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William F. Dwyer
COMMISSIONER OF THE TREASURY

THE STATE OF NEW HAMPSHIRE
STATE TREASURY
25 CAPITOL STREET, ROOM 121
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TDD Access: Relay NH 1-800-735-2964

April 10, 2014

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

Sole Source

REQUESTED ACTION

Authorize the State Treasury to enter into a **sole source** contract with Kelmar Associates, LLC, of Wakefield, MA (Vendor Code 162629 [B001]). The cost of the implementation and ongoing support and maintenance will be \$550,000 for the conversion to and technical administration of the KAPS hosted “software as a service” operating system (“KAPS”), supporting abandoned property operations (the “Division”). The agreement covers the period August 25, 2014 through August 24, 2019 with the option to renew for one (1) additional period of five (5) years. The fees paid shall be funded entirely from Abandoned Property revenues and will be paid from account 01-38-38-380510-80210000 (100% other funds).

038-500177	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
Software License	\$93,000	\$110,000	\$110,000	\$110,000	\$110,000	\$17,000

EXPLANATION

As described in detail below, the reason for this **sole source** contract is that KAPS is presently the only “commercial off-the-shelf” hosted unclaimed property operating system available.

1. An operating system for a state’s abandoned property program is a unique and highly specialized database structure. The database’s functionality must include state-of-the-art operational capacities for holder report processing, cash and securities receipts processing, owner notification and verification, claims processing, claims payment, audit business intelligence capability, website/Internet search capacity, and application security.

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2. 41 states presently operate a non-hosted Xerox-ACS abandoned property operating system. New Hampshire is the only state in the U.S. still using a Xerox/ACS vintage abandoned property operating system known as Unclaimed Property Management System (“UPMS”). Xerox/ACS, the vendor of UPMS, has not provided technical support for UPMS since June 2007 and has stated that it cannot transition the Division to a hosted operating system because it will not develop one for at least 18-24 months. On multiple occasions over the past 7 years, the Treasury has attempted to enter into a contract extension and system upgrade with Xerox/ACS for its second generation non-hosted operating system, however the conversion process proposed throughout that time by Xerox/ACS did not conform to IT standards promulgated by both the Treasury and the Department of Information Technology (“DoIT”). In addition, Xerox/ACS has recently communicated its willingness to simply give the Treasury the code to the vintage UPMS system and allow the State to take ongoing maintenance and operation in-house. The State Treasury does not possess the resources to self-support and maintain its own Abandoned Property operating system. Since those initial extension and upgrade efforts with Xerox/ACS took place, Kelmar’s hosted solution has emerged as a superior and more secure operating environment. Lastly, an internally-developed, self-supported operating system for this service is viable only for states with very large abandoned property operations and staffs.
3. KAPS delivers many features that reflect “best practice” standards for data processing and security in a hosted environment; features which do not exist in the current unsupported and non-hosted UPMS operating platform, as noted in item #2. Key features of the KAPS hosted solution include:
 - a. All of the necessary hardware, software, and system security, therefore no capital investment is required in order to convert to and implement KAPS, resulting in very predictable and stable costs to the Abandoned Property Division.
 - b. No need for KAPS system support and maintenance staff to access State IT networks or resources, which eliminates the need for DoIT to create, monitor, and support third-party accounts to access the State’s IT core and minimizes the risk of a data breach.
 - c. An operating environment in which system updates and new features can be tested without installing new versions or running updates to the highly confidential database.

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and the Honorable Council

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- d. The ability to scale up quickly for larger data processing volumes, which will result from the proprietary efficiencies delivered by the system.
 - e. Hosting of both the operating system and database in a state-of-the-art SunGard data center in Marlborough, MA. SunGard provides systems for a significant portion of the leading finance and insurance companies in the U.S. as well as many governmental agencies, and its data centers are audited to SSAE 16 Type II and support compliant with PCI DSS and HIPAA.
 - f. A greater degree of data security than in a non-hosted environment, with access limited to only authorized locations and users, and the State's data isolated from the data of other Kelmar clients and systems.
 - g. Browser-based applications that facilitate easier training and transition.
4. Ongoing support and training in this environment is of utmost importance. As a result it is essential to contract for these services with a vendor that can demonstrate that it has in-depth experience in all aspects of unclaimed property operations, as well as a commitment to abandoned property programs to provide the State with the certainty that the necessary system support will be available in the long-term.
 5. At present there are only two "commercial off-the-shelf" (COTS) vendors that specialize in and support the unique way that states manage abandoned property operations. Those vendors are Xerox/ACS and Kelmar. There are many other generic claims-processing systems, but they are not customized to support the unique operations of abandoned property. If the State Treasury were to consider these alternatives, there would be prohibitive time and resources required to adapt and customize a generic system to function as an abandoned property-specific processing system that could deliver the capabilities listed in item #1. Ultimately the cost of operating such systems would significantly surpass that of a COTS platform and would also subject the Abandoned Property Division to increased risk of a failure of the present UPMS due to the customization time required.
 6. Kelmar recently launched KAPS in the State of Delaware and is presently in contract talks with an additional 5 states for conversion in the 2014-2015 timeframe. The firm has conveyed that it has already been contacted by at least three other states interested in upgrading from their present operating systems.
 7. The KAPS system is a full-scope abandoned property database operating system that, once fully implemented, will greatly reduce the present high-density manual operations levels within the Abandoned Property Division, resulting from the

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council

April 10, 2014

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current reliance on UPMS. Streamlined operations will allow for timelier and higher capacity reporting of unclaimed property by holders and the increased return of unclaimed property to the citizenry of the state of New Hampshire, both of which remain the overarching mission of the Abandoned Property Division.

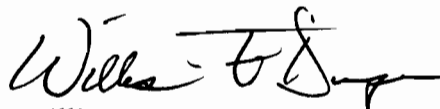
The architect of the KAPS operating system, Ken Wagers, is the primary architect behind nearly 90% of the abandoned property operating systems in use, at present, throughout the United States. Mr. Wagers, formerly employed by Xerox/ACS, designed Xerox/ACS' UPMS and its second-generation unclaimed property operating system and remains at the forefront of industry best practices and innovation.

8. By utilizing the KAPS hosted product solution, the Abandoned Property Division would be better aligned with IT best practices in the areas of application security, internal controls, and open data standards. Currently the UPMS operating system is at significant risk in these areas, notwithstanding the lack of technical support from Xerox/ACS as noted in item #2.

Specifically under this contract, KAPS will introduce functionality and security that will uniquely enhance and ensure the stability of the Division's automated operations. The ongoing collaboration and technical support from Kelmar, as the vendor that provides KAPS, is likewise an essential element to the success of the Division in recovering and returning the assets of New Hampshire's residents and businesses.

Without the successful completion of the conversion and implementation of "software as a service" authorized in this contract, the Division is at significant risk of a critical operational disruption that will impede the Division in carrying out its statutory responsibilities and will adversely impact unclaimed property holders and owners (claimants).

Respectfully requested,



William F. Dwyer
Commissioner of the Treasury



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Peter C. Hastings
Commissioner

April 7, 2014

William F. Dwyer, Commissioner
State of New Hampshire
Treasury Department
25 Capitol Street
Concord, NH 03301-3857

Dear Commissioner Dwyer:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with Kelmar Associates, LLC of Wakefield, MA, as described below and referenced as DoIT No. 2014-146.

The purpose of this contract is for the conversion and technical administration of a hosted "software as a service" system supporting the Division of Abandoned Property. The agreement covers the period from August 25, 2014 through August 24, 2019. The cost of the implementation and ongoing support and maintenance will be \$110,000 annually.

A copy of this letter should accompany the Treasury Department's submission to the Governor and Executive Council.

Sincerely,

A handwritten signature in black ink that reads "Peter C. Hastings".

Peter C. Hastings

PCH/ltn
RFP 2014-146

cc: Tom McAnespie, Treasury Dept
Leslie Mason, DoIT

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
TRAINING REGISTRATION CONTRACT
CONTRACT 2013-046
AGREEMENT- PART 1**

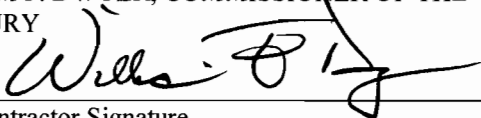
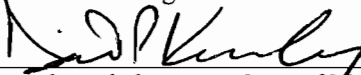


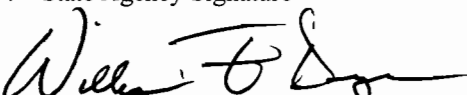
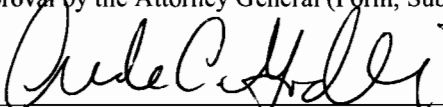
Subject: ABANDONED PROPERTY DIVISION DATA SYSTEM REPLACEMENT

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name STATE TREASURY – ABANDONED PROPERTY DIVISION		1.2 State Agency Address 25 CAPITOL STREET – RM 121, CONCORD, NH 03301	
1.3 Contractor Name KELMAR ASSOCIATES, LLC		1.4 Contractor Address 500 EDGEWATER DRIVE, SUITE 525, WAKEFIELD, MA 01880	
1.5 Contractor Phone Number (781) 213 6926	1.6 Account Number 010-38-38-380510-8021000-038-500177	1.7 Completion Date AUGUST 24, 2019	1.8 Price Limitation \$550,000.00
1.9 Contracting Officer for State Agency WILLIAM F. DWYER, COMMISSIONER OF THE TREASURY 		1.10 State Agency Telephone Number (603) 271 2621	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory David P. Kennedy, General Counsel & Member	
1.13 Acknowledgement: State of Massachusetts, County of Middlesex On April 8, 2014, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Andres Macellaro, Associate Attorney			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory COMMISSIONER OF THE TREASURY	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: 4/9/14			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement

those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder (“Event of Default”):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word “data” shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report (“Termination Report”) describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject

matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR’S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers’ compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the

expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective

successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

**STATE OF NEW HAMPSHIRE
TREASURY
ABANDONED PROPERTY APPLICATION
CONTRACT 2014-135- PART 3
EXHIBIT A
CONTRACT DELIVERABLES**

1. DELIVERABLES, MILESTONES AND ACTIVITIES

Kelmar shall provide the **STATE** with which will meet and perform in accordance with the **SPECIFICATIONS** and **DELIVERABLES** that are in accordance with the time frames in the **WORK PLAN**.

