accordance with the requirements of the Contract.

6.2 Assignment.
The Contractor will not sell, assign, or transfer any of its rights, duties, or obligations under the Contract without the prior written consent of the Department. However, the Contractor may waive its right to receive payment and assign same upon notice to the Department. In the event of any assignment, the Contractor remains responsible for performance of the Contract, unless such responsibility is expressly waived by the Department. The Department may assign the Contract to public or private successors to the Division's statutory functions with prior written notice to the Contractor; provided that the Contractor may terminate the Contract, upon written notice to the Department, if the Contractor determines that, as a result of any such assignment, the performance of any part of the Services would be in conflict with law or professional rules.

6.3 Independent Contractor.
The Contractor and its employees, agents, representatives, and Subcontractors are independent contractors and not employees or agents of the Department and are not entitled to State of Florida benefits. The Department will not be bound by any acts or conduct of the Contractor or its employees, agents, representatives, or Subcontractors. The Contractor agrees to include this provision in all of its subcontracts under the Contract.
6.4 Risk of Loss.
Matters of inspection and acceptance are addressed in section 215.422, F.S. Until acceptance, risk of loss or damage will remain with the Contractor. The Contractor will be responsible for filing, processing, and collecting all damage claims. To assist the Contractor with damage claims, the Department will: record any evidence of visible damage on all copies of the delivering carrier’s Bill of Lading; report damages to the carrier and the Contractor; and provide the Contractor with a copy of the carrier’s Bill of Lading and damage inspection report. When the Department rejects a commodity, Contractor will remove the commodity from the premises within ten (10) calendar days after notification of rejection, and the risk of loss will remain with the Contractor.

Commodities not removed by the Contractor within ten (10) calendar days will be deemed abandoned by the Contractor and the Department will have the right to dispose of such commodities. Contractor will reimburse the Department for costs and expenses incurred in storing or effecting removal or disposition of rejected commodities.

6.5 Safety Standards.
Performance of the Contract for all commodities or contractual services must comply with applicable requirements of the Occupational Safety and Health Act and other applicable State of Florida and federal requirements.

6.6 Timely Performance.
Timely performance regarding obligations of the Parties under the Contract is required.

6.7 Waiver.
The delay or failure by the Department to exercise or enforce any rights under the Contract will not constitute waiver of such rights.

6.8 Modification and Severability.
The Contract may only be modified by written agreement between the Department and the Contractor. Should a court determine any provision of the Contract is invalid, the remaining provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Contract did not contain the provision held invalid.

6.9 Cooperative Purchasing.
Agencies wishing to make purchases under this Contract are required to follow the requirements of section 287.042(16) or 287.057(3) (b), F.S., and rule 60A-1.045, F.A.C. These provisions require the Department to determine that the requesting agency’s use of the Contract is cost-effective and in the best interest of the State.

Pursuant to their own governing laws, and subject to the agreement of the Contractor,
government entities may make purchases under the terms and conditions contained herein, if agreed to by Contractor. Purchases by entities other than the Department are independent of this Contract. The Department is not a party to any transaction between the Contractor and any purchaser.

SECTION 7. WORKERS’ COMPENSATION AND OTHER REQUIRED INSURANCE, AND INDEMNIFICATION

7.1 **Workers’ Compensation Insurance.**
To the extent required by law, the Contractor must be self-insured against, or must secure and maintain during the life of the Contract, workers’ compensation insurance for all its employees connected with the work of this project, and in case any work is subcontracted, the Contractor must require that the Subcontractor provide workers’ compensation insurance for all of the Subcontractor’s employees unless such employees engaged in work under the Contract are covered by the Contractor’s insurance program. Self-insurance or insurance coverage must comply with the Florida Workers’ Compensation law or the state law that governs the Contractor’s workers’ location. In the event hazardous work is being performed by the Contractor under the Contract and any class of employees performing the hazardous work is not protected under workers’ compensation statutes, the Contractor must provide and cause each Subcontractor to provide, adequate insurance satisfactory to the Department for the protection of employees not otherwise protected.

7.2 **Other Required Insurance.**

7.2.1 **Commercial General Liability.**
Written on a per occurrence basis to include coverage for: Broad Form Equivalent Property Damage; Bodily Injury; Personal Injury; Blanket Contractual Liability; Products/Completed Operations.

(a) Combined Single Limit per Occurrence: $ 2,000,000

(b) General Aggregate: $ 5,000,000

The limits of coverage required by the Agreement may be satisfied by a combination of primary and excess/umbrella insurance policies.

7.2.2 **Errors & Omissions Liability (Professional Liability).**
Such policy will include coverage for actual or alleged breach of duty, or wrongful act, error, omission, misstatement, misleading statement or neglect in the rendering of or failure to render the Services under this Contract.
(a) Combined Single Limit: $ 5,000,000 per claim

Such policy will include coverage for first and third-party legal liability as a result of a wrongful act(s) resulting in a physical privacy breach or breach of privacy regulations for expenses arising out of computer attacks caused by security failures.

7.3 Indemnification.

Notwithstanding any other provision in the Contract, the State of Florida and the Department do not indemnify the Contractor or any other person for any liabilities related to this Contract.

Nothing in this Contract shall constitute a waiver of sovereign immunity or consent by the Department or the State of Florida or its subdivisions to suit by third parties.

The Contractor shall provide indemnification as set forth in Subparagraphs 7.3.1-7.3.3 below. These indemnifications by the Contractor, with respect to any legal action, are contingent upon the State of Florida or the Department giving the Contractor (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Contractor’s sole expense, and (3) assistance in defending the action at Contractor’s sole expense. The Contractor shall not be liable for any cost, expense, or compromise incurred or made by the State of Florida or the Department in any legal action without the Contractor’s prior written consent, which shall not be unreasonably withheld.

7.3.1 Personal Injury and Damage to Real or Tangible Personal Property.

The Contractor shall be fully liable for the actions of its agents, employees, partners, and Subcontractors and shall fully indemnify, defend, and hold harmless the State of Florida and the Department, and their officers, agents, and employees, from any suits, actions, damages, and costs of every description, attributable to third party claims arising or resulting from personal injury and damage to real or personal tangible property to the extent alleged to be caused by Contractor, its agents, employees, partners, or Subcontractors. The Contractor shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the State of Florida or the Department.

7.3.2 Intellectual Property Liability.

The Contractor shall be fully liable for the actions of its agents, employees, partners, and Subcontractors and shall fully indemnify, defend, and hold harmless the State of Florida and the Department, including their officers, employees, and agents, from any suits, actions, damages, fines, claims, assessments, attorney’s fees, and costs of every name
and description attributable to third party claims, arising or resulting from a violation or infringement of a trademark, copyright, patent, trade secret, or other Intellectual Property Right by any Service or Deliverable provided by the Contractor hereunder ("Infringement Action").

This intellectual property liability indemnification obligation shall not apply to the Department’s misuse or modification of Contractor’s Services or Deliverables, or the Department’s operation or use of Contractor’s Services or Deliverables in a manner not contemplated by the Contract. If any Services or Deliverables are the subject of an infringement suit or, in the Contractor’s opinion is likely to become the subject of such a suit, the Contractor shall, at its sole expense, (i) procure for the Department the right to continue using the Service or Deliverable or (ii) modify it to become non-infringing. If any Services or Deliverables are the subject of an Infringement Action, Contractor determines that neither (i) or (ii) is commercially practicable, and the Department is ordered as part of a non-appealable judgment in such Infringement Action to cease use of such Services or Deliverables, Contractor will refund to the Department all amounts paid by the Department attributable to such Services or Deliverables. This Section 7.3.2 states Contractor’s entire liability and the Department’s exclusive remedy for any Infringement Action. The State of Florida and the Department shall not be liable for any royalties.

7.3.3 Other Indemnifications.
The Contractor shall be fully liable for the actions of its agents, employees, partners, and Subcontractors and shall fully indemnify, defend, and hold harmless the Department and the State of Florida, and their officers, agents, and employees from any suits, actions, damages, and costs of every name and description, including attorneys’ fees, attributable to third party claims to the extent arising or resulting from, a violation by the Contractor, its agents, employees, partners, or Subcontractors of Sections 9 and 13 below resulting in the improper disclosure of Protected Data. In addition to any other remedies applied, the Contractor shall provide credit monitoring services at its own cost for those individuals whose SPI was improperly disclosed by a Security Breach of the Contractor, its agents, employees, partners, or its Subcontractors for a two (2) year period of time following the Security Breach.

SECTION 8. PUBLIC RECORDS, TRADE SECRETS, DOCUMENT MANAGEMENT AND INTELLECTUAL PROPERTY

8.1 Public Records.
The Department may unilaterally cancel this Contract if the Contractor refuses to comply with this Section 8.1 by not allowing access to all public records, as defined in Chapter 119, F. S., made or received by the Contractor in conjunction with the Contract.
Pursuant to section 119.0701(2)(a), F.S., for contracts for services with a contractor acting on behalf of a public agency, as defined in section 119.011(2), F.S.:

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE TELEPHONE NUMBER, EMAIL ADDRESS AND MAILING ADDRESS PROVIDED IN THE CONTRACT.**

Pursuant to section 119.0701(2)(b), F.S., for contracts for services with a contractor acting on behalf of a public agency as defined in section 119.011(2), F.S., the Contractor shall:

(a) Keep and maintain public records required by the public agency to perform the service.

(b) Upon request from the public agency’s custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if the Contractor does not transfer the records to the public agency.

(d) Upon completion of the Contract, transfer, at no cost, to the public agency all public records in possession of the Contractor or keep and maintain public records required by the public agency to perform the service. If the Contractor transfers all public records to the public agency upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency’s custodian of public records, in a format that is compatible with the information technology systems of the public agency.
Solely for the purposes of this Section 8.1, the Contract Manager is the agency’s custodian of public records.

8.2 Protection of Trade Secrets or Confidential Information or Exempt Information.
If the Contractor considers any portion of materials made or received in the course of performing the Contract to be trade secret under section 688.002 or 812.081, F.S., or otherwise confidential under Florida or federal law, the Contractor must clearly designate that portion of the materials as trade secret or otherwise Confidential Information or Exempt Information when submitted to the Department. Contractor may only designate Contractor Background IP as a trade secret or Confidential Information of Exempt Information of Contractor. In addition to the redacted document, the Contractor must provide an unredacted version of the document to the Department. The Contractor will be responsible for responding to and resolving all claims for access to materials it has designated trade secret or otherwise Confidential Information or Exempt Information.

If the Department is served with a request for discovery of materials designated by the Contractor as trade secret or otherwise Confidential Information or Exempt Information, the Department will notify the Contractor of the request. The Contractor will be responsible for filing the appropriate motion or objection in response to the request for discovery within the timeframe required by the Department. The Department will provide materials designated trade secret or otherwise Confidential Information or Exempt Information if the Contractor fails to take appropriate and timely action, within the timeframe required by the Department, to protect the designated materials.

The Contractor will protect, defend, indemnify, and hold harmless the Department for claims, costs, fines, and attorney’s fees arising from or relating to the Contractor’s designation of materials as trade secret or otherwise Confidential Information or Exempt Information.

8.3 Document Management.
The Contractor must retain sufficient documentation to substantiate claims for payment under the Contract and all other records, electronic files, papers and documents that were made in relation to this Contract. Contractor must retain all documents related to the Contract for five (5) years after expiration of the Contract, or, if longer, the period required by the General Records Schedules maintained by the Florida Department of State available at the Department of State’s Records Management website. The Department may elect to have the Contractor to provide all documents related to the Contract to the Department in lieu of the Contractor retaining such documentation after expiration of the Contract.
8.4  Intellectual Property (IP).

8.4.1 Work Product.
All results of the Services created or developed by or on behalf of Contractor, by itself or jointly with the Department or others, including (i) the Deliverables, (ii) any new, or modifications or enhancements to any, business methods or processes, programs, systems, processes, data, computer programs, operating instructions, specifications, technical information, ideas, inventions, drawings, works of authorship, designs, and all other documentation developed for or relating to the Department or this Contract, and (iii) all documents, data and other information of any kind, including information incorporating, based upon, or derived from the foregoing, and reports and notes prepared by Contractor or any Contractor personnel, or on behalf of Contractor (any of the foregoing whether or not completed), together with all modifications, revisions, changes, copies, translations, compilations, and Derivative Works of the foregoing and all Intellectual Property Rights expressed thereby will collectively be the “Work Product”. Work Product will not include Department Background IP or Contractor Background IP.

Contractor may only disclose Security Work Product to a Subcontractor. Contractor may disclose Other Work Product to a third party that is bound by a duty or contractual obligations of confidentiality and non-disclosure that protects the Other Work Product from disclosure to any other third party. During the Term, Contractor shall disclose promptly to Department all Work Product. Contractor represents and warrants that as of the Start Date and during the Contract Term, (a) that it does not and will not have any commitments under which Contractor is obligated to assign Work Product or rights therein to any party in conflict with Contractor’s obligations to the Department pursuant to this Contract; and (b) that Contractor will obtain from its employees, contractors and others rights as required in this Section 8.4.

8.4.1.1 Background IP.
Department retains all right, title, and interest in or to the Department Background IP. Contractor retains all right, title, and interest in or to the Contractor Background IP. “Department Background IP” means Intellectual Property Rights of the Department
existing prior to the Start Date. Without limitation, the Department Background IP includes
the existing IRIS applications. “Contractor Background IP” means Intellectual Property
Rights of (i) Contractor existing prior to the Start Date or (ii) arising after the Start Date
from activities not associated with the Services and which are not based upon and do not
arise from the Department’s Confidential Information or Exempt Information.

8.4.1.2 Modifications and Enhancements to the Work Product.
Corrections, modifications or enhancements based on the Other Work Product developed
by or on behalf of the Contractor outside the scope of the Contract (“Contractor
Improvements”) will be exclusively owned by Contractor including, without limitation, all
Intellectual Property Rights therein. Corrections, modifications or enhancements based on
the Work Product developed by or on behalf of the Contractor under this Contract will be
Work Product and as such governed by the Section 8.4.1. The Department as owner of
the Work Product may develop or create corrections, modifications or enhancements to
the Work Product (the “Department Improvements”, and together with the Contractor
Improvement, the “Independently Developed Improvements”). All such Independently
Developed Improvements will be exclusively owned by the Party developing or creating
the Independently Developed Improvements including, without limitation, all Intellectual
Property Rights therein. The Party developing or creating the Independently Developed
Improvements has no obligation to provide such Independently Developed Improvements
to the other Party.

8.4.1.3 No Accounting Obligation.
Neither Party will have any obligation or requirement to account to the other Party for any
revenue, profits, monetary receipts or other consideration of any kind with respect to the
exercise of their rights in the Work Product (as regards the Department) and the Other
Work Product (as regards Contractor). For clarity, Contractor (i) may use the Other Work
Product to create a generally-available software offering and commercialize the same
subject to the terms of this Section 8.4, and (ii) will not be obligated to share revenues or
pay royalties or any other remuneration to the Department from the same.