Prior to the commencement of work on **NON-SOFTWARE** and **WRITTEN DELIVERABLES**s, **Kelmar** shall provide to the **STATE** a template, table of contents, or agenda for **REVIEW** and prior approval by the **STATE**.

The **DELIVERABLES** are set forth in the **SCHEDULE** described below in Section 2. By unconditionally accepting a **DELIVERABLE**, the **STATE** reserves the right to reject any and all **DELIVERABLES** in the event the **STATE** detects any Deficiency in the **SYSTEM**, in whole or in part, through completion of all **ACCEPTANCE** Testing, including but not limited to, **SOFTWARE/SYSTEM ACCEPTANCE** Testing, and any extensions thereof.

Pricing for **DELIVERABLES** set forth in Exhibit B: *Price and Payment Schedule*. Pricing will be effective for the Term of this **CONTRACT**, and any extensions thereof.

2. DELIVERABLES, MILESTONES, AND ACTIVITIES SCHEDULE

2.1 Implementation Schedule – Activities / Deliverables / Milestones

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Expected Delivery Date*
1	Work Plan	Written	14 days
2	Communications and Change Management Plan	Written	14 days
3	Conduct Project Kickoff Meeting	Non-Software	30 days
4	Software Configuration Plan	Written	30 Days
5	Systems Interface Plan and Design/Capability	Written	60 Days
6	Detailed Testing Plan and Testing Results	Written	60 Days
7	Data Conversion Plan and Design as specified in Exhibit E: Implementation Services. Listing of all tables in the UPMS database, with a description and indication if the data is to be converted, archived, or abandoned	Written	90 days

**STATE OF NEW HAMPSHIRE
TREASURY
ABANDONED PROPERTY APPLICATION
CONTRACT 2014-135- PART 3
EXHIBIT A
CONTRACT DELIVERABLES**

	Table column listing for all data to be converted, with mapping information to the KAPST™ table and column, or indication that the data element is to be abandoned Record counts for all UPMS tables to be converted and final record counts in KAPST™ tables post conversion Numerical totals for all dollar and share columns for all UPMS tables, and final numerical totals in KAPST™ tables post conversion		
8	Deployment Plan	Written	60 days
9	Comprehensive Training Plan and Curriculum	Written	60 days
10	End User Support Plan	Written	60 days
11	Fully Tested Data Conversion Software	Software	120 days
12	Software Installed, Configured, and Operational to satisfy State requirements	Software	120 days
13	Conduct Unit and System Testing	Non-Software	120 days
14	Conduct Integration Testing	Non-Software	120 days
15	Conduct User Acceptance Testing	Non-Software	120 days
16	Perform Production Tests	Non-Software	120 days
17	Share all Penetration test results with the STATE	Non-Software	120 days
18	Converted Data Loaded into Production Environment	Software	120 days
19	Conduct Training/I.43	Non-Software	120 days
20	Cutover to New Software	Non-Software	120 days
21	All Operating System Software	Software	120 days
22	Project Status Reports	Written	Every two weeks
23	Conduct Project Exit Meeting	Non-Software	150 days
24	Electronic Documentation including but not limited to: System functional documentation System workflow documentation Documented support process Online issue tracking and management system		90 days
* Days elapsed from starting date of contract award.			

**STATE OF NEW HAMPSHIRE
TREASURY
ABANDONED PROPERTY APPLICATION
CONTRACT 2014-135- PART 3
EXHIBIT A
CONTRACT DELIVERABLES**

3. TRAINING DELIVERABLES

Training will be in accordance with the requirements set forth in Contract Exhibit L: *Training Services* and the **SCHEDULE** established by the *Work Plan*, Contract Exhibit I. All pricing has been established in Contract Exhibit B: *Price and Payment Schedule*.

4. SOFTWARE LICENSES

SOFTWARE LICENSES for are set forth in Contract Exhibit J: *Software License* and associated pricing is established in Contract Exhibit B: *Price and Payment Schedule*.

STATE OF NEW HAMPSHIRE
TREASURY
ABANDONED PROPERTY APPLICATION
CONTRACT 2014-135- PART 3
EXHIBIT B
PRICE AND PAYMENT SCHEDULE

1. DELIVERABLE PAYMENT SCHEDULE

1.1 Firm Fixed Price

This is a **FIRM FIXED PRICE (FFP) CONTRACT** totaling \$550,000.00 for the period between the **EFFECTIVE DATE** through the **EFFECTIVE DATE** plus five (5) years. **Kelmar** shall be responsible for performing its obligations in accordance with the **CONTRACT**. This **CONTRACT** will allow **Kelmar** to invoice the **STATE** on an equal monthly basis of \$9,166.67 per month, beginning on date the **KAPS SYSTEM** is placed into production.

2. TOTAL CONTRACT PRICE

Notwithstanding any provision in the **CONTRACT** to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments made by the **STATE** exceed \$550,000.00 ("Total Contract Price"). The payment by the **STATE** of the total Contract price shall be the only, and the complete reimbursement to **Kelmar** for all fees and expenses, of whatever nature, incurred by **Kelmar** in the performance hereof.

The **STATE** will not be responsible for any travel or out of pocket expenses incurred in the performance of the **SERVICES** performed under this **CONTRACT**.

3. INVOICING

Kelmar shall submit correct invoices to the **STATE** for all amounts to be paid by the **STATE**. All invoices submitted shall be subject to the **STATE**'s prior written approval, which shall not be unreasonably withheld. **Kelmar** shall only submit invoices for **SERVICES** or **DELIVERABLES** as permitted by the **CONTRACT**. Invoices must be in a format as determined by the **STATE** and contain detailed information, including without limitation: itemization of each **DELIVERABLE** and identification of the **DELIVERABLE** for which payment is sought, and the **ACCEPTANCE** date triggering such payment; date of delivery and/or installation; monthly maintenance charges; any other **PROJECT** costs or retention amounts if applicable.

Upon **ACCEPTANCE** of a **DELIVERABLE**, and a properly documented and undisputed invoice, the **STATE** will pay the correct and undisputed invoice within thirty (30) days of invoice receipt. Invoices will not be backdated and shall be promptly dispatched.

Invoices shall be sent to:

State of New Hampshire Treasury
Abandoned Property Division
25 Capitol Street, Rm 205
Concord, NH 03301

4. PAYMENT ADDRESS

All payments shall be sent to the following address:

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PRICE AND PAYMENT SCHEDULE**

Kelmar Associates, LLC
Attn: Michael J. LeBlanc, Chief Financial Officer
500 Edgewater Drive, Suite 525
Wakefield, MA 01880

5. OVERPAYMENTS TO Kelmar

Kelmar shall promptly, but no later than fifteen (15) business days, return to the **STATE** the full amount of any overpayment or erroneous payment upon discovery or notice from the **STATE**.

6. CREDITS

The **STATE** may apply credits due to the **STATE** arising out of this **CONTRACT**, against **Kelmar's** invoices with appropriate information attached.

7. PROJECT HOLDBACK

The **STATE** shall withhold Ten percent (10%) of the price for each payment, until successful conclusion of the **WARRANTY PERIOD**.

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EXHIBIT C
PAYMENT SCHEDULE**

1. SPECIAL PROVISIONS

1.1 Insurance. Amend Contract Agreement Part 1 – Section 14: **Insurance** to include Section 14.1.3 cyber insurance against all claims for cyber crimes inclusive of hacking, data security & privacy losses, in amounts of not less than \$3,000,000, at no additional cost to the State.

1.2 Change Order Pricing. In the event the **STATE** elects, in its sole discretion, to approve a **CHANGE ORDER** or other **LICENSEE WORK**, the following hourly fee structure shall apply. This fee structure shall remain applicable throughout the Contract Agreement Term.

Project Manager	\$300.00
Software Developer	\$175.00
Software Test Engineer	\$150.00
Documentation Specialist	\$150.00
Support Specialist	\$150.00

2. NOTICE- Replace notification to the addressed parties on Contract Agreement Part 1- Section 17 at the addresses given in blocks 1.2 and 1.4 of the Form P-37, to notify the parties below:

Notice

Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the following addresses.

TO Kelmar:

David Kennedy
500 Edgewater Drive
Suite 525
Wakefield, MA 01880
Tel: (781) 928-9205

TO STATE:

State of New Hampshire Treasury
Thomas P. McAnespie, Director
25 Capitol Street, Rm 205
Concord, NH 03301
Tel: (603) 271-1499

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EXHIBIT D
ADMINISTRATIVE SERVICES**

1. STATE MEETINGS AND REPORTS

The **STATE** believes that effective communication and reporting are essential to **PROJECT** success.

Kelmar KEY PROJECT STAFF shall participate in meetings as requested by the **STATE**, in accordance with the requirements and terms of this **CONTRACT**.

- a. **Introductory Meeting:** Participants will include **Kelmar KEY PROJECT STAFF** and **STATE PROJECT LEADERS** from both Department of Treasury and the **DEPARTMENT OF INFORMATION TECHNOLOGY**. This meeting will enable leaders to become acquainted and establish any preliminary **PROJECT** procedures.
- b. **Kickoff Meeting:** Participants will include the **STATE** and **Kelmar PROJECT TEAMS** and major stakeholders. This meeting is to establish a sound foundation for activities that will follow.
- c. **Status Meetings:** Participants will include, at the minimum, the **Kelmar PROJECT MANAGER** and the **STATE PROJECT MANAGER**. These meetings will be conducted at least **TWO WEEKS** and address overall **PROJECT** status and any additional topics needed to remain on **SCHEDULE** and within budget. A status and error report from **Kelmar** shall serve as the basis for discussion. Status meetings will be held via conference call.
- d. **The WORK PLAN:** must be reviewed at each Status Meeting and updated, at minimum, on a **BI-WEEKLY** basis, in accordance with the **CONTRACT**.
- e. **Special Meetings:** Need may arise for a special meeting with **STATE** leaders or **PROJECT** stakeholders to address specific issues.
- f. **Exit Meeting:** Participants will include **PROJECT** leaders from **Kelmar** and the **STATE**. Discussion will focus on lessons learned from the **PROJECT** and on follow up options that the **STATE** may wish to consider.

The **STATE** expects **Kelmar** to prepare agendas and background for and minutes of meetings. Background for each status meeting must include an updated **WORK PLAN**. Drafting of formal presentations, such as a presentation for the kickoff meeting, will also be **Kelmar's** responsibility.

The **Kelmar PROJECT MANAGER** or **Kelmar KEY PROJECT STAFF** shall submit **EVERY TWO WEEKS** status reports in accordance with the **SCHEDULE** and terms of this **CONTRACT**. All status reports shall be prepared in formats approved by the **STATE**. **Kelmar's PROJECT MANAGER** shall assist the **STATE's PROJECT MANAGER**, or itself produce reports related to **PROJECT** Management as reasonably requested by the **STATE**, all at no additional cost to the **STATE**. **Kelmar** shall produce **PROJECT** status reports, which shall contain, at a minimum, the following:

1. **PROJECT** status related to the **WORK PLAN**;
2. **DELIVERABLE** status;
3. Accomplishments during weeks being reported;
4. Planned activities for the upcoming two (2) week period;
5. Future activities; and

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6. Issues and concerns requiring resolution.
7. Report and remedies in case of falling behind **SCHEDULE**

As reasonably requested by the **STATE**, **Kelmar** shall provide the **STATE** with information or reports regarding the **PROJECT**. **Kelmar** shall prepare special reports and presentations relating to **PROJECT** Management, and shall assist the **STATE** in preparing reports and presentations, as reasonably requested by the **STATE**, all at no additional cost to the **STATE**.

2. STATE-OWNED DOCUMENTS AND DATA

Kelmar shall provide the **STATE** access to all documents, **STATE DATA**, materials, reports, and other work in progress relating to the **CONTRACT** (“**STATE** Owned Documents”). Upon expiration or termination of the **CONTRACT** with the **STATE**, **Kelmar** shall turn over all **STATE**-owned documents, material, reports, and work in progress relating to the **CONTRACT** to the **STATE** at no additional cost to the **STATE**. **STATE**-owned Documents shall be provided in electronic format.

3. RECORDS RETENTION AND ACCESS REQUIREMENTS

Kelmar shall agree to the conditions of all applicable **STATE** and federal laws and regulations, which are incorporated herein by reference, regarding retention and access requirements, including without limitation, retention policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 *Contractor Records Retention*.

Kelmar and its **SUBCONTRACTORS** shall maintain books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs invoiced in the performance of their respective obligations under the **CONTRACT**. **Kelmar** and its **SUBCONTRACTORS** shall retain all such records for three (3) years following termination of the **CONTRACT**, including any extensions. Records relating to any litigation matters regarding the **CONTRACT** shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeal period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the **STATE** and federal officials so authorized by law, rule, regulation or **CONTRACT**, as applicable. Access to these items shall be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the **STATE**. Delivery of and access to such records shall be at no cost to the **STATE** during the three (3) year period following termination of the **CONTRACT** and one (1) year term following litigation relating to the **CONTRACT**, including all appeals or the expiration of the appeal period. **Kelmar** shall include the record retention and review requirements of this section in any of its subcontracts.

The **STATE** agrees that books, records, documents, and other evidence of accounting procedures and practices related to **Kelmar**'s cost structure and profit factors shall be excluded from the **STATE**'s review unless the cost of any other **SERVICES** or **DELIVERABLES** provided under the **CONTRACT** is calculated or derived from the cost structure or profit factors.

4. ACCOUNTING REQUIREMENTS

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Kelmar shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the **CONTRACT** shall be ascertainable from the accounting system and **Kelmar** shall maintain records pertaining to the **SERVICES** and all other costs and expenditures.

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EXHIBIT E
IMPLEMENTATION SERVICES**

Kelmar shall provide the **STATE** with the following **SERVICES** set forth in Contract Exhibit A.

1. IMPLEMENTATION STRATEGY

1.1 Key Components

- A. Kelmar** shall employ an **IMPLEMENTATION** strategy with a timeline set forth in accordance with the **WORK PLAN** noted below.
- B. Kelmar** and the **STATE** shall adopt a **CHANGE** management approach to identify and plan key strategies and communication initiatives.
- C. Kelmar** shall utilize an approach that fosters and requires the participation of **STATE** resources, uses their business expertise to assist with the configuration of the applications, and prepares the **STATE** to assume responsibility for and ownership of the new **SYSTEM**. A focus on technology transition shall be deemed a priority.
- D. Kelmar** shall manage **PROJECT** execution and provide the tools needed to create and manage the **PROJECT**'s **WORK PLAN** and tasks, manage and schedule **PROJECT STAFF**, track and manage issues, manage changing requirements, maintain communication within the **PROJECT TEAM**, and report status.
- E. Kelmar** shall adopt an **IMPLEMENTATION** time-line aligned with the **STATE**'s required time-line.

1.2 Timeline

The timeline is set forth in the **WORK PLAN**. During the initial planning period **PROJECT** task and resource plans will be established for: the preliminary training plan, the **CHANGE** management plan, communication approaches, **PROJECT** standards and procedures finalized, and team training initiated.

1.2.1 Implementation

Timing will be structured to recognize interdependencies between applications and structure a cost effective and timely execution.

Processes will be documented, training established, and the application will be ready for **IMPLEMENTATION** in accordance with the **STATE**'s **SCHEDULE**.

1.2.2 Change Management and Training

Kelmar's **CHANGE** management and training **SERVICES** shall be focused on developing **CHANGE** management and training strategies and plans. Its approach relies on **STATE** resources for the execution of the **CHANGE** management and end user training.

2. IMPLEMENTATION METHODOLOGY

Kelmar will provide the following **SERVICES** for the **CONTRACT**:

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2.1 Data Conversion.

DATA conversion will occur over a weekend mutually agreed upon between **Kelmar** and the **STATE**.

Kelmar will require the **STATE** to deliver a full export of the **UPMS** Foxpro database on the Thursday night before final conversion. The **UPMS** system will be available for inquiry only on the Friday of the **DATA** conversion weekend.

Once the initial **DATA** conversion is complete, the **STATE** shall have the ability to export **DATA** in piecemeal or in entirety at its discretion without interference from **Kelmar**. This includes the ability for the **STATE** to export **DATA** to other service providers.

When developing file imports and exports between **KAPS** and other **STATE** systems, **Kelmar** shall utilize the **STATE**'s preferred system web service APIs where applicable and possible as determined by **Kelmar** and the **STATE**.

DELIVERABLES:

- Listing of all tables in the **UPMS** database, with a description and indication if the **DATA** is to be converted, archived, or abandoned
- Table column listing for all **DATA** to be converted, with mapping information to the **KAPS™** table and column, or indication that the **DATA** element is to be abandoned
- Record counts for all **UPMS** tables to be converted and final record counts in **KAPS™** tables post conversion
- Numerical totals for all dollar and share columns for all **UPMS** tables, and final numerical totals in **KAPS™** tables post conversion

2.2 Installation & Training.

Kelmar shall provide the **STATE** with **SYSTEM** installation and **IMPLEMENTATION** assistance in the form of on-site training, telephone support during Normal Working Hours, and issue resolution via the on-line **KAPS™** issue management system.

Below are details of the Initial Training and Support Plan:

- 60 **Kelmar** staff hours of onsite staff training before the **SYSTEM IMPLEMENTATION** date
 - Training delivered over two separate weeks, in the 30 days before **IMPLEMENTATION**
- 120 **Kelmar** staff hours of onsite post-implementation support
 - Training delivered 60 hours in the week immediately following **IMPLEMENTATION**, with the remainder of the hours delivered within the first 45 days of **SYSTEM IMPLEMENTATION**
- Access to **Kelmar** support staff in accordance with the provisions of Section 2.3 below.

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Support and **DOCUMENTATION DELIVERABLES**:

- Electronic **DOCUMENTATION** that includes:
 - **SYSTEM** functional **DOCUMENTATION**
 - **SYSTEM** workflow **DOCUMENTATION**
- Documented support process
- Online issue tracking and management system

2.3. Post Implementation Support Services.

Post Implementation, KAPS™ support will include:

- Access to the **Kelmar** help desk from 8:00 am ET to 6:00 pm ET
- Weekly conference calls to report on **SYSTEM** issues and KAPS™ **IMPLEMENTATION** issues
- Quarterly onsite support visits of three days per quarter for training, support and KAPS™ **PROJECT** assistance.
- WebEx or similar training as needed
- Online issue tracking and management system

2.4 Help Desk and Technical Support.

Kelmar will provide a dedicated help desk and technical support team to assist authorized staff from the **STATE** with matters involving the KAPS™ **SYSTEM** during Normal Working Hours (8:00 a.m. to 6:00 p.m. Eastern Standard Time excluding **STATE** and **Kelmar** holidays). The help desk can be accessed by calling 1-888-953-5627, emailing kaps-help@kelmarassoc.com or accessing **Kelmar**'s online KAPS™ issue management system. Messages received after Normal Working Hours will be returned on the following business day.

2.5 Hosted Server Access

- a. Definition of "Hosted Server Access" - **Kelmar** will:
 - 1) Provide production and **UAT** access to a computer server or servers ("Hosted Server") with the **OPERATING SYSTEM** configuration specific in the Ordering document and Exhibit N.
 - 2) Make available the Hosted Server for **STATE** access between the hours of 6:00 a.m. and 6:00 p.m. Eastern Standard Time, Monday through Friday and 8:00AM to 4:00 PM on Saturdays. with the following exclusions (KAPS can be available at other times with at least 24 hours notice):
 - a) Scheduled maintenance (at least once weekly – timing to be coordinated with the **STATE** generally, **Kelmar** reserves a daily maintenance window between the hours of 9:00 p.m. and 1:00 a.m. EST, Monday through Friday, and all day on Sunday);
 - b) Scheduled periods when backup of Hosted Server takes place – timing to be coordinated with the **STATE**;
 - c) Emergency (non-scheduled) outages,

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- d) Scheduled outages for application of patches or other modifications requested by the **STATE**;
 - e) Perform one (1) daily backup of production and test instances of **Kelmar** programs and **STATE** test **DATA** present on the Hosted Server, and
 - f) Upon completion or termination of the Hosted Server Access, create a copy of **STATE** development and test instances, using a medium agreed upon in advance, to facilitate transition of such information to other computer hardware (“Decommission Backup”). Transition and migration services are not provided as part of the **SERVICES** but may be acquired separately from **Kelmar**.
- b. Conditions and assumptions related to Hosted Server Access:
- 1) Multiple customers may share the same computer server; the **STATE** instances shall be separated from other instances located on the same server using password protection.
 - 2) The **STATE** acknowledges that **Kelmar** may use server and network equipment owned by **Kelmar** or third-party hosting provider.
 - 3) **Kelmar** will provide sufficient servers, disk space and other hardware to support the **STATE**’s current departmental size and processing levels as part of this **CONTRACT AGREEMENT** inclusive of accommodating the need for additional capacity during cyclical peaks. Requests for dedicated or additional servers, additional disk space, or other additional hardware will require contractual amendment.
 - 4) The equipment and network connections provided for the **SERVICES** are designed to accommodate all **STATE** employees that perform abandoned property functions. Although use by more than fourteen (14) at one time may affect the performance of the Hosted Server.