8.4.1.4 Notice of Unauthorized Access.
Contractor will notify the Department of unauthorized access to any software deployed by
Contractor including any Other Work Product as soon as practical; such notice to include
a description of any vulnerabilities in the Other Work Product responsible, in whole or in
part, for the unauthorized access.

8.4.1.5 Intellectual Property Rights Registration.
Neither Party will file a patent application for any Intellectual Property Rights in the Other
Work Product without the written consent of the other Party.
8.4.2 Temporary License.
The Department will provide Contractor with access to Department Materials. The Department hereby grants Contractor a limited, revocable, fully paid-up, royalty-free, non-exclusive, non-transferable license and privilege to use, operate, reproduce, copy, modify, prepare Derivative Works based on, perform, display and view the Department Materials for the sole purpose of performing under this Contract. If Contractor creates or develops modifications or improvements to the Department Materials or refers to the Department Materials to create or develop any other materials, the resulting modifications, improvements and materials, including all Intellectual Property Rights therein, will be deemed “Department Materials” and the Department will own all right, title and interest thereto.

The Contractor agrees that, other than as permitted in this Contract or as otherwise authorized in writing by Department, it will not:

(a) Sell, lease, license, sublicense, loan, encumber, or otherwise deal in any portion of the Department Materials.

(b) Use any portion of the Department Materials to compete with the Department’s licensors for customers.

(c) Provide, disclose, divulge or make available to, or permit use of the Department Materials by persons other than the Department’s or other State Agencies’ employees.

(d) Authorize any Person to engage in actions restricted by this Section 8.4.

(e) Object to the continued use of Department Materials by the Department or its licensors in the pursuit of other business.

For clarity, this license does not include any right for Contractor to exploit the Department Materials for the benefit of Contractor or any third party, including without limitation any other client of Contractor.

8.4.3 Ownership.
Contractor acknowledges and agrees that this Contract does not provide any ownership interest in or rights to the Department Materials. Contractor shall reproduce, and shall not alter or modify, any copyright notices affixed to, on or in the Department Materials.

8.4.4 Termination of License.
The Department may terminate the license granted in subsection 8.4.2 (“Temporary
License") to the Department Materials for convenience upon thirty (30) calendar days' notice.

8.4.5 Disclaimer of Warranties.
The Department Materials are provided by the Department “as is” and without any warranty or condition, either express or implied, including, but not limited to (i) implied warranties and conditions of merchantability, fitness for a particular purpose, title, or non-infringement, and (ii) any warranty against errors or omissions.

8.4.6 Non-disclosure.
The Department Materials shall be Confidential Information or Exempt Information of the Department. Contractor will not disclose, or permit to be disclosed, the Department Materials, directly or indirectly, to any third party except its employees who have a need to know and who are bound by a duty of confidentiality, without the Department's prior written consent. Contractor agrees to exercise due care in protecting the Department Materials from unauthorized use and disclosure.

8.4.7 Notification of Unauthorized Disclosure.
Contractor agrees to notify the Department in writing without unreasonable delay of the existence of any possession or use of the Department Materials not within the license rights of subsection 8.4.2 of which Contractor becomes aware, in whole or in part, by any person, and of the circumstances surrounding such possession or use, and to reasonably cooperate with the Department to stop such possession or use.

8.4.8 Audit.
Contractor agrees, and shall require that its Subcontractors agree, that the Department shall have the right to have an independent auditor conduct an audit at Contractor’s and its Subcontractors’ premises during normal business hours to verify that neither Contractor, nor any of its affiliates or Subcontractors, are furnishing any of the Work Product to any third party and Contractor is complying with the rights granted herein in and to the Department Materials. The cost of such audit shall normally be at the Department’s expense, except that Contractor will bear the cost of the audit if the audit reveals that Contractor or any of its Contractor Representatives are furnishing, or have furnished, any such Work Product to any third party or Contractor has exceeded its rights in the Department Materials. The Department will have no obligation to share with Contractor findings of an audit performed under this subsection as regards to Contractor’s compliance with its obligations with respect to the Department Materials.
SECTION 9. DATA SECURITY AND SERVICES

9.1 Duty to Provide Secure Data.
The Contractor will provide the security services as provided in Attachment A (Statement of Work) of this Contract, to maintain the security of State of Florida data and, to the extent applicable to the Contractor in its performance of the Services under the Contract, will also comply with all HIPAA requirements and any other state and federal laws, rules, and regulations regarding security of information.

9.2 Geographic Location of Data and Services.
Unless otherwise agreed in writing, the Contractor and its Subcontractors will not perform any of the Services from outside of the United States, and the Contractor will not allow any State of Florida data to be sent by any medium, transmitted, or accessed outside of the United States due to Contractor’s action or inaction.

9.3 Notification of Data Breach.
In addition to any applicable requirements of section 501.171, F.S., the Contractor must notify the Department within four (4) hours in the event Contractor discovers any data is breached, any unauthorized access of data occurs (even by persons or companies with authorized access for other purposes), or any unauthorized transmission of data occurs. This notification is required regardless of the number of persons or type of data affected. The notification must be clear and conspicuous and include a description of the following:

(a) The incident in general terms.

(b) The type of information that was subject to the unauthorized access and acquisition.

(c) The type and number of entities who were, or potentially have been, affected by the breach.

(d) The actions taken by the Contractor to protect the data from further unauthorized access.

However, the description of those actions in the written notice may be general so as not to further increase the risk or severity of the breach. In addition to the notification provided for in this Section 9.3, the Contractor must set up a conference call with the Department, providing sufficient notice for the Department personnel to be available for the call.

9.4 Remedial Measures.
Once a data breach has been contained, the Contractor must provide the Department with a post-incident report documenting all containment, eradication, and recovery measures
taken. The Department reserves the right in its sole discretion and cost to enlist a third party to audit Contractor's findings and produce an independent report. The Contractor will fully cooperate with the third party.

9.5 Annual Certification.
The Contractor is required to submit an annual certification demonstrating compliance with the Warranty of Security to the Department by June 30th of each Contract year.

9.6 Warranty of Security.
The Contractor agrees that a violation by Contractor or its Subcontractors of this Section 9.6 may result in immediate and irreparable harm to the Department and will entitle the Department to a credit as provided in Appendix B. This will not preclude the Department from seeking to recover other damages it may suffer as a result of such violation, subject to the terms of this Contract (including the limitation of liability). For purposes of determining the damages due hereunder, a group of violations relating to a common set of operative facts (e.g., same location, same time period, same off-shore entity) will be treated as a single event. A violation of this provision by the Contractor or its Subcontractors will also entitle the Department to any other remedies it is entitled to under this Contract or at law arising from a breach of this Section 9.6 and constitutes an event of default.

9.7 Loss of Data
In the event of loss of any State data or records where such loss is not due to the Department’s action, the Contractor will provide notice within twenty-four (24) hours of such loss and be responsible for recreating such lost data in the manner it existed or in a comparable manner reasonably acceptable to the Department on a reasonable schedule set by the Department.

SECTION 10. GRATUITIES, LOBBYING, AND COMMUNICATIONS

10.1 Gratuities.
The Contractor will not, in connection with this Contract, directly or indirectly (1) offer, give, or agree to give anything of value to anyone as consideration for any State of Florida officer or employee’s decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give to anyone anything of value for the benefit of, or at the direction or request of, any State of Florida officer or employee.

10.2 Lobbying.
In accordance with sections 11.062 and 216.347, F.S., Contract funds are not for the purpose of lobbying the Legislature, the judicial branch, or the Department. Pursuant to
subsection 287.058(6), F.S., the Contract does not prohibit the Contractor from lobbying
the executive or legislative branch concerning the scope of services, performance, term,
or compensation regarding the Contract, after the Contract execution and during the
Contract’s term.

10.3 Communications.
Contractor shall not, without first notifying the Department’s Contract Manager and
securing the Department’s prior written consent, make public statements which concern
the Contract or its subject matter, disclose or permit disclosure of any data or information
obtained or furnished in accordance with the Contract, or use any statement attributable
to the Department or its employees. Public statements include press releases, publicity
releases, promotions, marketing materials, corporate communications, or other similar
communications. The Department’s written consent shall not be construed to supersede
or waive the Contract requirements imposed on the Contractor to maintain Confidential
Information or Exempt Information.

SECTION 11. CONTRACT MONITORING

11.1 Performance Standards.
The Contractor agrees to perform all tasks and provide Deliverables as set forth in the
Contract. The Department will be entitled at all times, upon request, to be advised as to
the status of work being done by the Contractor and of the details thereof.

11.2 Performance Deficiencies.
If the Contractor fails to perform in accordance with the requirements of the Contract (i.e.,
a “performance deficiency”) the Department will notify the Contractor. The correction must
be made within a reasonable time-frame specified by the Department. The Contractor
must provide the Department with a corrective action plan within ten (10) Business Days
of notice describing how the Contractor will address all such performance deficiencies
identified by the Department.

If the corrective action plan is unacceptable to the Department, or implementation of the
plan fails to remedy the performance deficiencies, the Department will retain ten percent
(10%) of the total invoice amount for the then-current billing period. The Department will
not be obligated to pay the retained amount unless and until the performance deficiencies
are resolved, in which case such amount will be paid during the next billing period.

11.3 Liquidated Damages.
The Contractor will promptly notify the Department upon becoming aware of any
circumstances that may reasonably be expected to jeopardize the timely and successful
completion (or delivery) of any commodity or contractual service. The Contractor will use
commercially reasonable efforts to avoid or minimize any delays in performance and will inform the Department of the steps the Contractor is taking or will take to do so, and the projected actual completion (or delivery) time. If the Contractor believes a delay in performance by the Department has caused or will cause the Contractor to be unable to perform its obligations on time, the Contractor will promptly so notify the Department and use commercially reasonable efforts to perform its obligations on time notwithstanding the Department’s delay.

The Contractor acknowledges that untimely performance or other material noncompliance will damage the Department, but by their nature such damages are difficult to ascertain. Accordingly, the liquidated damages provisions stated in the Contract documents will apply. Liquidated damages are not intended to be a penalty and are solely intended to compensate for damages. The Department acknowledges that Contractor’s performance is dependent, in part, upon the Department’s reasonable assistance, provision of information and cooperation (“Cooperation”). Accordingly, any dates or time periods relevant to Contractor’s performance will be equitably extended for a period of time as reasonably determined by the Parties to account for any delays to the extent due to failure of the Department to provide such Cooperation. If the Parties cannot reasonably agree, then the timing of the delay will be subject to the dispute resolution process set forth in Section 5.2.

11.4 Force Majeure, Notice of Delay, and No Damages for Delay.

The Contractor will not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees or agents contributed to the delay and the delay is due directly to fire, explosion, earthquake, windstorm, flood, radioactive or toxic chemical hazard, war, military hostilities, terrorism, civil emergency, embargo, riot, strike, violent civil unrest, or other similar cause wholly beyond the Contractor’s reasonable control, or for any of the foregoing that affect Subcontractors or suppliers if no alternate source of supply is available to the Contractor.

The foregoing does not excuse delay which could have been avoided if the Contractor implemented any risk mitigation required by the Contract. In case of any delay the Contractor believes is excusable under this Section 11.4, the Contractor will notify the Department in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) calendar days after the cause that creates or will create the delay first arose, if the Contractor could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) calendar days after the date the Contractor first had reason to believe that a delay could result. The foregoing will constitute the Contractor’s sole remedy or excuse with respect to such delay. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy.
For delays covered by this Section 11.4, no claim for damages will be asserted by the Contractor.

The Contractor will not be entitled to an increase in the Contract price or payment of any kind from the Department for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist, the Contractor will perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the State of Florida, in which case the Department may (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to the Department with respect to commodities or contractual services subjected to allocation, or (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the commodity or contractual services that are the subject of the delay, which purchases may be deducted from the Contract quantity, or (3) terminate the Contract in whole or in part.

SECTION 12. CONTRACT AUDITS

12.1 Performance and Compliance Audits.

The Department may conduct or have conducted performance and/or compliance audits of the Contractor and Subcontractors as determined by the Department. The Department may conduct an audit and review all the Contractor's and Subcontractors’ data and records that directly relate to the Contract. To the extent necessary to verify the Contractor's fees and claims for payment under the Contract, the Contractor’s agreements or contracts with Subcontractors, partners or agents of the Contractor, pertaining to this Contract, may be inspected by the Department upon fifteen (15) calendar days’ notice, during normal working hours and in accordance with the Contractor’s facility access procedures where facility access is required. Release statements from its Subcontractors, partners or agents are not required for the Department or its designee to conduct compliance and performance audits on any of the Contractor’s contracts relating to this Contract.

12.2 Payment Audit.

Records of costs incurred under terms of the Contract will be maintained in accordance with Section 8.3 of this Contract. Records of costs incurred will include the Contractor’s standard accounting records, together with supporting documents and records of the Contractor and all Subcontractors performing work, and all other records of the Contractor
and Subcontractors considered necessary by the Department, State of Florida’s Chief Financial Officer or the State of Florida Office of the Auditor General.

12.3 Other Audits.
The State of Florida’s Chief Financial Officer and Office of the Auditor General have statutory authority to perform audits and inspections.

Additionally, AICPA Statement on Auditing Standards for Attestation Engagements No.16 (SSAE-16), Reporting on Service Organization Controls (SOC), provides authoritative guidance that allows auditors of service organizations to disclose to user organizations' information and assurance about the controls at a service organization that affect the security, availability, and processing integrity of the systems the service organization uses to process users’ data and the confidentiality and privacy of the information processed by these systems. On an annual basis, the Contractor and each Subcontractor shall engage at its own expense a service auditor for the purpose of obtaining a report, commonly known as a SSAE-16 SOC 1 or SOC 2 (as applicable), Type II report, for the audit period of State fiscal year July 1st through June 30th.

The report shall describe the Contractor or Subcontractor’s controls related to this Contract relevant to security, availability, processing integrity, confidentiality, and privacy and the results of the auditor’s tests of operating effectiveness. The Contractor or Subcontractor shall require that the service auditor also include evaluations of subservice organizations, where necessary. The service auditor’s report shall include the Contractor or Subcontractor’s response to the report and include a complete description of planned corrective actions. The work performed and the report shall be completed in accordance with AT Section 101, AICPA Professional Auditing Standards, and other applicable auditing standards. A copy of that report shall be provided annually at no charge to the Department, the State CFO and the Auditor General.

In addition to the foregoing requirements, the Contractor shall provide to the Department a report summary, on the Contractor's letterhead and signed by a Corporate Officer of the Contractor, a letter providing the areas in the SSAE-16 SOC 1 or SOC 2 (as applicable), Type II reports that pertain to the State of Florida account, and an explanation of any findings related to those areas. In the event no finding has occurred, the Contractor shall provide written confirmation of such.

12.4 Third-Party Monitoring.
The Department reserves the right to contract for third-party consultant services to deliver independent verification and validation (IV&V) that provides an objective assessment of software products, processes, contract requirements and the IRIS Applications throughout the Contract term. The third-party consultants shall execute a nondisclosure agreement
and shall have the authority to access any and all documents, information or gain other access afforded the Department under this Contract. The Department will use reasonable efforts to conduct such IV&V efforts in a manner that will minimize the disruption to the business operations of the Contractor, its affiliates, and its Subcontractors. The purpose of initiating IV&V services includes:

(a) Early assessment of IRIS Applications performance.

(b) Early detection and correction of system defects.

(c) Enhanced management insight into business processes and system/security risk.

(d) Ensure conformance to performance standards, schedule and reasonable use of Enhancement hours.

(e) Improved software development and maintenance processes to minimize customizations.

(f) Business process improvement support to increase standardization and efficiency.

SECTION 13. BACKGROUND SCREENING AND SECURITY

All Contractor employees, Subcontractors and agents performing work under the Contract must comply with all security and administrative requirements of the Department.

13.1 Background Screening.
In addition to any background screening required by the Contractor as a condition of employment, the Contractor warrants that it will conduct a criminal background screening of, or ensure that such a screening is conducted for, each of its employees, Subcontractor personnel, independent contractors, leased employees, volunteers, licensees or other person, hereinafter referred in this Section 13 only as “Person” or “Persons,” operating under their direction who directly perform services under the Contract, whether or not the Person has access to Data, as well as those who have access, including indirect access, to Data, whether or not they perform Services under the Contract. The Contractor warrants that all Persons will have passed the Background Screening described herein before they have Access to Data or begin performing Services under the Contract. The look-back period for such background screenings will be for a minimum of six (6) years where six (6) years of historical information is available.

The minimum background check process will include a check of the following databases through a law enforcement agency or a Professional Background Screener accredited by
the National Association of Professional Background Screeners or a comparable standard:

(a) Social Security Number Trace; and

(b) Criminal Records (Federal, State and County criminal felony and misdemeanor, national criminal database for all states which make such data available).

The Contractor agrees that each Person will be screened as a prior condition for performing Services or having Access to Data. The Contractor is responsible for any and all costs and expenses in obtaining and maintaining the criminal background screening information for each Person described above. The Contractor will maintain documentation of the screening in the Person’s employment file. The Contractor will abide by all applicable laws, rules and regulations including, but not limited to the Fair Credit Reporting Act and/or any equal opportunity laws, rules, regulations or ordinances.

13.1.1 Disqualifying Offenses.
If at any time it is determined that a Person has a criminal misdemeanor or felony record regardless of adjudication (e.g., adjudication withheld, a plea of guilty or nolo contendere, or a guilty verdict) within the last six (6) years from the date of the court’s determination for the crimes listed below, or their equivalent in any jurisdiction, the Contractor is required to immediately remove that Person from any position with Access to Data or directly performing Services under the Contract. The disqualifying offenses are:

(a) Identity theft.

(b) Computer related or information technology crimes.

(c) Fraudulent practices, false pretenses and frauds, and credit card crimes.

(d) Forgery and counterfeiting.

(e) Violations involving checks and drafts.

(f) Misuse of medical or personnel records.

(g) Felony theft.

If the Contractor finds a disqualifying offense for a Person within the last six (6) years from the date of the court’s disposition, it may obtain information regarding the incident and determine whether that Person should continue providing Services under the Contract or
have Access to Data. The Contractor will consider the following factors only in making the
determination: i) nature and gravity of the offense, ii) the amount of time that lapsed since
the offense, iii) the rehabilitation efforts of the person and iv) relevancy of the offense to
the job duties of the Person. If the Contractor determines that the Person should be
allowed Access to Data, then Contractor shall maintain all criminal background screening
information and the rationale for such Access in the Person’s employment file.

13.1.2 Refresh Screening.
The Contractor will ensure that all background screening will be refreshed every five (5)
years from the time initially performed for each Person during the Term of the Contract.

13.1.3 Self-Disclosure.
The Contractor shall ensure that all Persons have a responsibility to self-report within three
(3) calendar days to the Contractor any updated court disposition regarding any
disqualifying offense, regardless of adjudication (adjudication withheld, a plea of guilty or
nolo contendere, or a guilty verdict). The Contractor shall immediately reassess whether
to disallow that Person Access to any State of Florida premises or from directly performing
Services under the Contract.

In addition, the Contractor shall ensure that all Persons have a responsibility to self-report
to the Contractor within three (3) calendar days, any arrest for any disqualifying offense.
The Contractor shall notify the Contract Manager within one (1) Business Day of all details
concerning any reported arrest.

The Contractor shall require that all Persons complete an annual certification that they
have not received any additional criminal misdemeanor or felony record regardless of
adjudication (adjudication withheld, a plea of guilty or nolo contendere, or a guilty verdict)
for the disqualifying offenses and shall maintain that certification in the employment file.

13.1.4 Department’s Ability to Audit Background Screening Compliance.
The Department reserves the right to audit the Contractor’s background screening process
and documentation upon two (2) Business Days prior written notice to the Contractor
during the Term of the Contract.

13.1.5 Record Retention.
The Contractor shall retain a list of all Persons with Access to Data, including a statement
confirming that each Person has passed the Background Screening required herein. Such
a statement shall not include the substance of the screening results, only that the Person
has passed the screening.
The Contractor shall create a written policy for the protection of Data, including a policy and procedure for Access to Data.

13.2 Documenting Access.

The Contractor shall document and record, with respect to each instance of Access to Data:

(a) The identity of all individual(s) who accessed Data in any way, whether those individuals are authorized Persons or not.

(b) The duration of the individual(s)' Access to Data, including the time and date at which the Access began and ended.

(c) The identity, form, and extent of Data accessed, including, but not limited to, whether the individual accessed partial or redacted versions of Data, read-only versions of Data, or editable versions of Data.

(d) The nature of the Access to Data, including whether Data was edited or shared with any other individual or entity during the duration of the Access, and, if so, the identity of the individual or entity.

The Contractor shall retain the written policy and information required in this Section 13.2 for the duration of this Contract and a period of no less than five (5) years from the date of termination of this Contract and any Contract extensions. The written policy and information required in this Section 13.2 shall be included in the Department’s audit and screening abilities as defined in this Section 13.2. The written policy and information required in this Section 13.2 shall also be subject to immediate disclosure upon written or oral demand at any time by the Department or its designated agents or auditors.

The resulting damages to the Department from the Contractor’s failure to comply with this Section 13.2 are by their nature impossible to ascertain presently and will be difficult to ascertain in the future. The issues involved in determining such damages will be numerous, complex, and unreasonably burdensome to prove. The Parties acknowledge that these financial consequences are liquidated damages, exclusive of any other right to damages, not intended to be a penalty and solely intended to compensate for unknown and unascertainable damages. The Contractor therefore agrees to credit the Department the sum of $10,000 for each instance of noncompliance with this Section 13.2.

13.3 E-Verify.

The Contractor agrees to utilize the U.S. Department of Homeland Security's (DHS) E-Verify system to verify the employment eligibility of all new employees hired during the
term of the Contract for the Services specified in the Contract. The Contractor must also include a requirement in subcontracts that the Subcontractor must utilize the E-Verify system to verify the employment eligibility of all new employees hired by the Subcontractor during the Contract term. In order to implement this provision, the Contractor must provide a copy of its DHS Memorandum of Understanding (MOU) or company profile page in the E-Verify system to the Department’s Contract Manager within five (5) calendar days of Contract execution. If the Contractor is not enrolled in DHS E-Verify System, it will do so within five (5) calendar days of notice of Contract award and provide the Department’s Contract Manager a copy of its MOU within five (5) calendar days of Contract execution. The link to E-Verify is https://www.uscis.gov/e-verify. Within five (5) calendar days of each Contractor or Subcontractor new personnel beginning work under this Contract, the Contractor must provide a statement within five (5) calendar days to the Department’s Contract Manager identifying the new individual with its E-Verify case number.

13.4 Confidentiality.

The Contractor must maintain confidentiality of all confidential data, files, and records related to the Services and/or commodities provided pursuant to the Contract and must comply with all state and federal laws, including, but not limited to sections 381.004, 384.29, 392.65, and 456.057, F.S. In its performance of the Services under this Contract, the Contractor’s confidentiality procedures must be consistent with the most recent version of the Department security policies, protocols, and procedures. If the Department’s security policies, protocols, and procedures are modified, the Department will notify Contractor. The Contractor shall notify the Department if it believes that compliance with the modifications will create an undue burden to the Contractor and should be reviewed to determine whether a Change Order is warranted. The Contractor must also comply with any applicable professional standards with respect to confidentiality of information.

The Department hereby consents to the Contractor disclosing such information: (i) as expressly allowed to be disclosed under this Contract; (ii) to contractors providing administrative, infrastructure, and other support services to the Contractor and Subcontractors providing services in connection with this Contract, provided that such contractors and Subcontractors have agreed to be bound by confidentiality obligations at least as protective of confidentiality as to those in this Section 13.4 and provided that such information is necessary to the performance of the services provided; (iii) as required by law, regulation, or court order; or (iv) to the extent such information (a) is or becomes publicly available other than as the result of a disclosure in breach hereof; (b) is already known by the Contractor without any obligation of confidentiality with respect thereto, or (c) is developed by the Contractor independently of any disclosures made to the Contractor hereunder.
SECTION 14. LIMITATION OF LIABILITY

For all claims against the Contractor under this Contract, and regardless of the basis on which the claim is made, the Contractor’s liability for direct damages shall be limited to three (3) times the annual operations and maintenance charges for the Contract year in which the first cause of action giving rise to a claim accrues. This limitation shall not apply to claims arising under the Indemnity paragraphs contained in Section 7 (“Workers’ Compensation and Other Required Insurance, and Indemnification”) of this Contract, provided that with respect to the indemnity and other obligations under Section 7.3.3 of this Contract, Contractor shall not be liable for an aggregate amount in excess of $10,000,000.

Unless specifically enumerated in the Contract, neither Party will be liable to the other Party for special, indirect, punitive, or consequential damages, including lost data or records (unless the Contract requires the Contractor to backup data or records), even if the Parties have been advised that such damages are possible. Neither Party shall be liable for lost profits, lost revenue, or lost institutional operating savings. The State of Florida and Department may, in addition to other remedies available to them at law or equity and upon written notice to the Contractor, retain such monies from amounts due to the Contractor hereunder as may be necessary to satisfy any finally judicially awarded claim for damages, penalties, costs, and the like. The State may set off any liability or other obligation of the Contractor or its affiliates to the State against any payments due to the Contractor under any contract with the State.

SECTION 15. PERFORMANCE BOND

During the initial term of the Contract, the Contractor must furnish and maintain a performance bond for faithful performance of work under this Contract in the amount of one hundred percent (100%) of the annual contract price in years one through three, and seventy-five percent (75%) for years four through five. In the renewal term of the Contract, the Contractor must furnish a performance bond or other form of security in the amount of fifty percent (50%) of the annual contract price in the sixth year, forty percent (40%) in the seventh year, thirty percent (30%) in the eighth year, twenty percent (20%) in the ninth year, and ten percent (10%) in the tenth year.

SECTION 16. SUBCONTRACTING

The Contractor will not subcontract any work under the Contract without prior written consent of the Department. The Contractor is fully responsible for the completion of all work performed under the Contract in accordance with the requirements of the Contract. The Contractor has not identified the use of Subcontractors at the Start Date.

16.1 Subcontracting after Contract Execution

To subcontract any services to a Subcontractor not originally identified at the Start Date,
the Contractor shall submit a written request to the Department’s Contract Manager. The written request shall include, but is not limited to, the following:

(a) The name, address and other information identifying the Subcontractor.

(b) Type of services to be performed by the Subcontractor.

(c) Time of performance for the identified service.

(d) How the Contractor plans to monitor the subcontractor’s performance of the identified services.

(e) Certification that the Subcontractor has all licenses and county authority, as applicable, and/or has satisfied all legal requirements to provide Services to the Department. Also, the Contractor shall certify that the Subcontractor is approved by the Florida Department of State to transact business in the State of Florida. If the Subcontractor is an out-of-state company, it must have a Florida Certificate of Authority from the Department of State, Division of Corporations, to transact business in the State of Florida. For additional information, please visit the following website: www.sunbiz.org.

(f) A copy of the written subcontract agreement.

(g) Acknowledgement from the Subcontractor of the Contractor’s contractual obligation to the Department and that the Subcontractor agrees to comply with all terms and conditions of the Contract.

Subcontracting shall in no way relieve the Contractor of any responsibility for performance of its duties under the terms of the Contract. The Contractor is solely responsible for ensuring the Subcontractor maintains the insurance as required. The Department shall treat the Contractor’s use of a Subcontractor not contained herein and/or approved by the Department as a breach of this Contract.

The Contractor is required to submit an annual certification demonstrating compliance with this Section 16.

SECTION 17. SPECIFIC APPROPRIATION

The following is the specific state funds from which the state will make payment under the Contract: Section 2809, Ch. 2018-19 (LOF)
SECTION 18. DISCLAIMER OF IMPLIED WARRANTIES

Except as expressly provided in this Contract, Contractor disclaims all other implied warranties, representation or conditions, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose.

SIGNATURE PAGE IMMEDIATELY FOLLOWS
SO AGREED by the Parties' authorized representatives on the dates noted below:

FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

[Signature]
Katherine Parrish
Director, Division of Finance and Administration

12/5/19
Date

22ND CENTURY TECHNOLOGIES, INC.

[Signature]
Satvinder Singh, President
Print Name and Title

11/29/19
Date
ATTACHMENT A

STATEMENT OF WORK

SECTION 1. GENERAL REQUIREMENTS

1.1 Purpose.
The Contractor shall be responsible for maintaining all IRIS Applications as mentioned in this Attachment A and enhancing the system to provide greater system functionality and improved ease of use over the life of the Contract.

1.2 Objectives.
The Parties’ objectives in entering into this Contract are as follows:

(a) Management Program – Provide a highly innovative and efficient management program that formulates and implements high quality, timely, efficient and cost-effective IT Services. The program must embody sound financial concepts that result in appropriate costs while continuously focusing on improving customer support.

(b) Quality – Apply quality concepts and performance monitoring through meaningful indicators that leads to continuous process improvement.

(c) Cooperative Relationship – Form a cooperative relationship between the Department and the Contractor that establishes a mutual understanding of the requirements, and roles and responsibilities of the Parties. This relationship will strive to draw on the strengths of each Party in an effort to achieve quality Services done right the first time, within budget and on schedule. The cooperative relationship will help prevent disagreements and differences from developing into formidable conflicts and disputes. The cooperative relationship and the other provisions of this Contract will not, however create any partnership, joint venture or joint ownership between the Parties. Therefore, the Parties agree to the following principles:

1. Promoting the timely transition of Services.
2. Ensuring the Services comply with all applicable laws and regulations.
3. Making timely review and decisions.
4. Effectively communicating and providing information promptly.
5. Maintaining quality control and ensuring quality Services.
6. Cooperating and being courteous, respectful, and honest with each other.