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SECURITY AND INFRASTRUCTURE**

1. SECURITY

Kelmar shall ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of the **STATE's INFORMATION TECHNOLOGY** resources, information, and services. Security requirements are defined in *Attachment 1*. **Kelmar** shall provide the **STATE** resources, information, and Services on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and to safeguard the confidentiality and integrity of **STATE** networks, Systems and **DATA**.

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EXHIBIT F
TESTING SERVICES**

Kelmar shall provide the following Products and **SERVICES** described in this Exhibit F, including but not limited to:

1. TESTING AND ACCEPTANCE

Kelmar shall bear all responsibilities for the full suite of Test Planning and preparation throughout the **PROJECT**. **Kelmar** will also provide training as necessary to the **STATE** staff responsible for test activities. **Kelmar** shall be responsible for all aspects of testing contained in the **ACCEPTANCE TEST PLAN** including support, at no additional cost, during **USER ACCEPTANCE TEST** conducted by the **STATE** and the testing of the training materials.

The **TEST PLAN** methodology shall reflect the needs of the **PROJECT** and be included in the finalized **WORK PLAN**. A separate **TEST PLAN** and set of test materials will be prepared for each **SOFTWARE** function or module.

All Testing and **ACCEPTANCE** (both business and technically oriented testing) shall apply to testing the **SYSTEM** as a whole, (e.g., **SOFTWARE** modules or functions, and **IMPLEMENTATION(s)**). This shall include planning, test scenario and script development, **DATA** and **SYSTEM** preparation for testing, and execution of **UNIT TESTS**, **SYSTEM** Integration Tests, **CONVERSION TESTS**, Installation tests, Regression tests, Performance Tuning and Stress tests, Security Review and tests, and support of the **STATE** during **USER ACCEPTANCE TEST** and **IMPLEMENTATION**.

In addition, **Kelmar** shall provide a mechanism for reporting actual test results vs. expected results and for the resolution and tracking of all errors and problems identified during test execution. **Kelmar** shall also correct **DEFICIENCIES** and support required re-testing.

1.1 Test Planning and Preparation

Kelmar shall provide the **STATE** with an overall **TEST PLAN** that will guide all testing. The **Kelmar** provided, **STATE** approved, **TEST PLAN** will include, at a minimum, identification, preparation, and Documentation of planned testing, a requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test **DATA**, test phases, **UNIT TESTS**, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.

As identified in the **ACCEPTANCE TEST PLAN**, and documented in accordance with the **WORK PLAN** and the **CONTRACT**, **STATE** testing will commence upon **Kelmar's PROJECT MANAGER's CERTIFICATION**, in writing, that **Kelmar's** own staff has successfully executed all prerequisite **Kelmar** testing, along with reporting the actual testing results, prior to the start of any testing executed by **STATE** staff. The **STATE** will be presented with a **STATE** approved **ACCEPTANCE TEST PLAN**, test scenarios, test cases, test scripts, test **DATA**, and expected results.

The **STATE** will commence its testing within five (5) business days of receiving **CERTIFICATION** from **Kelmar** that the **STATE's** personnel have been trained and the **SYSTEM** is installed, configured, complete, and ready for **STATE** testing. The testing will be conducted by the **STATE** in an environment independent from **Kelmar's** development environment. **Kelmar** must assist the

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TESTING SERVICES**

STATE with testing in accordance with the **TEST PLAN** and the **WORK PLAN**, utilizing test and live **DATA** to validate reports, and conduct stress and performance testing, at no additional cost.

Testing begins upon completion of the **SOFTWARE** configuration as required and user training according to the **WORK PLAN**. Testing ends upon issuance of a letter of **UAT ACCEPTANCE** by the **STATE**.

VENDOR must demonstrate that their testing methodology can be integrated with the **STATE** standard methodology.

1.2 Unit Testing

In Unit Testing, **Kelmar** shall test the application components on an individual basis to verify that the inputs, outputs, and processing logic of each application component functions without errors. Unit testing is performed in either the development environment or a testing environment.

The goal is to find errors in the smallest unit of **SOFTWARE** before logically linking it into larger units. If successful, subsequent testing should only reveal errors related to the integration between application modules.

1.3 System Integration Testing

The new **SYSTEM** is tested in integration with other application systems (legacy and service providers) in a production-like environment. **SYSTEM** Integration Testing validates the integration between the individual unit application modules and verifies that the new **SYSTEM** meets defined requirements and supports execution of interfaces and business processes. The **SYSTEM** Integration Test is performed in a test environment.

Thorough end-to-end testing shall be performed by the **Kelmar** team to confirm that the Application integrates with any interfaces. The test emphasizes end-to-end business processes, and the flow of information across applications. It includes all key business processes and interfaces being implemented, confirms **DATA** transfers with external parties, and includes the transmission or printing of all electronic and paper documents.

	<p>SYSTEMS Integration Testing validates the integration between the target application modules and other systems, and verifies that the new SYSTEM meets defined interface requirements and supports execution of business processes. This test emphasizes end-to-end business processes and the flow of information across the application. It includes all key business processes and interfaces being implemented, confirms DATA transfers with external parties, and includes the transmission or printing of all electronic and paper documents.</p>
	<ul style="list-style-type: none">• Take the lead in developing the SYSTEMS Integration Test SPECIFICATIONS.• Work jointly with the STATE to develop and load the DATA profiles to support the test SPECIFICATIONS.• Work jointly with the STATE to validate components of the test scripts.
	<ul style="list-style-type: none">• Work jointly with Kelmar to develop the SYSTEMS Integration Test SPECIFICATIONS.

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	<ul style="list-style-type: none">• Work jointly with Kelmar to develop and load the DATA profiles to support the test SPECIFICATIONS.• Work jointly with Kelmar to validate components of the test scripts, modifications, fixes and other System interactions with the Kelmar supplied SOFTWARE SOLUTION.
	<ul style="list-style-type: none">• The Integration-Tested SYSTEM indicates that all interfaces between the application and the legacy and third-party systems, interfaces, and applications are functioning properly.

1.4 Conversion Validation Testing

In Conversion Validation Testing, target application functions are validated.

	The conversion validation test should replicate the entire flow of the converted DATA through the SOFTWARE SOLUTION . As the SOFTWARE SOLUTION is interfaced to legacy or third-party applications/interfaces, testing verifies that the resulting flow of the converted DATA through these interface points performs correctly.
	For conversions and interfaces, the Kelmar team will execute the applicable validation tests and compare execution results with the documented expected results.
	Extract and cleanse, if necessary, the legacy DATA to be converted in the DATA conversions.
	Validation-Tested Conversion Programs. These programs include conversion programs that have been tested to verify that the resulting converted legacy DATA performs correctly in the entire suite of the Application.

1.5 Installation Testing

In Installation Testing the application components are installed in the **SYSTEM** Test environment to test the installation routines and are refined for the eventual production environment. This activity serves as a dry run of the installation steps in preparation for configuring the production **SYSTEM**.

1.6 User Acceptance Testing (UAT)

UAT begins upon completion of the **SOFTWARE** configuration as required and user training according to the **WORK PLAN**. Testing ends upon issuance of a letter of **UAT ACCEPTANCE** by the **STATE**.

Kelmar's PROJECT MANAGER must certify in writing, that the **VENDOR's** own staff has successfully executed all prerequisite **VENDOR** testing, along with reporting the actual testing results prior to the start of any testing executed by **STATE** staff.

The **STATE** shall be presented with all testing results, as well as written **CERTIFICATION** that **Kelmar** has successfully completed the prerequisite tests, meeting the defined **ACCEPTANCE** Criteria, and performance standards. The **STATE** shall commence testing within five (5) business days of receiving **CERTIFICATION**, in writing, from **Kelmar** that the **SYSTEM** is installed, configured,

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complete and ready for **STATE** testing. The **STATE** shall conduct the **UAT** utilizing scripts developed as identified in the **ACCEPTANCE TEST PLAN** to validate the functionality of the **SYSTEM** and the interfaces, and verify **IMPLEMENTATION** readiness. **UAT** is performed in a copy of the production environment and can serve as a performance and stress test of the **SYSTEM**. The **USER ACCEPTANCE TEST** may cover any aspect of the new **SYSTEM**, including administrative procedures (such as backup and recovery).

The **USER ACCEPTANCE TEST (UAT)** is a verification process performed in a copy of the production environment. The **USER ACCEPTANCE TEST** verifies **SYSTEM** functionality against predefined **ACCEPTANCE** criteria that support the successful execution of approved business processes.

UAT will also serve as a performance and stress test of the **SYSTEM**. It may cover any aspect of the new **SYSTEM**, including administrative procedures such as backup and recovery. The results of the **UAT** provide evidence that the new **SYSTEM** meets the **USER ACCEPTANCE** criteria as defined in the **WORK PLAN**.

The results of the **USER ACCEPTANCE TEST** provide evidence that the new **SYSTEM** meets the **USER ACCEPTANCE** criteria as defined in the **WORK PLAN**.

Upon successful conclusion of **UAT** and successful **SYSTEM** deployment, the **STATE** will issue a letter of **UAT ACCEPTANCE** and the respective **WARRANTY PERIOD** shall commence

	The SYSTEM USER ACCEPTANCE Tests verify SYSTEM functionality against predefined ACCEPTANCE criteria that support the successful execution of approved processes.
	<ul style="list-style-type: none"> • Provide the STATE an ACCEPTANCE TEST PLAN and selection of test scripts for the ACCEPTANCE Test. • Monitor the execution of the test scripts and assist as needed during the USER ACCEPTANCE TEST activities. • Work jointly with the STATE in determining the required actions for problem resolution.
	<ul style="list-style-type: none"> • Approve the development of the USER ACCEPTANCE TEST PLAN and the set of DATA for use during the USER ACCEPTANCE TEST. • Validate the ACCEPTANCE TEST environment. • Execute the test scripts and conduct USER ACCEPTANCE TEST activities. • Document and summarize ACCEPTANCE TEST results. • Work jointly with Kelmar in determining the required actions for problem resolution. • Provide ACCEPTANCE of the validated SYSTEMS.
	The DELIVERABLE for USER ACCEPTANCE Tests is the USER ACCEPTANCE TEST Results . These results provide evidence that the new SYSTEM meets the USER ACCEPTANCE criteria defined in the WORK PLAN .