(d) **Self-Service Functions** – Provide Users with a means of self-service through a web-based approach that is supplemented by additional electronic means.

(e) **Clear Goals and Measures** – Provide for clearly defined goals supported by detailed task requirements and performance metrics.

1.3 **Compliance with DST Standard Operating Procedures and Rules.**

All work produced under the Contract shall comply with rule chapters 60GG-1 and 60GG-2 of the Florida Administrative Code (FAC) and all applicable Standard Operating Procedures of the DST. Contractor is responsible for monitoring changes to the FAC and applicable operating procedures of the DST and ensuring the Division is compliant. To the extent compliance requires system modifications, the change will be addressed through Section 4.5 (“SIR Process”) or Section 4.6 (“Change Orders”). If the change requires modifications to this Contract, the change will be addressed through a contract amendment.

1.4 **Service Locations, Times, and Equipment.**

1.4.1 **Service Location, Equipment, and Stipulations for Offsite Work.**

The Contractor will provide Services onsite at the Division’s established headquarters, Contact Center and State Data Center. The Department reserves the right to move the service location with sixty (60) days written notice to the Contractor. The Contractor will provide Enhancement services onsite or with a hybrid of onsite and offsite locations as approved in writing by the Department’s Contract Manager. Any changes in the location of the Contractor’s staff for Enhancement services which will affect the Department's ability to contact the Contractor's liaison by telephone, facsimile, or Internet, or which will potentially diminish the Contractor’s performance shall be requested in writing within ten (10) Business Days prior to the anticipated change. Contractor must obtain the Department’s approval prior to a Contractor’s employee working offsite.

The Contractor’s onsite team will be provided office space, desks, computer connections, network facilities, telephones, access to a copier, or other equipment and supplies in connection with Contractor's performance of the Services under the Contract. The Contractor shall not use Department facilities, equipment, or services other than for the Services required under the Contract.

The Contractor’s offsite team must provide all facilities, equipment, and services required to operate. Contractor’s staff shall use the following Department-approved secure access protocols to work offsite:
(a) Remote connection from Contractor’s offsite staff (staff within the United States but not at the Division’s established headquarters) shall require a VPN for Contractor’s staff to securely connect to IRIS Applications.

(b) The VPN service must be State-issued by the Department’s DST with defined profiles that limit access to the specific environment needed to perform work as identified by the Department.

The Contractor shall use pertinent software and hardware installed at the State Data Center for development and testing and other support activities directly related to the system components as set forth in **Appendix A of Attachment A**.

### 1.4.2 Service Times

The Contractor shall be available to provide twenty-four (24) hours a day, seven (7) days a week support for O&M and, as mutually agreed, Enhancements listed in this Attachment A. The office hours shall be:

(a) At least an eleven-hour business day, from 7:00 a.m. to 6:00 p.m., Eastern Time, Monday through Friday, exclusive of State of Florida designated holidays. The Contractor’s staff may work on these holidays at the discretion of the Contractor. If the Contractor observes other holidays that are not state of Florida designated holidays, the Contractor will provide sufficient staff to maintain Department operations. The Department shall have the option to require the Contractor to supply onsite personnel for nonstandard work periods between the hours of 6:00 p.m. and 7:00 a.m., Eastern Time in Tallahassee, Florida.

(b) 24 x 7 Services: In instances where the Contractor’s services cannot be conducted during regularly scheduled hours, the Contractor must work with the Department to determine when the services may be conducted outside of regular hours. This includes, but is not limited to, weekly deployments for IRIS Applications that will likely cause down time and major commodity software applicable upgrades.

### SECTION 2. RESPONSIBILITIES OF THE DEPARTMENT

#### 2.1 Contract Management.

(a) Designate the Department’s Contract Manager to be a liaison between the Division and the Contractor.
(b) Provide correspondence and written approvals to the Contractor.

(c) Receive and archive all Deliverables from the Contractor.

(d) Approve Deliverables.

(e) Review, verify, and approve invoices from the Contractor.

(f) Attend meetings with the Contractor.

(g) Provide assistance in resolving any contractual issues.

(h) Monitor the Contractor's performance under the Contract. Monitoring of the Contractor's performance will include, but will not be limited to, evaluating the effectiveness of all project management, O&M, and Enhancement activities for adherence to performance metrics and outcomes, Department policies and standards, and compliance with software documentation and requirements.

2.2 Project Management of Work Performed under the Contract.

(a) Receive and review all Deliverables at a project level for approval.

(b) Review project management Deliverables and plans for approval.

(c) Review schedule updates and other changes to the project management plan for approval.

(d) Review Contractor's status reports.

(e) Review the Contractor's resolution of escalated issues for approval.

(f) Coordinate external reporting needs with the Contractor.

2.3 Operations & Maintenance.

(a) Implement and facilitate an incident identification and tracking process for IRIS Applications issues reported by various internal and external stakeholders. Coordinate and, as necessary, escalate with other entities (e.g., State Board of Administration (SBA), DST) for troubleshooting security, network, firewall, and hosting issues.
(b) Review system documentation, including proposed database changes, for approval.

(c) Review software and hardware upgrade requests for approval.

(d) Review capacity management plans and performance testing results for approval.

(e) Review IRIS Application system design changes for approval.

(f) Conduct UAT.

(g) Review performance testing results to ensure expected performance standards are met.

### 2.4 Enhancements.

(a) Articulate Enhancement requests to the Contractor through a functional requirements document.

(b) Review and prioritize Enhancement requests based on business needs.

(c) Participate in scheduling Enhancement deliverables.

(d) Review the Enhancement timelines and estimates for approval.

(e) Review IRIS Application system design changes for approval.

(f) Conduct UAT, including regression testing as necessary.

(g) Review system documentation, including database changes, for approval.

(h) Review performance testing results to ensure expected performance standards are met.

(i) Review Contractor’s Rough Order of Magnitude (ROM) estimates for initial approval and provide review and approval of subsequent work effort changes, when applicable.

(j) Coordinate with Contractor to create Enhancement estimating criteria.
SECTION 3. RESPONSIBILITIES OF THE CONTRACTOR

3.1 General Provisions.

(a) Designate a Contract Manager to be a liaison between the Contractor and the Division.

(b) Provide Tables of Organization that describes all Contractor and Subcontractor employees who provide or assist in providing Services in this Contract.

(c) Facilitate identification of IRIS Application issues by various internal and external stakeholders.

(d) Coordinate with other entities (e.g., SBA, DST) for troubleshooting security, network, firewall, and hosting issues.

(e) Provide Deliverables and related documentation in a format mutually agreed with the Department and coordinate the review of all Deliverables and related documentation with the Department’s Contract Manager. The Contractor is responsible for maintaining comprehensive and updated documentation on all components of the IRIS Applications.

(f) When requested by the Department, submit a project management plan and any schedule updates or other changes to the project management plan to the Department’s Contract Manager for approval in the time frames established by the Division and agreed by the Contractor.

(g) Submit status reports to the Department’s Contract Manager for approval.

(h) Submit resolution summary for escalated issues.

(i) Submit all requests for approval and correspondence regarding the Contract to the Department’s Contract Manager.

(j) Provide information for external reports as requested by the Division in the time frames established by the Division.

(k) Prepare invoices in accordance with the requirements of the Contract and coordinate the review and verification of invoices with the Department’s Contract Manager.
(l) Provide system documentation, including proposed database and design changes, to the Department's Contract Manager for approval.

(m) Provide software and hardware requests to the Department's Contract Manager for approval.

(n) Provide capacity management plans to the Department's Contract Manager for approval.

(o) Provide performance testing metrics and results to the Department's Contract Manager.

(p) Provide data fixes and proposed data fix processes to the Department's Contract Manager.

(q) Submit proposed Enhancement timelines and estimates to the Department's Contract Manager for approval in the time frames established by the Division.

(r) Provide information for regression testing and UAT as requested by the Division.

(s) Coordinate with the Division to create Enhancement estimating criteria.

(t) Manage and assume responsibility for all proposed resources. This includes the work assignment, work effort, and responsibility for all Contractor tasks.

(u) Manage resources to meet Contractor's obligations with regard to the agreed upon Performance Metrics, timelines, and effort estimates.

(v) Provide documentation for review as required by the Contract to enable monitoring of the Contractor's performance under the Contract.

(w) Meet with the Department's Contract Manager and other designees of the Department on contractual issues as scheduled by the Division.

(x) Work to resolve contractual issues.

(y) Provide any other documentation or information as required by the Contract.

(z) Assess the systems on a regular basis to determine needed hardware and software updates and request approval for these updates.
(aa) Cooperate with other contractors and Division employees who are performing additional or related work. The Contractor shall not commit any act under its control, outside of the scope of the Contract, which would interfere with the performance of work by any other contractor or by Division employees. Contractor will have no responsibility for the performance of other contractors or vendors engaged by Division, or delays caused by them, in connection with the project.

3.2 Operations and Maintenance Tasks.
The Contractor shall perform all functions necessary for the proper delivery of Services delineated in this Contract. The Contractor’s O&M Tasks include this Section 3.2, Section 3.3 (“Disaster Recovery”), and Section 6 (“Transition Plans and Services”) of this Attachment A. Once an Enhancement has been implemented in the production environment, the Services provided by such Enhancement, at no additional cost, become part of ongoing operations and maintenance.

3.2.1 IRIS Applications Listing.
The Contractor shall maintain and update the list of system components (“Department Materials”) that represent IRIS Applications described in Appendix A on an annual basis.

3.2.2 Technical Support Services.
The Contractor shall be responsible for technical support services for the Division. Technical support services include user support, all State Data Center administration to include equipment installation and maintenance, asset inventory and other support duties as assigned.

3.2.3 Technology Support Center for IRIS Applications (Help Desk).
The Contractor shall provide technical support and help desk services to support the IRIS Applications Listing in Appendix A of Attachment A. Services shall be provided to approximately 200 Users. Technical support and help desk hours of operation are 7:00 a.m. – 6:00 p.m. Eastern Time, Monday – Friday, excluding State holidays. Services provided shall include:

(a) Management, reporting and administration of technical support and help desk services.

(b) Front-line support to User community.

(c) Troubleshooting and problem resolution.

(d) Request logging, tracking, and communication.
(e) Initial diagnostics and task assignments.

(f) Re-routing help desk issues to desktop support (provided by the DMS Office of Information Technology), when necessary.

### 3.2.4 Server/System/Infrastructure Administration.

The Contractor shall provide technical support for the hardware and infrastructure to support the IRIS Applications Listing in **Appendix A of Attachment A**. Below is an outline of the current server/system infrastructure (at the time of Start Date):

- (a) Oracle Database Appliances – Quantity (Qty.) 2
- (b) VMWare ESX Servers – Qty. 7
- (c) Virtual Servers – Qty. 85
- (d) Physical Servers – Qty. 11 (includes VMWare ESX Servers listed above)
- (e) Load Balancing Virtual Appliances – Qty. 4
- (f) Backup Server/Tape Library – Qty. 1
- (g) Storage Array – Qty. 1
- (h) Firewalls – Qty. 2 (at State Data Center)

An outline of current server/system infrastructure duties:

- (a) Server Hardware Support
- (b) Load Balancing Administration
- (c) Document Scanner Support
- (d) SQL Database Administration
- (e) SQL Reporting Services Administration
- (f) Firewall Administration
- (g) Oracle Database Administration
(h) Server OS Support

(i) System Backups

(j) Storage Administration

(k) File & Network Print Support

(l) Domain Services Support (DHCP, DNS & Domain Controller)

(m) VMWare Administration

(n) Server and Application Monitoring

(o) Server and Storage Capacity Planning

(p) Server OS Upgrades and Patching

(q) Telecommunications Support

(r) Server Documentation

3.2.5 Out-of-Scope Desktop Support Services.
The following lists the Desktop Support Services that are identified as out-of-scope and
the responsibility of the Department. However, to the extent the applications on the IRIS
Applications Listing in Appendix A of Attachment A interact with the following list of
Desktop Support Services, the Contractor will provide secondary support and assistance
to the Department’s desktop support services team, to troubleshoot, identify configuration
changes and resolve operational issues.

(a) Desktop Operation Systems – This includes support of workstations and laptops
running Windows 7, Windows 10, or the latest Windows version.

(b) Desktop Imaging and Deployment – This includes imaging and deployment of
software to workstations and laptops.

(c) Desktop Management and Patching - This includes patching of Operating System
and third-party applications (e.g. Adobe Reader, Java) on workstations and
laptops.
(d) MS Office Applications Support – This includes general support of MS Office 2013 and Office 365 applications.

(e) Office 365 Administration including ADFS – This includes Office 365 portal administration (e.g. Exchange Online) and administration of single sign on services (e.g. ADFS).

(f) Antivirus monitoring and Updating – This includes administration and maintenance of Antivirus/Malware programs on workstations and laptops.

(g) Desktop Software Installation – This includes installation of desktop software on the workstations and laptops; also includes installation of locally predefined configuration files required by the software.

(h) Desktop Printer Support – This includes support of printers locally attached to workstations using locally installed print drivers.

(i) Other Desktop Applications Support – This includes support of other workstation and laptop software associated with IRIS Applications Listing (e.g. troubleshooting installation or local configuration software issues).

(j) Firewalls – This includes support of Firewalls at Division headquarters and the Contact Center.

(k) Switches – This includes support of network switches at Division headquarters (note: switches at the Contact Center are leased/managed by a third-party vendor).

3.2.6 Software Support Services.
The Contractor must provide support for IRIS Applications Listing in Appendix A of Attachment A. Services will include the regular maintenance of the applications and resolution of identified issues and defects. Application Architects must be qualified in one (1) or more of the technologies required for the O&M and Enhancement activities. Application Architects must be capable of conducting one-on-one or small group design (Joint Application Design and Rapid Application Development) sessions with Division staff.

3.2.7 External Support Services.
The Florida Retirement System (FRS) Investment Plan (IP) administered by the SBA is supported by a number of applications / functions that are coupled to the IRIS Applications. These functions include the MyFRS portal, the Choice Service, the Advisory Service, the Financial Guidance Line and data transfer to the Third-Party Administrator (at
the time of Start Date, the vendor is Alight). Application Architects providing external support services must possess all of the following skills: ASP.NET WEB.API, PL/SQL, SSRS, .NET MVC, PowerBuilder. This Contract is not the intended vehicle to provide Enhancement services for the State Board of Administration. If an Enhancement to the IRIS Applications supported by the Contractor hereunder has been implemented by Contractor through its separate Contract with the State Board of Administration, the O&M of such Enhancement will be covered under this Contract at no additional cost.

3.2.8 Security Management Services.
The Contractor shall comply with all laws and procedures pertaining to security and confidentiality including, but not limited to, those listed in the Department’s Information Technology policies, that are applicable to Contractor in its performance of the Services under this Contract. A copy of these policies may be obtained from the Department’s Contract Manager.

(a) The Contractor must notify the Division when any of Contractor’s staff with access to IRIS Applications and any other Department systems are no longer employed for any reason. This notification must be provided seven (7) days prior to the separation if known, or within twenty-four (24) hours of when the separation occurs if prior notice was not given.