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1.7 Performance Tuning and Stress Testing

Kelmar shall develop and document hardware and **SOFTWARE** configuration and tuning of **Kelmar**'s infrastructure as well as assist and direct the **STATE**'s System Administrators and Database Administrators in configuring and tuning the infrastructure to support the **SOFTWARE** throughout the **PROJECT**.

1.7.1 Scope

The scope of **Performance Testing** shall be to measure the **SYSTEM** level metrics critical for the development of the applications infrastructure and operation of the applications in the production environment. It will include the measurement of response rates of the application for end-user transactions and resource utilization (of various servers and network) under various load conditions. These response rates shall become the basis for **CHANGE**s and retesting until optimum **SYSTEM** performance is achieved. Performance testing and tuning shall occur in the final production environment and shall use a copy of the final production database to provide the best results.

1.7.2 Test Types

Performance testing shall use two different types of testing to determine the stability of the application. They are baseline tests and load tests.

- a) **Baseline Tests:** Baseline tests shall collect performance **DATA** and load analysis by running scripts where the output is broken down into business transactions or functions. The test is like a single user executing a defined business transaction. During baseline testing, each individual script is run to establish a baseline for transaction response time, throughput and other user-based metrics.
- b) **Load Tests:** Load testing will determine if the behavior of the **SYSTEM** can be sustained over a long period of time while running under expected conditions. Load test helps to verify the ability of the application environment under different load conditions based on workload distribution. **SYSTEM** response time and utilization is measured and recorded.

1.7.3 Tuning

Tuning will be **Kelmar** led and occur during both the development of the application and load testing. Tuning is the process whereby the application performance is maximized. This can be the result of making code more efficient during development as well as making tuning parameter changes to the environment.

1.7.4 Regression Testing

As a result, of the user testing activities, problems will be identified that require correction. The **STATE** will notify **Kelmar** of the nature of the testing failures in writing. **Kelmar** will be required to perform additional testing activities in response to **STATE** and/or user problems identified from the testing results. Regression testing means selective re-testing to detect faults introduced during the modification effort, both to verify that the modifications have not caused unintended adverse effects, and to verify that the modified and related (possibly affected) **SYSTEM** components still meet their specified requirements:

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- a) For each minor failure of an **ACCEPTANCE** Test, the **ACCEPTANCE PERIOD** shall be extended by corresponding time defined in the **TEST PLAN**.
- b) **Kelmar** shall notify the **STATE** no later than five (5) business days from **Kelmar's** receipt of written notice of the test failure when **Kelmar** expects the corrections to be completed and ready for retesting by the **STATE**. **Kelmar** will have up to ten (10) business days to make corrections to the problem unless specifically extended in writing by the **STATE**.
- c) When a programming **CHANGE** is made in response to a problem identified during user testing, a **REGRESSION TEST PLAN** should be developed by **Kelmar** based on the understanding of the program and the **CHANGE** being made to the program. The **TEST PLAN** has two objectives:
 - 1. validate that the **CHANGE**/update has been properly incorporated into the program; and
 - 2. validate that there has been no unintended **CHANGE** to the other portions of the program.
- d) **Kelmar** will be expected to:
 - 1. Create a set of test conditions, test cases, and test **DATA** that will validate that the **CHANGE** has been incorporated correctly;
 - 2. Create a set of test conditions, test cases, and test **DATA** that will validate that the unchanged portions of the program still operate correctly; and
 - 3. Manage the entire cyclic process.
- e) **Kelmar** will be expected to execute the regression test, provide actual testing results, and certify its completion in writing to the **STATE** prior to passing the modified **SOFTWARE** application to the users for retesting.

In designing and conducting such regression testing, **Kelmar** will be required to assess the risks inherent to the modification being implemented and weigh those risks against the time and effort required for conducting the regression tests. In other words, **Kelmar** will be expected to design and conduct regression tests that will identify any unintended consequences of the modification while taking into account **SCHEDULE** and economic considerations.

1.8 Security Review and Testing

IT Security involves all functions pertaining to the securing of **STATE DATA** and Systems through the creation and definition of security policies, procedures and controls covering such areas as **IDENTIFICATION**, **AUTHENTICATION** and non-repudiation.

All components of the **SOFTWARE** shall be reviewed and tested to ensure they protect the **STATE's** hardware and **SOFTWARE** and its related **DATA** assets.

Tests shall focus on the technical, administrative and physical security controls that have been designed into the **SYSTEM** architecture in order to provide the necessary confidentiality, integrity

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and availability. Tests shall, at a minimum, cover each of the service components. Test procedures shall include Penetration Tests (pen test) or code analysis and Review.

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users
Access Control	Supports the management of permissions for logging onto a computer or network
Encryption	Supports the encoding of DATA for security purposes
Intrusion Detection	Supports the detection of illegal entrance into a computer system
Verification	Supports the confirmation of authority to enter a computer system, application or network
Digital Signature	Guarantees the unaltered STATE of a file
User Management	Supports the administration of computer, application and network accounts within an organization.
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.

In their **PROPOSAL**, the **VENDOR** must acknowledge their responsibilities for security testing. Tests shall focus on the technical, administrative and physical security controls that have been designed into the **SYSTEM** architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures shall include 3rd party Penetration Tests (pen test) or code analysis and review.

Kelmar May be required to provide 3rd party testing. Prior to the **SYSTEM** being moved into production **Kelmar** shall provide results of all security testing to the **DEPARTMENT OF INFORMATION TECHNOLOGY** for **REVIEW** and **ACCEPTANCE**. All **SOFTWARE** and hardware shall be free of malicious code (malware).

1.9 Successful UAT Completion

Upon successful completion of **UAT**, the **STATE** will issue a Letter of **UAT ACCEPTANCE**. Upon issuance of the Letter of **UAT ACCEPTANCE** by the **STATE**, the respective **WARRANTY PERIOD** shall commence as set forth in Contract Exhibit K: *Warranty and Warranty Services*.

1.10 System Acceptance

Upon completion of the **WARRANTY PERIOD**, the **STATE** shall issue a Letter of Final **SYSTEM ACCEPTANCE**.

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1. SYSTEM MAINTENANCE

Kelmar shall maintain and support the KAPST[™] **SYSTEM** in all material respects as described in the applicable program **DOCUMENTATION**.

1.1 Kelmar's Responsibility

Kelmar shall maintain the KAPST[™] **SYSTEM** in accordance with the **CONTRACT**. **Kelmar** will not be responsible for maintenance or support for **SOFTWARE** developed or modified by the **STATE**.

1.1.1 Adaptive and Preventive Maintenance Activities.

- a. **Kelmar** shall perform adaptive and preventative maintenance activities as set forth below. Adaptive and preventive maintenance addresses upgrades to the KAPST[™] System due to technical **CHANGES** to **SYSTEM** components to keep the **SYSTEM** maintainable, including the following **SERVICES**:
 - i. Upgrades or patches of the application servers, **OPERATING SYSTEM** components, **OPERATING SYSTEMS**, or other **SYSTEM** and application **SOFTWARE**. **Kelmar** will test and install upgrades and patches of the server **OPERATING SYSTEM** and the database **SYSTEM**. Testing will occur on **Kelmar's** non-production systems.
 - ii. **SOFTWARE** modifications and upgrades necessary because of expiring **VENDOR** support.
 - iii. **Kelmar** will test and recommend upgrades to third party **SOFTWARE** used by the KAPST[™] **SYSTEM**. Testing will occur on **Kelmar's** non-production systems.
 - iv. Hardware, database, or application conversions that do not modify user functionality.
 - v. **Kelmar** is not responsible for hardware related upgrades on **STATE** equipment but will assist with testing and identifying potential issues.
- b. **Kelmar** will coordinate with the **STATE** in performing the above activities at a time that will provide for the least disruption for the **SYSTEM** users.
- c. **Kelmar** will bundle the above updates and releases on a regular **SCHEDULE** as mutually agreed with the **STATE**.
- d. For major upgrades requiring a more significant amount of time to develop, test, and implement, **Kelmar** will bundle the above updates and releases on a quarterly or other major release cycle.
- e. With the **STATE's** consent, **Kelmar** will release patches and fixes on an 'as requested' release **SCHEDULE**.



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1.1.2. Performance of Maintenance Activities.

Kelmar will assist the **STATE**'s staff in undertaking maintenance activities to improve the performance of the **SOFTWARE**. **Kelmar** will provide database monitoring upon request to help identify any potential performance problems.

Activities that typically can be completed independent of a production release (e.g., **DATA** changes, **DATA** purges) may be completed on a more frequent basis (e.g., daily or weekly).

1.1.3 Approval of Updates / Deliverables, in General.

The **STATE** shall approve in writing a **DELIVERABLE** upon confirming that it conforms to and, in the case of a **SOFTWARE DELIVERABLE**, performs in accordance with, the **STATE**'s documented **SPECIFICATIONS** without material deficiency. The **STATE** may, but shall not be required to, conditionally approve in writing a **DELIVERABLE** that contains material **DEFICIENCIES** if the **STATE** elects to permit **Kelmar** to rectify them post-approval. In any case, **Kelmar** will be responsible for working diligently to correct within a reasonable time at **Kelmar**'s expense all **DEFICIENCIES** in the **DELIVERABLE** that remain outstanding at the time of **STATE** approval.

The **STATE**, at any time and in its own discretion, may halt the **UAT** or approval process if such process reveals **DEFICIENCIES** in, or problems with, a **DELIVERABLE** in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the **STATE** may return the applicable **DELIVERABLE** to **Kelmar** for correction and re-delivery prior to resuming the **REVIEW** or **UAT** process. In such an event, **Kelmar** will correct the **DEFICIENCIES** in the **DELIVERABLE** in accordance with the **AGREEMENT**, as the case may be.