(b) The Department may require the Contractor to accurately complete a self-audit questionnaire relating to Security Management Services for IRIS applications or other electronic information systems the Contractor and any Subcontractors utilize to perform the duties under this Contract.

(c) The Contractor shall, upon request and subject to mutual agreement as to scope and timing and confidentiality considerations, facilitate inspections by the Department’s representatives of its computing devices and premises, when they are used by the Contractor in performance of this Contract, to verify compliance with security requirements.

(d) Any data communications between Contractor and the Department may also be monitored by Department security or systems personnel for compliance with these requirements or misuse of the systems.

(e) Material security violations or improper information disclosures shall constitute sufficient grounds for a determination that a Security Breach has occurred under the Contract.

(f) The Contractor must comply with all security requirements in applicable state and
federal laws and regulations related to Protected Data and any other state of Florida data provided to, or collected by, the Contractor acting on behalf of the Department as its provider. Further, the Contractor’s employees, Subcontractors, agents, or other affiliated third-party persons or entities, as well as contracted third parties, must meet the same requirements of the Contractor under this Contract and all agreements with the Contractor’s employees, Subcontractors, agents, contractors or other affiliated persons or entities shall incorporate the terms and conditions of data security into any contractual relationships established.

(g) Access Controls

1. Viewing and modification of Protected Data must be restricted to authorized individuals as needed for business related use.

2. Unique authorization is required for each person permitted access to Protected Data and access must be properly authenticated and recorded for audit purposes. Regarding the process of authorization, access to IRIS Applications is obtained through the Division’s access approval process which requires a unique request for each person permitted access to Protected Data. Regarding authentication, per the Department’s security policy, unique account credentials and audit tracking is required for all staff members authenticating and gaining access to Protected Data. Access to all Protected Data provided to the Contractor’s employees, Subcontractors, providers, agents, or other affiliated persons or entities must meet the same requirements of the Contractor under this Contract and all agreements with it shall incorporate the terms and conditions of data security in the access authorization.

3. All unauthorized access entry points reported for IRIS Applications shall be closed within five (5) minutes of identification. All system Security Breaches or Security Incidents shall be resolved or contained within four (4) hours of identification. Contractor shall provide the Department a report within forty-eight (48) hours of resolving the Security Breach or Security Incident detailing what caused the breach or incident, the remediation activity, and the appropriate measures necessary to ensure the breach or incident does not occur again.

4. Copying/Printing (applies to both paper and electronic forms).

   i. Protected Data should only be printed when there is a legitimate
need.

ii. Copies must be limited to individuals authorized to access the Protected Data.

iii. Protected Data must not be left unattended.


i. All electronic communication, including and not limited to, Protected Data between the Contractor and the Department shall use compatible, industry-standard File Transfer Protocol software that enforces data encryption or a Virtual Private Network connection designed to enforce end-to-end traffic encryption.

ii. Protected Data must be protected with a network firewall using “default deny” ruleset.

iii. Servers hosting the Protected Data cannot be visible to the entire Internet, nor to unprotected subnets.

6. Physical Security (servers, laptops, and remote devices on which Protected Data are stored).

i. For purposes of these standards, mobile devices must be interpreted broadly to incorporate current and future devices, which may contain or collect Protected Data.

ii. The computing device must be locked or logged out when unattended.

iii. Routine backup of Protected Data is required and backed-up Protected Data must be stored in a secure off-site location.


i. Remote access to Protected Data must be restricted to the local network or a secure virtual private network.

ii. Unsupervised remote access to Protected Data by third parties is not allowed.
iii. Access to Protected Data by third parties must adhere to the requirements of this Contract.

3.2.9 Data Storage.

(a) Storage of Protected Data on a secure server in a secure data center according to relevant security standards and Department security policies is required.

(b) Protected Data stored on individual laptops or mobile devices must use whole disk encryption. Backup media is similarly required to be encrypted. Protected Data is not to be transmitted unless encrypted and secured with a digital signature.

(c) The Contractor must meet all of the Department and state requirements for individual employee security, information security, and physical security of all non-public data in the possession of the Contractor.

(d) The Contractor agrees that no Protected Data shall be uploaded to or stored on the Contractor’s workstations or mobile devices.

3.2.10 Termination Provisions Related to Data.
Within thirty (30) calendar days after the termination or expiration of this Contract for any reason, the Contractor shall either: return physically or electronically destroy, as applicable, other than the preparation and temporary holding of a download file described herein, all Data provided to the Contractor by the Department, including all Data provided to the Contractor’s employees, Subcontractors, agents, or other affiliated persons or entities according to the standards enumerated in the Department’s policies; or in the event that returning or destroying the Data is not feasible, provide notification of the conditions that make return or destruction not feasible, in which case, the Contractor must continue to protect all Data that it retains and agree to limit further uses and disclosures of such Data to those purposes that make the return or destruction not feasible as the Contractor maintains such Data. This includes any and all copies of the data such as backup copies created at any Contractor site.

3.3 Disaster Recovery.
The Contractor shall work with the Division and the Division’s Disaster Recovery vendor to update the Contractor’s Business Continuity Plan (BCP), which provides detailed actions to be taken in the event of a natural disaster (e.g. hurricane, fire, water damage) or a disaster resulting from negligence, sabotage, or mob action. The Contractor shall work with the Division to test the planned disaster recovery process as documented in the
BCP during the yearly disaster recovery exercise led by the Contractor.

In the event that the Contractor fails to demonstrate in the tests of the BCP that it can restore system functions, the Contractor shall submit to the Department a corrective action plan that describes how the failure will be resolved. The Contractor shall deliver the corrective action plan within ten (10) Business Days of the conclusion of the test. The Contractor must demonstrate a successful retest within thirty (30) calendar days of the initial failed test.

### 3.4 Enhancements - System Development Life Cycle (SDLC) Tasks.

The number of Enhancement hours used will be based on the Division’s needs, the Division’s approval, and legislative appropriation.

For each proposed Enhancement, Contractor will work with the Division to develop deliverables, including resource and staffing allocations, for Division approval. For each Enhancement, the Contractor shall complete the outlined tasks below. The Division reserves the right to tailor the outlined tasks below for specific Enhancement releases. The Division reserves the right to require the Contractor to allocate a specific category or categories of staffing resources to a particular project.

The Contractor shall keep a ledger of all activity on the account and will provide a **System Enhancement Hours Tracking Report (Appendix D)** on a quarterly basis in a format approved by the Division.

#### 3.4.1 Project Management.

The Contractor shall:

(a) Develop any additional requirements necessary to address Enhancement requests. The Contractor shall verify requirements with the Division and other stakeholders to confirm requirements are correct, understandable, and testable.

(b) Submit a ROM estimate for each of the Enhancements based on mutually agreed upon estimating criteria established by the Division and Contractor. All Enhancement estimates are subject to the Division’s approval.

(c) Communicate and consult with stakeholders to identify alternative approaches and designs that support the requirements and enable increased efficiency in system and business processes and operations. The Contractor shall specifically evaluate the completeness of the functional requirements to confirm that all requirements are captured.
(d) If requested by the Division, create and maintain a project management plan to implement the Enhancements. The plan will include resources, staffing allocations, and timelines in a format specified by the Division.

### 3.4.2 Detail Design Specification and SIR Tracking.

Based upon the Division’s submitted functional requirements document, the Contractor shall provide a detail design specification for the requested Enhancement. The detail design specification must document the description of the requirement, impacts to modules, database(s), objects (code, web and reports), and an overview of changes to:

- Design
- Workflow processes
- All related business rules
- Pertinent screenshots
- Business users and their processes
- Security

Components of the detail design specification may also include impacts to major technology systems, external systems that are required for integration or overall functionality, high level data flow, and expected impacts to system functionality. The detail design specification and related functional requirements document shall be managed in the SIR Tracking System.

For Each Enhancement for new functionality, the Contractor shall:

(a) Build on the architecture of the IRIS Applications as set forth in **Appendix A of Attachment A**, ("IRIS Applications Listing") where feasible, to provide for the deployment of new functionality to meet the Division’s stated requirements as determined at the time the Enhancement is approved. The Contractor shall obtain approval from the Division, in advance, for any changes to the technical architecture.

(b) Conduct informal reviews of the design, which are accessible to the Division via the SIR Tracking System, as the design is developed.

(c) Update the appropriate system documentation to represent the new "as built" system functionality at the completion of the system development.

(d) Obtain approval from the Division before any code development can begin.

(e) Develop code and follow documenting and testing guidelines using an industry
standards-based methodology.

(f) Use software development standards, perform code and unit tests, and maintain detail design documents for each Enhancement being developed.

(g) Develop the Enhancement and perform unit testing. The Contractor must maintain code review and unit testing results for peer quality assurance reviews. The Contractor shall do unit testing on each unit of code to confirm that each unit of code functions as specified.

3.4.3 Testing.
The Contractor shall test the Enhancement work in accordance with established software development practices to include:

(a) Performing integration testing to confirm that assembled units and modules operate effectively together and that functional objectives of the Enhancement are being achieved.

(b) Performing interface testing to exercise every impacted interface and confirm that each interface operates according to the interface description.

(c) Performing system testing to exercise the assembled system and confirm the system operates as expected including all system security and user profiles.

(d) Performing stress testing to exercise the system to the limits of its requirements and beyond those limits. If the nature of a change does not warrant stress testing, the stress testing requirement may be waived.

(e) Performing performance testing to confirm contractual requirements are met for performance requirements in a simulated test environment. If the nature of a change does not warrant performance testing, the performance testing requirement may be waived.

(f) Performing usability testing to evaluate the man-machine interface and the web browser interface.

(g) Performing regression testing to verify core application functionality is working according to specifications.

(h) Tracking status and providing status reports for test plans. The Contractor shall provide to the Division test plans and test results for each of the above tests. The
Division reserves the right to participate in any testing activity.

(i) Planning, helping conduct, and reporting on UAT to demonstrate that all requirements are met. The Division may identify additional tests during UAT to help confirm that the UAT tests are robust and complete.

(j) Documenting and submitting unit, system, integration, and data testing results at the point code changes are turned over to UAT.

(k) Developing test cases, test scripts, test data, and test files for all test cases including any added by the Division. The Contractor shall confirm that UAT tests have been planned for all requirements by tracing the requirements to the planned UAT tests and their associated test cases and test scripts.

(l) Conducting UAT in a test environment that duplicates the production environment to the greatest extent possible. The Division will perform UAT together with help, participation, and support of the Contractor personnel.

(m) Conducting stress and performance testing as part of the acceptance testing.

(n) Verifying the following as part of UAT (and create documentation where necessary below):

1. Adherence to all requirements and design documentation.
2. Documentation of any defects existing in the software.
3. Full installation of the application software and functional objectives.
4. Conversion of legacy data.
5. Completeness and accuracy of system documentation.
6. Response time and overall system performance.
7. System hardware, software, and telecommunications performance.
(o) Ensuring that any UAT test case is not considered complete until the Division and stakeholder representatives of the joint test team concur. The Contractor shall record and track all problems identified during UAT. The Contractor shall troubleshoot all test result anomalies to determine the source of the problem. If necessary, the Contractor shall update test plan, test cases, and test scripts, and shall modify and re-test the integrated system. Following any software change or test script change made during the UAT period, the Contractor shall perform a regression analysis of tests already executed to determine which test results may have been affected by the change and need to be re-executed.

(p) Basing UAT test data on actual data provided by the Division. On the request of the Division, Contractor shall remove or obfuscate Confidential Information in the UAT environment.

(q) Generating all agreed-upon required test documentation (e.g., Test Strategy, Master Test Plan, Detailed Test Plan, Data Conversion Test Plan, Test Scenarios, Test Case Data Sheets and Test Result Logs).

3.5 Data Conversion (If Applicable).

(a) Develop the overall conversion plan, including the process for manual conversion, development and testing of the conversion software; coordinate all conversion activities; develop the control processes to manage any manual conversion efforts; and support the Division’s manual conversion as necessary.

(b) Work closely with the Division to formulate data conversion algorithms and develop a detailed data conversion plan for the conversion of existing electronically stored data.

(c) Develop or use software to extract data from Division-specified existing systems, Excel spreadsheets, and archives. Transfer extracted data into the new, integrated system.

(d) Perform data cleansing activities as specified by the Division. Data stored in the current system may contain inaccuracies, duplication, and gaps. The Contractor shall produce reports as specified by the Division to facilitate identification and remediation of duplicate data records or other data integrity issues.

(e) Make converted data available for unit tests, integration tests, system tests, performance tests, and UAT tests. The Contractor shall schedule the approved production-ready data conversion procedure during a maintenance window when
end users are not accessing the system.

3.6 **Technical Planning Session.**
The Contractor shall conduct an annual two (2) day planning session starting in the year following execution of this Contract to:

(a) Provide ongoing oversight and improvement of the current solution.

(b) Discuss the technical and functional status of IRIS Applications, future system upgrades, updates, support packs, enhancement packs and hardware upgrades.

(c) Discuss the State’s vision and roadmap.

(d) Incorporate the outcome of the two (2) day planning session into an IRIS roadmap.

3.7 **Staffing.**
All Staff who will perform the functions in this Contract are subject to the Division’s approval and must be initially approved prior to the commencement of services. The Contractor's staff assigned to the Contract shall have the skills and experience to perform the work as specified in this Contract. The Contractor’s staff must have experience with technologies and project(s) of similar size and complexity utilizing the software products as described in this Contract and must be capable of completing the proposed task assignments in this Contract. Proposed individuals’ skill levels should be consistent with the Contractor's services. The Division reserves the right to reject any staff throughout the duration of the Contract. The Contractor shall control its resource levels and adjust its resource levels based on O&M and Enhancement services to perform as required in the Contract.

3.7.1 **Standards for state agency employees.**
The Contractor shall not knowingly employ, on a full or part-time basis, any person who is or was employed by the Department if such employment would be in violation of section 112.3185, Florida Statutes.

3.7.2 **Key Contractor Staff Responsibilities and Work Location.**
Key staff shall work on-site at the Division’s established headquarters unless otherwise approved in writing by the Division. Key staff assignments include, but are not limited to, the following individual positions:

(a) **Project Director**
General Characteristics:
Responsible for directing all activities of an assigned technology functional group. Directs tactical and operational technology provisioning infrastructure to support the enterprise’s business goals. Aligns and calibrates the organization’s technology deployment strategy with its business strategy. Oversees technology purchases and services provided to multiple internal customers. Directs the development and implementation of technologies to support business objectives.

(b) Project Manager
General Characteristics:
The Project Manager shall be a Project Management Institute certified Project Management Professional (PMP). Responsible for overall coordination, status reporting, and stability of project-oriented work efforts. Establishes and implements project management processes and methodologies for the technology community designed to ensure projects are delivered on time, within budget, adhere to high quality standards, and meet customer expectations. Responsible for assembling project plans and teamwork assignments; directing and monitoring work efforts on a daily basis; identifying resource needs; performing quality review; and escalating functional, quality, and timeline issues appropriately. Responsible for tracking key project milestones and adjusting project plans and/or resources to meet the needs of customers. Coordinates communication with all areas of the enterprise that impacts the scope, budget, risk, and resources of the work effort being managed. Assists the Division in identifying and prioritizing opportunities for utilizing IT to achieve the goals of the Division. Must possess extensive knowledge and expertise in the use of project management methodologies and tools, resource management practices, and change management techniques.