Approval in writing of a **DELIVERABLE** by the **STATE** shall be provisional; that is, such approval shall not preclude the **STATE** from later identifying **DEFICIENCIES** in, and declining to accept, a subsequent **DELIVERABLE** based on or which incorporates or inter-operates with an approved **DELIVERABLE**, to the extent that the results of subsequent **REVIEW** or testing indicate the existence of **DEFICIENCIES** in the subsequent **DELIVERABLE**, or if the Application of which the subsequent **DELIVERABLE** is a component otherwise fails to be accepted.

1.1.3.1. Process for Approval of SOFTWARE Deliverables.

The **STATE** will conduct **UAT** of each **SOFTWARE DELIVERABLE** in accordance with the following procedures to determine whether it meets the criteria for **STATE** approval – i.e., whether it conforms to and performs in accordance with its **SPECIFICATIONS** without material **DEFICIENCIES**.

The **STATE REVIEW PERIOD** shall be the number of days agreed in writing by the Parties (failing which it shall be forty-five (45) days by default). The **STATE REVIEW**



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PERIOD for each **SOFTWARE DELIVERABLE** will begin when **Kelmar** has delivered the **SOFTWARE DELIVERABLE** to the **STATE** and the **STATE**'s inspection of the **DELIVERABLE** has confirmed that all components of it have been delivered.

If the **STATE** determines during the **UAT** that the **SOFTWARE DELIVERABLE** contains any **DEFICIENCIES**, the **STATE** will notify **Kelmar** of the deficiency by making an entry in an incident reporting system available to both **Kelmar** and the **STATE**.

Kelmar will use reasonable commercial efforts to correct all reported **DEFICIENCIES** with the **SOFTWARE DELIVERABLE**, conduct appropriate **SYSTEM** Testing (including, where applicable, Regression Testing) to confirm the proper correction of the **DEFICIENCIES**, and re-deliver the corrected version to the **STATE** for re-testing in **UAT**. **Kelmar** will coordinate the re-delivery of corrected versions of **SOFTWARE DELIVERABLES** with the **STATE** so as not to disrupt the **STATE**'s **UAT** process. The **STATE** will promptly re-test the corrected version of the **SOFTWARE DELIVERABLE** after receiving it from **Kelmar**.

Within three (3) business days after the end of the **STATE REVIEW PERIOD**, the **STATE** will give **Kelmar** a written notice indicating the **STATE**'s approval or rejection of the **SOFTWARE DELIVERABLE** according to the criteria and process set out in this Section. If the **STATE** has given notice of non-acceptance, **Kelmar** will again act to diligently correct, modify, or improve such **SOFTWARE DELIVERABLE** to address the cause of non-acceptance. This process will be repeated as may be necessary until the **SOFTWARE DELIVERABLES** are accepted or deemed accepted by the **STATE** as provided in Section 1.1.3.2 below.

1.1.3.2. Acceptance.

“**ACCEPTANCE**” shall occur when the **SOFTWARE DELIVERABLE** has been approved by the **STATE** and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the **STATE** elects to defer putting a **SOFTWARE DELIVERABLE** into live production for its own reasons unrelated to concerns about outstanding material **DEFICIENCIES** in the **DELIVERABLE**, the **STATE** shall nevertheless grant **ACCEPTANCE** of the **PROJECT**.

1.1.3.3. Subsequent Systems Changes.

In the event the **STATE** desires to modify its **SYSTEMS** to accommodate a **SOFTWARE DELIVERABLE** or other **CHANGE**, **Kelmar** shall perform such modification upon receipt of written approval of the same by the **STATE**'s designated **PROJECT MANAGER**. No **SYSTEMS** modifications shall be made by **Kelmar** without the prior written consent of the **STATE**. Further, any **CHANGES** made by



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Kelmar to the STATE's SYSTEMs shall be done according to applicable STATE procedures, including security, access and configuration management procedures.

1.1.4. Documentation Updates.

Kelmar will provide DOCUMENTATION with each new release or CHANGE to the KAPSTM SYSTEM. Such DOCUMENTATION will be made available electronically. Any customized or unique CHANGES made to the SOFTWARE expressly for the STATE will be documented and provided to the STATE.

2. SYSTEM SUPPORT

2.1 Kelmar's Responsibility

Kelmar will be responsible for performing on-site or remote technical support in accordance with the terms and conditions set forth below. As part of the SOFTWARE maintenance AGREEMENT, ongoing SOFTWARE maintenance and support levels, including all new SOFTWARE releases, **Kelmar** shall address SYSTEM DEFICIENCIES. A SYSTEM Deficiency shall mean a failure, deficiency or defect in a DELIVERABLE resulting in a DELIVERABLE, the SOFTWARE, or the KAPSTM SYSTEM, not conforming to its SPECIFICATIONS. DEFICIENCIES are defined in PART 2 – Terms and Definitions as follows:

Class A Deficiency – SOFTWARE - Critical, does not allow SYSTEM to operate, no work around, demands immediate action; Written DOCUMENTATION - missing significant portions of information or unintelligible to STATE; NON SOFTWARE - SERVICES were inadequate and require re-performance of the Service.

Class B Deficiency – SOFTWARE - important, does not stop operation and/or there is a work around and user can perform tasks; Written DOCUMENTATION - portions of information are missing but not enough to make the document unintelligible; NON SOFTWARE - SERVICES were deficient, require reworking, but do not require re-performance of the Service.

Class C Deficiency – SOFTWARE - minimal, cosmetic in nature, minimal effect on SYSTEM, low priority and/or user can use SYSTEM; Written DOCUMENTATION - minimal CHANGES required and of minor editing nature; NON SOFTWARE - SERVICES require only minor reworking and do not require re-performance of the Service.

DEFICIENCIES shall be corrected according to the following SCHEDULE:

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<i>Class of Deficiency</i>	<i>Kelmar Acknowledgement</i>	<i>Issue Resolution*</i>
<i>Class A Deficiency</i>	<i>4 hours</i>	<i>Two (2) business days</i>
<i>Class B Deficiency</i>	<i>24 hours</i>	<i>Thirty (30) days</i>
<i>Class C Deficiency</i>	<i>5 business days</i>	<i>Next major KAPS release or time agreed between STATE and Kelmar</i>

*The issue resolution time period shall conform to that which is identified below; provided, however, the Parties may mutually agree to extend the issue resolution time period to reasonably accommodate **Kelmar's** corrective action where **Kelmar** has diligently commenced such resolution within the designated resolution period and thereafter diligently proceeds to rectify and complete said resolution as soon as possible.

Further, Kelmar agrees to roll back any KAPS updates or **SOFTWARE** component that **Kelmar** controls as part of the **KAPS SYSTEM** within four (4) hours of notification that the update may have caused the **DEFICIENCY**. This does not include any roll back related to software installed on the **STATE'S** user's workstation.

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STATE OF NH REQUIREMENTS**

The State of NH Requirements for the Treasury Abandoned Property Application are contained in Attachment 1 – State of NH Requirements which is incorporated herein.

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Kelmar's PROJECT MANAGER and the **STATE PROJECT MANAGER** shall finalize the **WORK PLAN** within sixty (60) days of the **EFFECTIVE DATE** and further refine the tasks required to implement the **PROJECT**. The elements of the preliminary **WORK PLAN** are documented in accordance with **Kelmar's** plan to implement the Application **SOFTWARE**. Continued development and management of the **WORK PLAN** is a joint effort on the part of **Kelmar** and **STATE PROJECT MANAGERS**.

The preliminary **WORK PLAN** created by **Kelmar** and the **STATE** is set forth at the end of this Exhibit.

In conjunction with **Kelmar's** **PROJECT** Management methodology, which shall be used to manage the **PROJECT's** life cycle, the **Kelmar** team and the **STATE** shall finalize the **WORK PLAN** at the onset of the **PROJECT**. This plan shall identify the tasks, **DELIVERABLES**, major milestones, task dependencies, and a payment **SCHEDULE** required to implement the **PROJECT**. It shall also address intra-task dependencies, resource allocations (both **STATE** and **Kelmar** team members), refine the **PROJECT's** scope, and establish the **PROJECT's** **SCHEDULE**. The Plan is documented in accordance with **Kelmar's** **WORK PLAN** and shall utilize to support the ongoing management of the **PROJECT**.

1. ASSUMPTIONS

A. General

- The **STATE** shall provide team members with decision-making authority to support the **IMPLEMENTATION** efforts, at the level outlined in all pertinent contract documents.
- All **STATE** tasks must be performed in accordance with the revised **WORK PLAN**.
- All key decisions will be resolved within five (5) business days. Issues not resolved within this initial period will be escalated to the **STATE PROJECT MANAGER** for resolution.
- Any activities, decisions or issues taken on by the **STATE** that affect the mutually agreed upon **WORK PLAN** timeline, scope, resources, and costs shall be subject to the identified **CHANGE** Control process.
- **Kelmar** shall maintain an accounting system in accordance with Generally Accepted Accounting Principles (**GAAP**).

B. Logistics

- The **Kelmar** Team may perform that work at a facility other than that furnished by the **STATE**, when practical, at their own expense.
- The **Kelmar** Team shall honor all holidays observed by **Kelmar** or the **STATE**, although with permission, may choose to work on holidays and weekends.

C. Conversions

- The **Kelmar** Team's **PROPOSAL** is based on the assumption that the **STATE's** technical team is capable of implementing, with assistance from the **Kelmar** technical team, a subset of the conversions. The **Kelmar** Team shall lead the **STATE** with the mapping of the legacy **DATA** to the **Kelmar** applications.
- Additionally, the **Kelmar** Team shall:

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1. Provide the **STATE** with **Kelmar** application **DATA** requirements and examples, of **DATA** mappings, conversion scripts, and **DATA** loaders. The **Kelmar** Team shall identify the APIs the **STATE** should use in the design and development of the conversion.
2. Provide guidance and assistance with the use of the **DATA** loaders and conversion scripts provided.
3. Lead the review of functional and technical **SPECIFICATIONS**.
4. Assist with the resolution of problems and issues associated with the development and **IMPLEMENTATION** of the conversions.

D. Project Schedule

- Deployment is planned to begin on or about April 28, 2014 with a planned go-live date of August 25, 2014

E. Reporting

- **Kelmar** shall conduct status meetings as needed, and provide reports that include, but are not limited to, minutes, action items, test results and **DOCUMENTATION**.

F. User Training and Change Management

- The **Kelmar** Team shall lead the development of the end-user training plan.
- A train the trainer approach shall be used for the delivery of end-user training.
- The **STATE** is responsible for the delivery of end-user training.
- The **STATE** shall schedule and track attendance on all end-user training classes.

G. Performance and Security Testing

- The **Kelmar** Team shall provide a performance test workshop to identify the key scenarios to be tested, the approach and tools required, and best practices information on performance testing.
- The **STATE** shall work with **Kelmar** on performance testing as set forth in Contract Exhibit F – *Testing Services*.

2. ROLES AND RESPONSIBILITIES

A. Kelmar Team Roles and Responsibilities

1) Kelmar Team Project Executive

The **Kelmar** Team's **PROJECT** Executives (**Kelmar** and **SUBCONTRACTOR PROJECT** Executives) shall be responsible for advising on and monitoring the quality of the **IMPLEMENTATION** throughout the **PROJECT** life cycle. The **PROJECT** Executive shall advise the **Kelmar** Team **PROJECT MANAGER** and the **STATE**'s **PROJECT** leadership on the best practices for implementing the **Kelmar SOFTWARE SOLUTION** within the **STATE**. The **PROJECT** Executive shall participate in the definition of the **PROJECT** Plan and provide guidance to the **STATE**'s Team.

2) Kelmar Team Project Manager

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The Kelmar Team **PROJECT MANAGER** shall have overall responsibility for the day-to-day management of the **PROJECT** and shall plan, track, and manage the activities of the **Kelmar IMPLEMENTATION** Team. The **Kelmar** Team **PROJECT MANAGER** will have the following responsibilities:

- Maintain communications with the **STATE's PROJECT MANAGER**;
- Work with the **STATE** in planning and conducting a kick-off meeting;
- Create and maintain the **WORK PLAN**;
- Assign **Kelmar** Team consultants to tasks in the **IMPLEMENTATION PROJECT** according to the scheduled staffing requirements;
- Define roles and responsibilities of all **Kelmar** Team members;
- Provide Weekly and monthly update progress reports to the **STATE PROJECT MANAGER**;
- Notify the **STATE PROJECT MANAGER** of requirements for **STATE** resources in order to provide sufficient lead time for resources to be made available;
- Review task progress for time, quality, and accuracy in order to achieve progress;
- Review requirements and scheduling **CHANGE**s and identify the impact on the **PROJECT** in order to identify whether the **CHANGE**s may require a change of scope;
- Implement scope and **SCHEDULE CHANGE**s as authorized by the **STATE PROJECT MANAGER** and with appropriate **CHANGE CONTROL** approvals as identified in the **IMPLEMENTATION PLAN**;
- Inform the **STATE PROJECT MANAGER** and staff of any urgent issues if and when they arise;
- Provide the **STATE** completed **PROJECT DELIVERABLE**s and obtain sign-off from the **STATE's PROJECT MANAGER**.

3) Kelmar Team Analysis

The **Kelmar** Team shall conduct analysis of requirements, validate the **Kelmar** Team's understanding of the **STATE** business requirements by application, and perform business requirements mapping:

- Construct and confirm application test case scenarios;
- Produce application configuration definitions and configure the applications;
- Conduct testing of the configured application;
- Produce functional **SPECIFICATIONS** for extensions, conversions, and interfaces;
- Assist the **STATE** in the testing of extensions, conversions, and interfaces;
- Assist the **STATE** in execution of the **STATE's ACCEPTANCE** Test;
- Conduct follow-up meetings to obtain feedback, results, and concurrence/approval from the **STATE**;
- Assist with the correction of configuration problems identified during **SYSTEM**, integration and **ACCEPTANCE** Testing; and
- Assist with the transition to production.

4) Kelmar Team Tasks

The **Kelmar** team shall assume the following tasks:

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- Development and review of functional and technical **SPECIFICATION** to determine that they are at an appropriate level of detail and quality;
- Development and **DOCUMENTATION** of conversion and interface programs in accordance with functional and technical **SPECIFICATIONS**;
- Development and **DOCUMENTATION** of installation procedures; and
- Development and execution of **UNIT TEST** scripts;
- Unit testing of conversions and interfaces developed; and
- **SYSTEM** Integration Testing.

B. State Roles and Responsibilities

The following **STATE** resources have been identified for the **PROJECT**. The time demands on the individual **STATE** team members will vary depending on the phase and specific tasks of the **IMPLEMENTATION**. The demands on the Subject Matter Experts' time will vary based on the need determined by the **STATE** Leads and the phase of the **IMPLEMENTATION**.

1) State Project Manager

The **STATE PROJECT MANAGER** shall work side-by-side with the **Kelmar PROJECT MANAGER**. The role of the **STATE PROJECT MANAGER** is to manage **STATE** resources (IF ANY), facilitate completion of all tasks assigned to **STATE** staff, and communicate **PROJECT** status on a regular basis. The **STATE PROJECT MANAGER** represents the **STATE** in all decisions on **IMPLEMENTATION PROJECT** matters, provides all necessary support in the conduct of the **IMPLEMENTATION PROJECT**, and provides necessary **STATE** resources, as defined by the **WORK PLAN** and as otherwise identified throughout the course of the **PROJECT**. The **STATE PROJECT MANAGER** has the following responsibilities:

- Plan and conduct a kick-off meeting with assistance from the **Kelmar** team;
- Assist the **Kelmar PROJECT MANAGER** in the development of a detailed **WORK PLAN**;
- Identify and secure the **STATE PROJECT TEAM** members in accordance with the **WORK PLAN**;
- Define roles and responsibilities of all **STATE PROJECT TEAM** members assigned to the **PROJECT**;
- Identify and secure access to additional **STATE** end-user staff as needed to support specific areas of knowledge if and when required to perform certain **IMPLEMENTATION** tasks;
- Communicate issues to **STATE** management as necessary to secure resolution of any matter that cannot be addressed at the **PROJECT** level;
- Inform the **Kelmar PROJECT MANAGER** of any urgent issues if and when they arise; and
- Assist the **Kelmar** team staff to obtain requested information if and when required to perform certain **PROJECT** tasks.

2) State Subject Matter Expert(s) (SME)

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The role of the **STATE SME** is to assist application teams with an understanding of the **STATE's** current business practices and processes, provide agency knowledge, and participate in the **IMPLEMENTATION**. Responsibilities of the SME include the following:

- Be the key user and contact for their Agency or **DEPARTMENT**;
- Attend **PROJECT TEAM** training and acquire in-depth functional knowledge of the relevant applications;
- Assist in validating and documenting user requirements, as needed;
- Assist in mapping business requirements;
- Assist in constructing test scripts and **DATA**;
- Assist in **SYSTEM**, integration, and **ACCEPTANCE** Testing;
- Assist in performing conversion and integration testing and **DATA** verification;
- Attend **PROJECT** meetings when requested; and
- Assist in training end users in the use of the Kelmar **SOFTWARE SOLUTION** and the business processes the application supports.

3) State Technical Lead and Architect

The **STATE's** Technical Lead and Architect reports to the **STATE's PROJECT MANAGER** and is responsible for leading and managing the **STATE's** technical tasks. Responsibilities include:

- Attend technical training as necessary to support the **PROJECT**;
- Assist the **STATE** and **Kelmar** Team **PROJECT MANAGERS** to establish the detailed **WORK PLAN**;
- Manage the day-to-day activities of the **STATE's** technical resources assigned to the **PROJECT**;
- Work with **STATE** IT management to obtain **STATE** technical resources in accordance with the **WORK PLAN**;
- Work with the **Kelmar** Technical Lead and the **STATE's** selected hardware vendor to architect and establish an appropriate hardware platform for the **STATE's PROJECT** development and production environments;
- Work in partnership with the **Kelmar** and lead the **STATE** technical staff's efforts in documenting the technical operational procedures and processes for the **PROJECT**. This is a **Kelmar DELIVERABLE** and it will be expected that **Kelmar** will lead the overall effort with support and assistance from the **STATE**; and
- Represent the technical efforts of the **STATE EVERY TWO WEEKS** at the **PROJECT** meetings.

3. SOFTWARE APPLICATION

Kelmar to provide KAPS™ SYSTEM to STATE.

4. CONVERSIONS

A. Data Conversion.

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DATA conversion will occur over a weekend mutually agreed upon between **Kelmar** and the **STATE**.

Kelmar will require the **STATE** to deliver a full export of the **UPMS** Foxpro database on the Thursday night before final conversion. The **UPMS** system will be available for inquiry only on the Friday of the **DATA** conversion weekend.

Once the initial **DATA** conversion is complete, the **STATE** shall have the ability to export **DATA** in piecemeal or in entirety at its discretion without interference from **Kelmar**. This includes the ability for the **STATE** to export **DATA** to other service providers.

When developing interfaces between **KAPS** and other **STATE** systems, **Kelmar** shall utilize the **STATE**'s preferred system web service APIs where applicable and possible.

DELIVERABLES:

- Listing of all tables in the **UPMS** database, with a description and indication if the **DATA** is to be converted, archived, or abandoned;
- Table column listing for all **DATA** to be converted, with mapping information to the **KAPS**[™] table and column, or indication that the **DATA** element is to be abandoned;
- Record counts for all **UPMS** tables to be converted and final record counts in **KAPS**[™] tables post conversion;
- Numerical totals for all dollar and share columns for all **UPMS** tables, and final numerical totals in **KAPS**[™] tables post conversion.

B. Conversion Testing Responsibilities

- The **Kelmar** Team and the **STATE**, based on their assigned conversion responsibilities, as set forth in Contract Exhibit F: *Testing Services* shall identify applicable test scripts and installation instructions, adapt them to the **PROJECT** specifics, test the business process, and compare with the documented expected results.
- The **Kelmar** Team and the **STATE**, based on their assigned conversion responsibilities, shall execute the applicable test scripts that complete the conversion and compare execution results with the documented expected results.
- The **STATE** is responsible for documenting the technical **SPECIFICATIONS** of all programs that extract and format **DATA** from the legacy systems for use by the conversion processes.
- The **Kelmar** Team and the **STATE**, based on their assigned conversion responsibilities, shall develop and **UNIT TEST** their assigned conversions.
- The **STATE** and the **Kelmar** Teams shall jointly conduct **SYSTEM** and Integration Testing, verifying and validating the accuracy and completeness of the conversions.
- The **STATE** and the **Kelmar** Teams shall jointly verify and validate the accuracy and completeness of the conversions for **ACCEPTANCE** Testing and production.

5. INTERFACES

Interfaces shall be implemented in cooperation with the **STATE** in accordance with the tasks identified on Exhibit H, as incorporated by reference to Attachment 1 to this document.