(c) Operations & Infrastructure Manager
General Characteristics:
Deploys the release of new technologies. Designs, installs, configures, maintains, and performs system integration testing of PC/server operating systems, related utilities, and hardware. Responsible for trouble shooting server problems as reported by Users. Researches, evaluates, and recommends software and hardware products. Supports Web access and maintains a secure systems environment. Provides new hardware specifications to Users based on application needs and anticipated growth. Installs new servers and maintains the server infrastructure.

(d) Applications Manager
General Characteristics:
Responsible for the analysis, development, modification, installation, testing and maintenance of systems software. Possesses a strong understanding of systems programming, graphical user interfaces and control languages. Evaluates vendor-supplied software packages and makes recommendations to the Division. Modifies and debugs vendor-supplied utilities and packages. Modifies, installs and prepares technical documentation for system software applications. Diagnoses, isolates, and de-bugs software problems and performs problem resolution. Monitors systems capacity and performance. Plans and executes disaster recovery procedures.

(e) **Security Manager**

General Characteristics:

Responsible for coordinating all security-related tasks with the Department’s Information Security Manager and the Division. Such tasks shall include: monitoring adherence to security related policies and procedures, and making recommendations for appropriate actions; developing and recommending security best practices for deployment; planning and performing the activities pertaining to the development and maintenance of the Division’s security program; providing technical assistance in the security aspects of existing operations and managing data security programs in support of established guidelines and regulations; managing the planning and execution of security projects; assisting in project management team activities related to planning, development, implementation, and coordination of security aspects of information technology projects; providing guidance and implementation of information systems and physical security standards, procedures, and techniques for the guidance of securing business data and training personnel; configuring, troubleshooting, and monitoring security related tools and technologies to protect the Division from cyber risks; communicating with Division leadership regarding security issues, risks, and recommended actions; and assisting with local, state, and federal computer security audits.

This position will also work with Division leadership to monitor and investigate fraudulent activity associated with FRS benefits, to verify that retirement benefits are paid appropriately, and that FRS User data is properly safeguarded. This would include interfacing with investigative offices (i.e., DMS Inspector General, Florida Department of Law Enforcement (FDLE), and the Department of Financial Services (DFS)), and requesting, creating and reviewing reports of Users’ accounts and FRS Online reports used for investigations.

### 3.7.3 Commitment of Key Contractor Staff.

Key staff shall not be changed (other than for illness, or separation from service), without
the prior written approval of the Division. The Contractor shall notify and obtain written approval from the Division of the proposed substitution as soon as possible. The Contractor shall supply the Division with a written justification for changing a key staff member which should include documentation of the circumstances requiring the change and a list of the proposed substitutions in sufficient detail to permit evaluation of the impact on the Project. The Division, at its discretion, may agree to accept personnel of equal or superior qualifications in the event that circumstances necessitate the replacement of previously assigned personnel.

No key staff position shall be vacant for more than twenty (20) Business Days. During the End of Contract transition period and on the condition of a successor Contractor different from the incumbent Contractor, no key staff position shall be vacant for more than ten (10) Business Days.

3.7.4 Stipulation for Contractor Staff Replacement.
The Contractor shall replace any staff member whose continued presence would be detrimental to the achievement of the agreed upon requirements of the Contract, as reasonably determined by the Division, with a staff member of equal or superior qualifications. The Contractor must remove the staff member from the work site associated with the Contract immediately after notice by the Division.

3.7.5 Stipulations for Recruitment and Hire of Contractor Staff.
Upon termination of the Contract, or during the six-month period prior to expiration of the Contract, if the Division or the Division's designated successor Contractor(s) desires to offer employment to Contractor employees or subcontracted persons providing Services, the Contractor, its subcontracted or affiliates shall not interfere with those efforts, shall not enforce any restrictions imposed on such employees or subcontracted persons by agreement or policy (i.e., employment contract, non-compete clauses or other similar covenants) which would interfere with those efforts, and shall provide access to such employees and subcontracted persons for the purposes of interviews, evaluations, recruitment and hiring by the Division or the Division's designated successor Contractor(s).

The Contractor shall provide the Division and the successor Contractor(s) reasonable access to Contractor or Subcontractor staff for interviews, evaluations, and recruitment. If the Division or the successor Contractor(s) hires a staff member or subcontracted person who has provided work pursuant to the Contract, the Division and its designated successor Contractor(s) shall not be liable to the Contractor or any Subcontractor for any fee (e.g., a finder's fee, penalty, or general compensation). Any such employment will not be effective until the termination or expiration of this Contract, or during the six-month period prior to termination or expiration of the Contract. Prior to employing
Subcontractors to perform work under this Contract, the Contractor will require that any of its Subcontractors will abide by the terms specified in this paragraph. The Contractor, as a part of obtaining approval of each Subcontractor, must certify that each Subcontractor will abide by the terms specified in this paragraph. This requirement may be waived at the discretion of the Department.

3.7.6 Separation of Duties.
For all technology services provided under this Contract, Contractor shall adhere to separation of duties requirements whereby no staff person in development roles in non-production environments may also have access to the associated production environments. Compliance with this Section 3.7.6 shall adhere to the Florida Cybersecurity Standards, Rule Chapter 60GG-2, Information Technology Standards, of the Florida Administrative Code.

3.7.7 Training.
All Contractor employees shall receive annual Information Security awareness training and on-going role-based training by the Contractor and shall take any other training as required by the Department.

3.8 Information Requests.
The Contractor must also provide support to the Division in answering questions and drafting responses related to work performed and systems supported under this Attachment A including, but not limited to, audit-related responses and any responses to technology oversight entities such as the Department of Management Services’ Office of Information Technology and the Division of State Technology. The costs associated with work conducted under this Section are incorporated into the fixed monthly O&M costs.

SECTION 4. CONTRACTOR DELIVERABLES

4.1 Contractor Deliverables Description.
The Contractor shall provide the Department with the following Deliverables within the established due dates as described herein (see Appendix B) at no additional cost to the Department. The Contractor may use Enhancement Hours for the provision of Contractor Deliverables upon Department approval of the estimated hours necessary to complete the Deliverable. These Deliverables are required from both Contractor and Subcontractors if noted as such. Financial consequences are noted in Appendix B for Deliverables that are not delivered to the Department by the established due dates. For Affidavits of Compliance, and SSAE-16, SOC 1 or SOC 2 (as applicable), Type 2 Reports, each Deliverable is required for both the Contractor and Subcontractor and the financial consequence amount applies if the Contractor or Subcontractor does not provide their
Deliverable by the established due date. The Parties agree to work cooperatively to amend these Deliverables as necessary and appropriate during the remaining term of this Contract and no changes to the Deliverables may be made by the Contractor without the Department’s consent, which shall not be unreasonably withheld. In addition to the due dates provided in Appendix B, the Contractor shall update and provide the Department the most current version of each Deliverable at transition period commencement and at the contract expiration date. The following are the Deliverables:

(a) Affidavits of Compliance – Provides certification of compliance with all Federal, State, and local laws, ordinances, rules and regulations applicable to Contractor and its Subcontractors and their performance under this Contract substantially as prescribed in the form provided in Appendix C.

(b) Annual Certification - The Contractor is required to submit an Annual Certification demonstrating compliance with the Warranty of Security to the Department.

(c) Annual Two (2) Day Planning Session – Provides ongoing oversight and improvement of the current solution, discussions around technical and functional status of IRIS Applications, future system and hardware upgrades and updates, the Division’s vision and roadmap, and incorporates the outcome of the planning session into an IRIS Applications Roadmap.

(d) Audited Financial Statements – The Contractor’s company financial statements which have been prepared and certified by a Certified Public Accountant (CPA) in which the CPA certifies that the financial statements meet the requirements of the United States Generally Accepted Accounting Principles.

(e) Background Screening Report – A Background Screening Report to the Department’s Contract Manager within fifteen (15) calendar days from the end of each month listing the following information:

1. Those Persons who have been screened and hired.

2. Those Persons who self-reported a disqualifying offense as described in subsection 13.1.1 (“Disqualifying Offenses”) or an arrest for a crime described in subsection 13.1.1 (“Disqualifying Offenses”) and have been removed from performing Services or having access to Protected Data.

3. Those Persons who were re-screened which resulted in identifying a disqualifying offense as described in subsection 13.1.1 (“Disqualifying Offenses”) and have been removed from performing Services or having access to Protected Data.
access to Protected Data.

4. The Background Screening Report shall include at a minimum the Person’s name, job title, job description, and for Persons with a disqualifying offense as described in subsection 13.1.1 (“Disqualifying Offenses”), or an arrest for a crime described in subsection 13.1.1 (“Disqualifying Offenses”), the description of and date of the disqualifying offense or crime.

(f) Biweekly Status Report – Prepared by the Contractor and delivered to the Division Director and the Division’s Contract Manager. The biweekly report will contain, at a minimum a dashboard and report that demonstrates the status of all O&M and Enhancement work, transition activity, or any other activities occurring and required during bi-weekly status report time period. The Division and Contractor will collaborate on the format for the dashboard. The initial report will be provided to the Division within sixty (60) calendar days after the Start Date.

(g) Business Continuity Plan (BCP) – Describes the methodology and timelines associated with business continuity in the event of a disaster or major system outage as prescribed in Section 3.3 (“Disaster Recovery”) of Attachment A. Contractor shall: (i) maintain the BCP and keep it current; (ii) conduct an end-to-end BCP test annually and provide the Department a final report providing details on what was tested, the success status of tested processes, the resolution for items that failed during testing and a certification of completion of the annual test for all systems; and (iii) in lieu of the Department receiving BCPs for all Subcontractors, the Contractor shall provide the Department a signed certification (included in the BCP) on an annual basis that the Contractor reviewed and that either the Contractor or the Subcontractor successfully tested all Subcontractor BCPs. The updated BCP, the report certifying testing completion and the Subcontractor certification shall all be submitted to the Department by the due date prescribed in Appendix B.

At a minimum, the BCP shall address:

1. A plan of action for any unexpected interruption of business operations that is beyond the scope of daily operating response procedures.

2. Maintenance of backup systems for all Protected Data maintained on Contractor’s system.

3. A determination of the general nature and potential range of adverse events, so that the BCP adequately addresses the risks.
4. Procedures to activate an immediate, orderly response to emergency situations in order to protect and/or recover critical assets and functions.

5. Procedures to obtain critical resources necessary for recovery, including hardware, software, space, files, human resources, power, and finances.

6. Procedures for transferring operations to the secondary site in the event the primary site is not available and to the primary site in the event that the secondary site is not available.

7. Procedures to promptly facilitate an orderly restoration of site operations.

8. Identification of key team personnel, with established and assigned team responsibilities, and training requirements for each team member to perform specific duties.


(h) Data Security Notification Letter – On a quarterly basis, on the Contractor's letterhead and signed by a Corporate Officer of the Contractor, a Data Security Notification Letter providing documentation and notification of any Security Breach or attempted Security Breach of security involving Protected Data, or any Subcontractor or Contractor facility housing Protected Data. In the event no Security Breach or attempted Security Breach has occurred, the Contractor shall provide written confirmation of such.

(i) Interface Plan – Describes all interfaces that are inbound to and outbound from the Contractor or a Subcontractor. This Plan shall include at a minimum the following elements:

1. File name (technical and common).

2. File description.

3. Name of entity the file is sent to or received from.

4. Frequency of the interface.

5. File layout and detailed build / load specifications.
6. For outbound files, where the file is generated from.

7. For inbound files, where the file is loaded to.

(j) Internet Browser Matrix – Lists the internet browsers that are fully supported (Contractor or Subcontractor has validated that the browser version works within the IRIS Applications without any degradation of performance), permitted (access is allowed using the browser version, however the Contractor or Subcontractor has not validated the browser version works within the IRIS Applications without any degradation of performance) and blocked (no access is allowed using the browser version) when accessing IRIS or third-party software or through single sign-on.

(k) IRIS Applications Listing – Department Materials identified in Appendix A of Attachment A that provide the functionality required to manage Services covered under this Contract. The IRIS Applications Listing is reviewed annually and amended by the Contractor as necessary.

(l) Letters, Forms, and Inserts Listing – Lists all system-generated and manual letters, forms and inserts maintained or used by the Contractor.

(m) Organizational Contact Matrix and Tables of Organization – Describes all Contractor and Subcontractor employees who provide or assist in providing Services as prescribed in Section 3.7 (“Staffing”) of Attachment A, and an organizational contact matrix that denotes their duties and contact information. Contractor agrees to promptly notify the Department’s Contract Manager in the event of any changes.

(n) Performance Metric Monthly Report – Reports (i) whether the Contractor met the performance standard for each Performance Metric set forth in Section 5 (“Performance Metrics”) of Attachment A; and (ii) all supporting data including each Performance Metric name, the agreed upon performance standard, the percentage achieved, and a detailed explanation of each instance in which the Contractor’s performance did not meet the defined standard. In addition, the Report shall include a brief summary of challenges and milestones achieved during the month.

(o) Reports Listing – Lists all standard reports maintained by the Contractor in the IRIS Applications available to Users, all reports provided to the Department, and all other reports Contractor uses to provide Services under this Contract.
(p) Security Role Code Matrices – Denotes the IRIS Applications role codes available and their User-access capabilities.

(q) Software License Report – Include an inventory of all software currently used by the Department for IRIS Applications, license expiration dates, and any anticipated changes to the number or type of software licenses. The Report is reviewed annually and amended by the Contractor when changes occur.

(r) Software Update Assessment – Provides confirmation that the Contractor has applied each patch and upgrade (e.g., security patch, security upgrade, service / support patch, and any other patch or update, as applicable) in a timely and thorough manner.

(s) SSAE-16 SOC 1 / SOC 2, Type II Report – See Section 12.3 (“Other Audits”) for a description of the information required to be contained in this Report.

(t) System Alerts and Tasks Listing – Lists all alerts and tasks maintained by the Contractor that are provided to Users through IRIS Applications and any other tools provided to the Department as part of this Contract.

(u) System Design Workbook – Lists all IRIS Applications system specifications, settings, rules, test scripts, audit tracking, error detection, user role code access, scripts, routines, schedules, reports, reference tables, extracts, transports, files, logs, libraries, directories, batch processes, system errors and messages, system architecture diagrams (e.g., servers, links, hardware, software), and hardware, software and operating system security set-up and complete specification, including their related attributes, settings and capacities (e.g., usage, model, number of, switches, disk space, virtualized or not, product vendor, type of license, release version, support pack version, security pack version).

(v) System Enhancement Hours Tracking Report – A summary spreadsheet that includes a summary of hours earned, approved and available for use per quarter, per year and over the life of the contract. The detailed spreadsheet shall include a separate breakout per quarter, per year, per Enhancement and must include the number of hours approved and a running total of available hours per quarter (quarterly allotment minus the approved hours), per year and over the life of the Contract (Appendix D).

(w) System Errors and Messages Listing – Lists all IRIS Application errors and messages maintained by the Contractor.
(x) System Security Plan – Describes the standards and guidelines that apply to all Users’ information when providing Services and is developed in compliance with the requirements of 60GG-2.003 Section 5(g). The System Security Plan is reviewed annually and amended as necessary.

(y) Tables, Views and Extracts Listing – Lists all tables and the derived views including the table title from which the view is derived, and data extracts.

(z) Transition Plan Submission – Includes, at a minimum, addressing changes in: the affected business processes; IRIS Applications hardware, software, and application support; system knowledge transfer (including without limitation delivery to the Department of all Work Products and Department Materials); business processes and institutional knowledge transfer; and communication with affected stakeholders. As part of the Transition Plan, the Contractor shall (i) cooperate with the Department (and the Department’s consultants and vendors) as the Department makes plans for the transition of Services and systems at the end of this Contract, and (ii) revise the dates, schedules and lists within the Transition Plan.

4.2 Acceptability of Deliverables
The Division has authority over determining the acceptability of all Deliverables. As requested by the Division, the Contractor will meet to review the Contractor’s performance under the Contract and compliance with the performance metrics as specified in Section 5 of this Attachment A.

4.3 Deliverables and Materials Acceptance Procedure
Deliverables will be reviewed and accepted in accordance with the following procedure:

An electronic copy of the Deliverable will be submitted to the Division. The Division will approve the Deliverables subject to whether it conforms in all material respects with the specifications set forth in the Contract, within five (5) Business Days of receipt or as otherwise agreed by the Parties in writing. The Contractor will not unreasonably withhold approval of the Department’s request for a longer period of time to review the Deliverables. Alternatively, within such period of time, the Division will provide a written notice of deficiencies, if applicable, which identifies in reasonable detail, with references to the applicable specifications, all of the deficiencies preventing approval. The Deliverable shall be considered accepted if the Division does not provide such written notice of deficiencies within the within five (5) Business Days of receipt or as otherwise agreed by the Parties in writing.
The Contractor shall then have five (5) Business Days from the date it receives a notice of deficiencies to complete corrective actions in order for such Deliverable to conform in all material respects to the applicable specifications. The Division shall then have five (5) Business Days to complete its review of the corrected Deliverable or report and notify the Contractor in writing of acceptance or rejection in accordance with the foregoing provision.

SECTION 5. PERFORMANCE METRICS

5.1 General Provisions
Contractor warrants that it will meet the performance metrics set forth in Table 1 of this Attachment A. Contractor shall proactively assess and report performance issues related to all Services that may trigger performance credits to the Department using a Performance Metric Monthly Report, the format of which shall be proposed by the Contractor and is subject to the Division’s approval. The Division will review and approve the content and performance reported by the Contractor. Contractor shall be excused from failure to meet performance metrics and shall not owe any financial consequences or performance credits, to the extent the cause of such failure is outside of the reasonable control of the Contractor. The Division, in its sole discretion, may waive the imposition of these financial consequences in a given instance. Such waiver, in any instance, shall not constitute a waiver in any future instance, nor establish any right on behalf of the Contractor to a waiver.

5.2 Financial Consequences
Accurate and timely delivery of Services for the Contract is imperative and, as a result, the Division reserves the right to impose financial consequences as permitted herein upon the Contractor for failure to provide Services accurately (in accordance with contract specifications and requirements) and timely (by specified due dates). If the Contractor fails to meet the performance metrics set forth in this Attachment A, the Division may apply the financial consequences included below:

(a) Payment for Services may be withheld until the Services meet the requirements set forth in the Contract.

(b) Contractor shall issue a performance credit against the Department’s next monthly invoice or additional remedies cited in the Contract.

(c) Any combination of the above, as applicable.

The resulting damages to the Department from a performance metrics violation are by their nature impossible to ascertain presently and will be difficult to ascertain in the future.
The issues involved in determining such damages will be numerous, complex, and unreasonably burdensome to prove. The Parties acknowledge that these financial consequences are liquidated damages, exclusive of any right to other legal or equitable remedies, not intended to be a penalty and solely intended to compensate for unknown and unascertainable damages. The Contractor therefore agrees to credit the Department consistently described in Table 1 in this Attachment A.

The Division may choose to receive the financial equivalent of the specified Enhancement hours (as determined by the number of hours multiplied by the Hourly Rate) in lieu of the Enhancement hours specified as a financial consequence in Table 1 of this Attachment A.
## TABLE 1

### PERFORMANCE METRICS

<table>
<thead>
<tr>
<th>#</th>
<th>Metric</th>
<th>Measurement Frequency</th>
<th>Definition</th>
<th>Service Level</th>
<th>Financial Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IRIS Applications Availability—Monthly</td>
<td>Monthly</td>
<td>The online components of the IRIS Applications will be available 24 hours a day, 7 days a week (24 x 7). The Parties will agree to any downtime related to a system release or scheduled system maintenance downtime in advance, and any mutually agreed downtime will be excluded from the computation of this metric.</td>
<td>≥ 99 percent of the time.</td>
<td>If system availability is less than 99 percent but greater than or equal to 95 percent, 100 Enhancement hours. If system availability is less than 95 percent, but greater than or equal to 90 percent, 200 Enhancement hours. If system availability is less than 90 percent, 400 Enhancement hours.</td>
</tr>
<tr>
<td>2</td>
<td>IRIS Applications Availability—Major Failure</td>
<td>Ongoing</td>
<td>If IRIS Applications experience catastrophic or major failure (critical business process flows blocked), the Contractor shall notify the Department within one (1) hour of identification and an acceptable resolution is in place within four (4) hours of notification.</td>
<td>100% of the time.</td>
<td>For every incident where the Contractor does not meet the described requirements, 80 Enhancement hours.</td>
</tr>
<tr>
<td>#</td>
<td>Metric</td>
<td>Measurement Frequency</td>
<td>Definition</td>
<td>Service Level</td>
<td>Financial Consequence</td>
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<tr>
<td>3</td>
<td>IRIS Applications Availability—Minor Failure</td>
<td>Monthly</td>
<td>If IRIS Applications experience loss of functionality that results in the inability for Users to perform some small portion of a business process, but able to complete most other tasks, the Contractor shall notify the Department within eight (8) hours of identification and an acceptable resolution is in place within thirty (30) Business Days of notification.</td>
<td>90% of the time.</td>
<td>Where there are more than two (2) instances of service level not being met in one month, 40 enhancement hours for each incident not including the first two incidents of that month.</td>
</tr>
<tr>
<td>4</td>
<td>IRIS Applications Availability—Batch</td>
<td>Monthly</td>
<td>The batch components of IRIS Applications will be available from 6 p.m. to 8 a.m., (EST), 7 days a week.</td>
<td>&gt; 97 percent of the time.</td>
<td>If system availability is less than 97 percent but greater than or equal to 92 percent, 100 Enhancement hours. If system availability is less than or equal to 92 percent but more than 87 percent, 200 Enhancement hours. If the system availability is less than or equal to 87 percent, 400 Enhancement hours.</td>
</tr>
<tr>
<td>#</td>
<td>Metric</td>
<td>Measurement Frequency</td>
<td>Definition</td>
<td>Service Level</td>
<td>Financial Consequence</td>
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<td>5</td>
<td>IRIS Applications—Batch Processing Accuracy and Timeliness</td>
<td>Monthly</td>
<td>A batch job will be successfully completed within the designated nightly batch window when all data is processed both accurately and timely.</td>
<td>≥ 90 percent</td>
<td>If the number of batch jobs successfully completed within the window is less than 90</td>
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<td></td>
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<td>percent but more than 85 percent, 100 Enhancement hours. If the number of batch jobs</td>
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<td>successfully completed within the window is less than or equal to 85 percent, 200</td>
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<td></td>
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<td></td>
<td>Enhancement hours.</td>
</tr>
<tr>
<td>6</td>
<td>Technical Support Services</td>
<td>Monthly</td>
<td>The Contractor shall be available to provide 24 hours a day, 7 days a week (24 x 7) support for Services described in this Attachment A.</td>
<td>≥ 99 percent</td>
<td>25 Enhancement hours per incident deemed to have impacted the ability to provide support</td>
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<td>for Services described in this Attachment A.</td>
</tr>
<tr>
<td>7</td>
<td>Security Management Services – Security Incidents</td>
<td>Monthly</td>
<td>The Contractor must meet all Security Management Services set forth in subsection 3.2.8 of this Attachment A.</td>
<td>100 percent</td>
<td>For every incident where the Contractor does not meet the described security requirements,</td>
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<td>75 Enhancement hours and a corrective action plan detailing the action taken by the</td>
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<td></td>
<td>Contractor to prevent a recurrence.</td>
</tr>
<tr>
<td>#</td>
<td>Metric</td>
<td>Measurement Frequency</td>
<td>Definition</td>
<td>Service Level</td>
<td>Financial Consequence</td>
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</tr>
<tr>
<td>8</td>
<td>Disaster Recovery Tests</td>
<td>Annual</td>
<td>Contractor shall meet all disaster recovery tests described in Section 3.3 of this Attachment A. If the test fails, then a corrective action plan is required within ten (10) Business Days. The Contractor must demonstrate a successful retest within thirty (30) days of the initial failed test.</td>
<td>100 percent successful tests.</td>
<td>If the annual disaster recovery tests fails, 100 Enhancement hours. Failure to timely submit the corrective action plan within ten (10) Business Days, 25 additional Enhancement hours. Failure to demonstrate a successful retest, 250 additional Enhancement hours per retest.</td>
</tr>
<tr>
<td>9</td>
<td>System Development Life Cycle (SDLC) Management</td>
<td>Monthly</td>
<td>Contractor shall meet all SDLC timelines agreed to by both Parties as described in Section 3.4 of this Attachment A. Contractor may not have more than one (1) exception per fiscal year.</td>
<td>Contractor may not have more than one (1) exception per fiscal year.</td>
<td>If more than one exception occurs, 25 Enhancement hours will be assessed for each additional exception.</td>
</tr>
<tr>
<td>10</td>
<td>Key Contractor Staff</td>
<td>Monthly</td>
<td>Contractor shall fill key staff vacancies within twenty (20) Business Days.</td>
<td>100 percent of the time.</td>
<td>Vacancies which violate this provision shall result in a financial consequence of $1,000.00 per Business Day per vacancy.</td>
</tr>
</tbody>
</table>
SECTION 6. TRANSITION PLAN AND SERVICES

6.1 Beginning of Contract Transition Plan and Services
The Beginning of Contract Transition Plan will describe the approach to providing transition services for the Start Date. This transition plan will include a high-level work breakdown structure that includes tasks, deliverables and work products (as required), and due dates showing key milestones, dependencies, and any assumptions that this schedule is based on. The transition plan must address all areas of transition including but not limited to contract administration and resource management.

The Contractor is to provide an updated transition plan no later than thirty (30) calendar days from Contract Start Date. The Department will have final approval authority over the final version of the transition plan. Beginning of Contract transition services will occur from the Start Date until the successful transition to the new contractor. Transition services are included as part of the O&M services under the Contract. The Contractor shall not receive any additional compensation for beginning of transition services.

6.2 End of Contract Transition Responsibilities
Contractor must provide a finalized End of Contract Transition Plan for review by the Department six (6) months prior to contract expiration. The Department will have final approval authority over the final version of the End of Contract Transition Plan.

The Department will notify the Contractor of the commencement of the transition period at least three (3) months prior to the beginning of the transition period. The Contractor shall, in accordance with the transition plan:

(a) Provide the Department with items such as processes, documentation, and standard operating procedures in use by the Contractor.

(b) Allow the incoming Contractor to observe and participate in day-to-day operations from the beginning of the transition period to the end of this Contract.

(c) Retain key staff consistent with the staffing provisions as set forth in Section 3.7 of this Attachment 1.

(d) Attend transition and knowledge transfer meetings and participate when needed.

End of Contract transition services are included as part of the O&M services under the Contract. The Contractor shall not receive any additional compensation for such End of Contract services. In the event the Contractor fails to provide these services and does not cure such failure promptly following written notice from the Department, then, unless the
cause of such failure is outside of the reasonable control of the Contractor, a financial consequence of one (1) month of operations and maintenance service charges for the last month of the Contract shall be assessed against the Contractor's final invoice(s).

6.3 Transition Plan Contents.
Transition plans submitted pursuant to this Section 6.3 shall include, at a minimum, key activities during the transition period and shall describe in detail the Contractor's plan for: (1) transition of resources for both the Contractor and the Department; (2) technology transition requirements; (3) a communication plan for transition; (4) other required service operation transition services, including knowledge transfer and system documentation; and (5) steps, measures, and controls that shall be employed by the Contractor to minimize disruption of Services during the transition period.

6.4 Cooperation with Subsequent Contractor.
The Contractor is responsible for providing a professional, workable, and cooperative transition upon the completion of the Contract.

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### APPENDIX A – IRIS APPLICATIONS LISTING

(“Department Materials”)

<table>
<thead>
<tr>
<th>System</th>
<th>Description</th>
<th>Technology Platform</th>
<th>Support Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address Correction / Verification</td>
<td>The ConnectRight Mailer software is used to verify addresses and make needed corrections.</td>
<td>ConnectRight Mailer</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Batch Processing</td>
<td>There are many batch processes in place at FRS. Batch processing is initiated and handled using VisualCron and custom scripts.</td>
<td>VisualCron / Custom Scripts</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Contact Center Telephony</td>
<td>FRS CRM Service – Webservice that integrates with Avaya phone system for screen pops, provides member information to CRM and functionality to escalate CRM cases to workflow.</td>
<td>Microsoft .NET</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Correspondence Output</td>
<td>Correspondence output such as letters, benefit estimates, yearly 1099R and Member Annual Statements are generated using OpenText Exstream.</td>
<td>OpenText Exstream / PlanetPress</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Customer Relationship Management (CRM)</td>
<td>CRM is a web-based application that provides functionality to manage and analyze customer interactions with the Division of Retirement Contact Center. This application provides the ability to log and work both phone and email activities/cases, along with the ability to import CRM cases to the IRIS application for further processing.</td>
<td>Microsoft Dynamics CRM</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
</tbody>
</table>
| Custom Services / Applications  | Custom services provide needed functionality to IRIS and the other systems.  
1) Email Notification - Used for sending emails  
2) Mass Communications - Used for creating, approving and sending mass communications to members, retirees, and other constituents.  
3) SQL Monitoring - Used for scheduling and running queries and stored procedures.  
4) SSRS Queue - Used for delivering SSRS reports in different methods and formats  
5) Workflow Import - Used for automating various workflow import tasks  
6) Print Form Job - Processes the OpenText Exstream print jobs  
7) Print Docs - Processes the Microsoft Office and Adobe PDF print jobs  
8) CRM Data Syncing – Syncs member and agency information from the line of business application to Dynamics CRM  
9) Drop Term – Generates workflow folders for members terminating from DROP  
10) eDeathNotice – Generates workflow folders based on received death date information  
11) Indexing Application – PowerBuilder application used for indexing documents that have been scanned, imported or faxed into the workflow environment.  
12) Moving Input Files – Service that manages the flow of incoming documents to PlanetPress  
13) PEORP Input Rejected – Service that provided notification of rejected IP files | Microsoft.NET / Power Builder | Business Hours 24x7 On Call Support |
<table>
<thead>
<tr>
<th>System</th>
<th>Description</th>
<th>Technology Platform</th>
<th>Support Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>14) Queuing Service – Service</td>
<td>Service that organizes and prepares documents for processing by PlanePress.</td>
<td>Oracle, Enterprise Database, Microsoft SQL Server</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>15) TiffTagUpdate – Service</td>
<td>That updates select images when they are retrieved/cached from the library by updating the Tiff tag header.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16) Service Monitor – Service</td>
<td>Service that monitors other installed services and alerts on issues.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Database Management System</td>
<td>The line of business database used for IRIS, FRS Online, and other select applications is Oracle. Enterprise Content Management and Customer Relationship Management uses Microsoft SQL Server.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Content Management</td>
<td>Documents received at the Division are managed and stored using OpenText Process 360.</td>
<td>OpenText Process 360</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>External Web Services</td>
<td>Web services are used to provide member demographic and estimate information to the Investment Plan service providers. This information is used in the choice service and advisor service tools as well as displaying information when members log into the MyFRS.com website. Web Services include: Choice Web Service, Advisory Web Service, FRS Pension Data Web Service</td>
<td>Microsoft ASP.NET WEB.API</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Fax Services</td>
<td>Faxes are received and sent using OpenText RightFax Server.</td>
<td>RightFax</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>File Transfer Services</td>
<td>File Transfer Services provide the ability to send and receive files. These services are managed using GlobalScape EFT Server.</td>
<td>GlobalScape EFT Server</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>FRS Online (Self Service</td>
<td>FRS Online is a website that provides self-service functionality to members, retirees, agencies and other constituents. Active Members of the system can view their service history as well as calculate their own benefit estimates. Most retirees and beneficiaries receiving payments can update their address, tax withholding and direct deposit as well as view their payment history, deduction information, and 1099R information. Agencies can enroll employees, maintain and submit employer payroll reports, view contribution summaries, and submit online death notices.</td>
<td>Microsoft .NET / Oracle PL / SQL</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Service Website)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Integration Services</td>
<td>Web services are used to send and receive data with external entities.</td>
<td>Microsoft .NET Web Service</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>IRIS 1.0 – Client based</td>
<td>This is the legacy, custom line of business application designed and developed to handle all essential business functions for the Division and to facilitate communication with employers, active members, retirees, and business partners. The application encompasses functionality to take a member of the FRS from the preliminary stages of employment through retirement and payments to beneficiaries after a member’s death.</td>
<td>SAP PowerBuilder / Oracle PL / SQL</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>System</td>
<td>Description</td>
<td>Technology Platform</td>
<td>Support Hours</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>IRIS 2.0 – Web based application</td>
<td>This is the modernized, custom line of business application designed and developed to handle all essential business functions for the Division and to facilitate communication with employers, active members, retirees, and business partners. The application encompasses functionality to take a member of the FRS from the preliminary stages of employment through retirement and payments to beneficiaries after a member's death.</td>
<td>Microsoft.NET / Oracle PL / SQL</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
<tr>
<td>Reporting</td>
<td>The Division utilizes many reports in IRIS and other applications. These reports are provided using Microsoft SQL Server Reporting Services and IBM Cognos.</td>
<td>Microsoft SQL Server Reporting Services / IBM Cognos</td>
<td>Business Hours 24x7 On Call Support</td>
</tr>
</tbody>
</table>

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**
APPENDIX B – CONTRACTOR DELIVERABLES

These Deliverables must be updated and provided to the Department annually or more frequently as listed below.

<table>
<thead>
<tr>
<th>#</th>
<th>Deliverable</th>
<th>Due Dates</th>
<th>Financial Consequence when a Due Date is Not Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Affidavits of Compliance</td>
<td>June 30th</td>
<td>$5,000</td>
</tr>
<tr>
<td>(b)</td>
<td>Annual Certification</td>
<td>June 30th</td>
<td>$5,000</td>
</tr>
<tr>
<td>(c)</td>
<td>Annual Two (2) Day Planning Session</td>
<td>May 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(d)</td>
<td>Audited Financial Statements</td>
<td>June 30th</td>
<td>$5,000</td>
</tr>
<tr>
<td>(e)</td>
<td>Background Screening Report</td>
<td>90 calendar days after Start Date and then on 15th of each month</td>
<td>$5,000</td>
</tr>
<tr>
<td>(f)</td>
<td>Biweekly Status Report</td>
<td>60 calendar days after Start Date and then on 1st and 15th of each month</td>
<td>$2,500</td>
</tr>
<tr>
<td>(g)</td>
<td>Business Continuity Plan</td>
<td>90 calendar days after Start Date and then on April 30th</td>
<td>$12,500</td>
</tr>
<tr>
<td>(h)</td>
<td>Data Security Notification Letter</td>
<td>180 calendar days after Start Date and then on Jan. 15th, April 15th, July 15th and Oct. 15th</td>
<td>$5,000</td>
</tr>
<tr>
<td>(i)</td>
<td>Interface Plan</td>
<td>180 calendar days after Start Date and then on March 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(j)</td>
<td>Internet Browser Matrix</td>
<td>180 calendar days after Start Date and then on March 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(k)</td>
<td>IRIS Applications Listing</td>
<td>Nov. 30th</td>
<td>$5,000</td>
</tr>
<tr>
<td>(l)</td>
<td>Letters, Forms, and Inserts Listing</td>
<td>180 calendar days after Start Date and then on March 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(m)</td>
<td>Organizational Contact Matrix and Tables of Organization</td>
<td>60 calendar days after Start Date and then on Dec. 31st and June 30th</td>
<td>$5,000</td>
</tr>
<tr>
<td>(n)</td>
<td>Performance Metric Monthly Report</td>
<td>60 calendar days after Start Date and then on 15th of each month</td>
<td>$5,000</td>
</tr>
<tr>
<td>(o)</td>
<td>Reports Listing</td>
<td>180 calendar days after Start Date and then on March 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(p)</td>
<td>Security Role Code Matrices</td>
<td>180 calendar days after Start Date and then Within fifteen (15) Business Days of an update to production</td>
<td>$5,000</td>
</tr>
<tr>
<td>(q)</td>
<td>Software License Report</td>
<td>180 calendar days after Start Date and then on March 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(r)</td>
<td>Software Update Assessment</td>
<td>180 calendar days after Start Date and then on Feb. 1st</td>
<td>$12,500</td>
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<tr>
<td>(s)</td>
<td>SSAE-16 SOC 1 or SOC 2 (as applicable), Type II Report</td>
<td>180 calendar days after Start Date and then on Feb. 1st</td>
<td>$5,000</td>
</tr>
<tr>
<td>(t)</td>
<td>System Alerts and Tasks Listing</td>
<td>180 calendar days after Start Date</td>
<td>$5,000</td>
</tr>
<tr>
<td>#</td>
<td>Deliverable</td>
<td>Due Dates</td>
<td>Financial Consequence when a Due Date is Not Met</td>
</tr>
<tr>
<td>----</td>
<td>--------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and then within fifteen (15) Business Days of an update to production</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(u)</td>
<td>Systems Design Workbook</td>
<td>180 calendar days after Start Date and then within fifteen (15) Business Days of an update to production</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>System Enhancement Hours Tracking Report</td>
<td>180 calendar days after Start Date and then on Jan. 15th, April 15th, July 15th and Oct. 15th</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(w)</td>
<td>System Errors and Messages Listing</td>
<td>180 calendar days after Start Date and then within fifteen (15) Business Days of an update to production</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(x)</td>
<td>System Security Plan</td>
<td>March. 31, 2020; Dec. 31st thereafter</td>
<td>$12,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(y)</td>
<td>Tables, Views and Extracts Listing</td>
<td>July 31st</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(z)</td>
<td>Transition Plan Submission</td>
<td>Within thirty (30) calendar days of Start Date; an updated Plan by July 31st of each year; an updated Plan six (6) months prior to end of Contract term.</td>
<td>$12,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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APPENDIX C – AFFIDAVITS OF COMPLIANCE

CONTRACTOR AFFIDAVIT OF COMPLIANCE

I, _____________________, certify that:

(1) I have reviewed the contractual obligations of 22nd Century Technologies, Inc., in the performance of its Contract dated ______________, for Information Technology Services, and any amendments thereto (collectively referred to as the "Contract"), with the Florida Department of Management Services.

(2) To the best of my knowledge and upon reasonable investigation, the performance of 22nd Century Technologies, Inc., and its Subcontractors is consistent with and in compliance with the Contract (including the terms of the System Security Plan dated ________).

(3) To the best of my knowledge and upon reasonable investigation, 22nd Century Technologies, Inc., and its Subcontractors have complied with all Federal, State and local laws, ordinances, rules and regulations applicable to each and applicable to their performance under this Contract, including the documentation and verification requirements of section 274A of the Immigration and Nationality Act [8 U.S.C. 1324a] concerning the unlawful employment of aliens.

(4) Any exceptions to these representations must be stated on this affidavit.

(5) I am duly authorized to execute this Affidavit as Contract Administrator of 22nd Century Technologies, Inc.

/s/
Name:
Date:
[Notary]

* * *
SUBCONTRACTOR AFFIDAVIT OF COMPLIANCE

I, ____________________________, certify that:

(1) I have reviewed the contractual obligations of __ (“Subcontractor”) under a contract dated ___ (referred to as the "Subcontract"), with 22nd Century Technologies, Inc.

(2) I understand that 22nd Century Technologies, Inc., is using some or all of the Services provided under the Subcontract to fulfill 22nd Century Technologies, Inc.’s obligations under the Contract dated ______________ between 22nd Century Technologies, Inc., and the Florida Department of Management Services (the "Contract").

(3) To the best of my knowledge and upon reasonable investigation, the performance of Subcontractor is consistent with and in compliance of all applicable provisions of the Contract (including the terms of the System Security Plan dated ________ which was developed pursuant to the Contract).

(4) To the best of my knowledge and upon reasonable investigation, Subcontractor has complied with all Federal, State and local laws, ordinances, rules and regulations applicable to each and applicable to Subcontractor and its performance under this Contract, including the documentation and verification requirements of section 274A of the Immigration and Nationality Act [8 U.S.C. 1324a] concerning the unlawful employment of aliens.

(5) Any exceptions to these representations must be stated on this affidavit.

(6) I am duly authorized to execute this Affidavit as a Contract Administrator of Subcontractor.

/s/
Name and Title
Date
Notary

* * *
APPENDIX D

SYSTEM ENHANCEMENT HOURS TRACKING REPORT

<table>
<thead>
<tr>
<th></th>
<th>CALENDAR YEAR 2020</th>
<th></th>
<th>CALENDAR YEAR 2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hours Earned</td>
<td>Hours Approved</td>
<td>Hours Remaining</td>
<td>Hours Earned</td>
</tr>
<tr>
<td>Carry Over</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2,000</td>
</tr>
<tr>
<td>1ST QUARTER</td>
<td>10,000</td>
<td>2,000</td>
<td>8,000</td>
<td>10,000</td>
</tr>
<tr>
<td>2ND QUARTER</td>
<td>N/A</td>
<td>1,000</td>
<td>7,000</td>
<td>N/A</td>
</tr>
<tr>
<td>3RD QUARTER</td>
<td>N/A</td>
<td>3,000</td>
<td>4,000</td>
<td>N/A</td>
</tr>
<tr>
<td>4TH QUARTER</td>
<td>N/A</td>
<td>2,000</td>
<td>2,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>10,000</td>
<td>8,000</td>
<td>2,000</td>
<td>12,000</td>
</tr>
</tbody>
</table>

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### SYSTEM ENHANCEMENT HOURS DETAILED TRACKING REPORT

*FOR EXAMPLE PURPOSES ONLY*

<table>
<thead>
<tr>
<th>Enhancement Item</th>
<th>Date Approved</th>
<th>Status</th>
<th>Hours Approved</th>
<th>Hours Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 ALLOTMENT</td>
<td>1/1/2020</td>
<td>COMPLETED</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Enhancement #1</td>
<td>3/2/2020</td>
<td>COMPLETED</td>
<td>2,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Enhancement #2</td>
<td>4/30/2020</td>
<td>COMPLETED</td>
<td>1,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Enhancement #3</td>
<td>7/15/2020</td>
<td>COMPLETED</td>
<td>1,500</td>
<td>5,500</td>
</tr>
<tr>
<td>Enhancement #4</td>
<td>8/1/2020</td>
<td>COMPLETED</td>
<td>1,500</td>
<td>4,000</td>
</tr>
<tr>
<td>Enhancement #5</td>
<td>10/15/2020</td>
<td>IN PROGRESS</td>
<td>1,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Enhancement #6</td>
<td>11/30/2020</td>
<td>IN PROGRESS</td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2021 ALLOTMENT</td>
<td>1/1/2021</td>
<td>COMPLETED</td>
<td>10,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

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APPENDIX E – CHANGE ORDER FORM

CHANGE ORDER NO. ___ to Contract No. DMS 17/18-039

Information Technology Services Contract No. ___ dated as of ____ by and between the STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES (Department) and 22nd Century Technologies, Inc. (Contractor) is hereby amended as follows:

1. **Description of Changes**: [Describe any relevant changes to the IRIS Applications]

2. **Implementation Activities and Timeline**: [Specify how and when the proposed change would be implemented]

3. **Impact to Contract**: [Describe the effect, if any, such proposed change would have on the Contract, including time for performance]

4. **Resource and Cost Estimation**: [Estimate all resources (other than existing dedicated staff) required to implement such change]

5. **Risk Exposure**: [Describe the delivery risks and associated risk mitigation plans relating to the proposed change]

6. **Other Information**: [Provide such other information as may be relevant to the proposed change]

<table>
<thead>
<tr>
<th>Services</th>
<th>Fees/ Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Development</td>
<td></td>
</tr>
</tbody>
</table>

Except as otherwise specifically provided herein, all other terms and conditions of the Contract remain unchanged. This Change Order shall constitute an integral part of the Contract following its execution and delivery.

Signature page immediately follows
IN WITNESS WHEREOF, the Parties have duly executed this Change Order effective as of the
________ day of ________, ________.

Department of Management Services 22nd Century Technologies, Inc. (Contractor)

By: ________________________________  By: ________________________________
Name: _____________________________  Name: _____________________________
Title: ______________________________  Title: ______________________________
Date: ______________________________  Date: ______________________________

Contract No.: DMS-17/18-039
Information Technology Operations and Maintenance Services  Page 93 of 93