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A. Interface Responsibilities

- The **Kelmar** Team shall provide the **STATE Kelmar** Application **DATA** requirements and examples, of **DATA** mappings and interfaces implemented on other **Projects**. The **Kelmar** Team shall identify the APIs the **STATE** should use in the design and development of the interface.
- The **Kelmar** Team shall lead the **STATE** with the mapping of legacy **DATA** to the **Kelmar** Applications.
- The **Kelmar** Team shall lead the review of functional and technical interface **SPECIFICATIONS**.
- The **Kelmar** Team shall assist the **STATE** with the resolution of problems and issues associated with the development and **IMPLEMENTATION** of the interfaces.
- The **Kelmar** Team shall document the functional and technical **SPECIFICATIONS** for the interfaces.
- The **Kelmar** Team shall create the initial **TEST PLAN** and related scripts to **UNIT TEST** the interface. The **STATE** shall validate and accept.
- The **Kelmar** Team shall develop and **UNIT TEST** the interface.
- The **STATE** and the **Kelmar** Team shall jointly verify and validate the accuracy and completeness of the interface.
- The **STATE** shall document the technical **CHANGE**s needed to legacy systems to accommodate the interface.
- The **STATE** shall develop and test all legacy application **CHANGE**s needed to accommodate the interface.
- The **STATE** and the **Kelmar** Teams shall jointly construct test scripts and create any **DATA** needed to support testing the interfaces.
- The **STATE** is responsible for all **DATA** extracts and related formatting needed from legacy systems to support the interfaces.
- The **STATE** is responsible for documenting the procedures required to run the interfaces in production.
- The **STATE** is responsible for the scheduling of interface operation in production.

6. PRELIMINARY WORK PLAN

Below is the preliminary agreed upon **WORK PLAN** for the **CONTRACT**.

This **WORK PLAN** shall include language concerning quarterly Microsoft SQL Server backup files such as the following:

Kelmar will provide the **STATE** a Microsoft SQL Server backup file of the **STATE**'s database information maintained by KAPS quarterly. The database backup file shall be delivered securely, either via encrypted file or encrypted USB drive. The file will be made available to the **STATE** on the first business day after January 1st, April 1st, July 1st and October 1st.

Project Timeline		
Line #	Milestone	Objectives

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1	KAPS System Specifications	Develop system technical and functional documentation, designed for our system developers.
2	Application Development	
	Check writing interface	Generate a system interface to the State's accounts payable system to request approved claim payments from KAPS.
	Post check numbers for paid claims	Generate a system interface to process check numbers, amounts and payment dates from the State's accounts payable system to post the check payment information into KAPS.
	Create extract of claimable properties for State Website	Generate a system interface to the State's unclaimed property website to populate the website's property search database with unclaimed properties in KAPS that are eligible for claim.
	Import claims filed via State Website	Generate a system interface to the State's unclaimed property website to process claims filed via the website, and create KAPS system claims.
	Create extract of claimable properties for MissingMoney.com	Generate a system interface to the NAUPA MissingMoney.com unclaimed property website to populate the website's property search database with unclaimed properties in KAPS that are eligible for claim.
	Import claims filed via MissingMoney.com	Generate a system interface to the NAUPA MissingMoney.com unclaimed property website to process claims filed via the website, and create KAPS system claims.
3	User Acceptance Test Plan	Develop User Acceptance Test Plan for KAPS applications.
4	User Acceptance Testing	Test KAPS System applications
5	Deliver User Manual and training plan	Develop user and training manuals for KAPS System
6	User Training	Train users on KAPS System Functions
7	Data Conversion	Execute data conversion plan
8	Production Implementation - Go Live	Implement KAPS System in Production

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9	Decommission UPMS system	Decommission UPMS system
10	Support Phase of Project	For term of contract

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EXHIBIT J
LICENSING
SOFTWARE LICENSE

1. LICENSE GRANT

Subject to the payment of applicable license fees set forth in Contract Exhibit B: *Price and Payment Schedule*, **Kelmar** hereby grants the **STATE**, and the **STATE** accepts, a limited, non-transferable, non-exclusive license to use the **SOFTWARE** under the terms and conditions stated herein for the **STATE**'s internal use in the administration of its unclaimed property program and business related thereto. The grant of rights hereunder to license and utilize the **SOFTWARE** is not a sale of the **SOFTWARE** or any portion thereof, and does not convey any rights of ownership in the **SOFTWARE**. The **STATE** may allow its agents and Contractors to access and use the **SOFTWARE**, and in such event, the **STATE** shall first obtain written agreement from such agents and Contractors that each shall abide by the terms and conditions set forth herein.

2. SOFTWARE AND DOCUMENTATION COPIES

Kelmar shall provide the **STATE** with a sufficient number of hard copy versions of the **SOFTWARE**'s associated **DOCUMENTATION**. The **STATE** shall have the right to copy the **DOCUMENTATION** for its internal business needs. The **STATE** agrees to include copyright and proprietary notices provided to the **STATE** by the **VENDOR** on such copies.

3. RESTRICTIONS

Except as otherwise permitted under the **CONTRACT**, the **STATE** agrees not to:

- a. Sell, market, make copies, translations, adaptations, or modifications of or to the **SOFTWARE** or any portion thereof, except as expressly agreed in writing by **Kelmar**;
- b. Remove or modify any program markings or any notice of **Kelmar**'s proprietary rights;
- c. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein;
- d. Cause or permit reverse engineering, reverse-translating, disassembly or recompilation of the **SOFTWARE**, the **SOFTWARE DELIVERABLES** or the **DOCUMENTATION** or any portion thereof, or attempt to do so, or otherwise attempt to discover the Source Code and/or the techniques incorporated into the **SOFTWARE**, nor shall the **STATE** hire, direct, influence or aid any other person or entity to do or attempt to the same; or
- e. Create any derivative work based upon the **SOFTWARE** by altering, modifying, or translating the Source Code or any portion thereof, and that it shall not hire, direct, influence or aid any other person or entity to do or attempt to do the same.

4. TITLE

Title, right, and interest (including all ownership and intellectual property rights) in the **SOFTWARE**, and its associated **DOCUMENTATION**, shall remain with **Kelmar**.

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5. VIRUSES

Kelmar shall provide **SOFTWARE** that shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the **SOFTWARE** in accordance with the **SPECIFICATIONS**.

As a part of its internal development process, **Kelmar** will use reasonable efforts to test the **SOFTWARE** for viruses. **Kelmar** shall also maintain a master copy of the appropriate versions of the **SOFTWARE**, free of viruses. If the **STATE** believes a virus may be present in the **SOFTWARE**, then upon its request, **Kelmar** shall provide a master copy for comparison with and correction of the **STATE**'s copy of the **SOFTWARE**.

6. AUDIT

Upon forty-five (45) days written notice, **Kelmar** may audit the **STATE**'s use of the programs at **Kelmar**'s sole expense. The **STATE** agrees to cooperate with **Kelmar**'s audit and provide reasonable assistance and access to information. The **STATE** agrees that **Kelmar** shall not be responsible for any of the **STATE**'s reasonable costs incurred in cooperating with the audit. Notwithstanding the foregoing, **Kelmar**'s audit rights are subject to applicable **STATE** and federal laws and regulations.

7. SOFTWARE NON-INFRINGEMENT

Kelmar warrants that it has good title to, or the right to allow the **STATE** to use all **SERVICES**, equipment, and **SOFTWARE** ("Material") provided under this **CONTRACT**, and that such **SERVICES**, equipment, and **SOFTWARE** do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

The warranty of non-infringement shall be an on-going and perpetual obligation that shall survive termination of the **CONTRACT**. In the event that someone makes a claim against the **STATE** that any Material infringe their intellectual property rights, **Kelmar** shall defend and indemnify the **STATE** against the claim provided that the **STATE**:

- a. Promptly notifies **Kelmar** in writing, not later than 30 days after the **STATE** receives actual written notice of such claim;
- b. Gives **Kelmar** control of the defense and any settlement negotiations; and
- c. Gives **Kelmar** the information, authority, and assistance reasonably needed to defend against or settle the claim.

Notwithstanding the foregoing, the **STATE**'s counsel may participate in any claim to the extent the **STATE** seeks to assert any immunities or defenses applicable to the **STATE**.

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If **Kelmar** believes or it is determined that any of the Material may have violated someone else's intellectual property rights, **Kelmar** may choose to either modify the Material to be non-infringing or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, **Kelmar** may end the license, and require return of the applicable Material and refund all fees the **STATE** has paid **Kelmar** under the **CONTRACT**. **Kelmar** will not indemnify the **STATE** if the **STATE** alters the Material without **Kelmar**'s consent or uses it outside the scope of use identified in **Kelmar**'s user **DOCUMENTATION** or if the **STATE** uses a version of the Material which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of the Material which was provided to the **STATE** at no additional cost. **Kelmar** will not indemnify the **STATE** to the extent that an infringement claim is based upon any information design, **SPECIFICATION**, instruction, **SOFTWARE**, **DATA**, or material not furnished by **Kelmar**. **Kelmar** will not indemnify the **STATE** to the extent that an infringement claim is based upon the combination of any Material with any products or services not provided by **Kelmar** without **Kelmar**'s consent.

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EXHIBIT K
WARRANTY AND WARRANTY SERVICES**

1. WARRANTIES

1.1 Services

Kelmar warrants that the **SYSTEM** will operate to conform to the **SPECIFICATIONS**, terms, and requirements of the **CONTRACT**.

1.2 Software

Kelmar warrants that the **SOFTWARE**, including but not limited to the individual modules or functions furnished under the **CONTRACT**, is properly functioning within the **SYSTEM**, compliant with the requirements of the **CONTRACT**, and will operate in accordance with the **SPECIFICATIONS** and Terms of the **CONTRACT**.

For any breach of the above Support and Maintenance warranty, the **STATE**'s remedy, and **Kelmar**'s entire liability, shall be: (a) the correction of program errors that cause breach of the warranty, or if **Kelmar** cannot substantially correct such breach in a commercially reasonable manner, the **STATE** may end its program license and recover the fees paid to **Kelmar** for the program license and any unused, prepaid technical support fees the **STATE** has paid for the program license; or (b) the re-performance of the Deficient **SERVICES**, or (c) if **Kelmar** cannot substantially correct a breach in a commercially reasonable manner, the **STATE** may end the relevant **SERVICES** and recover the fees paid to **Kelmar** for the Deficient **SERVICES**.

1.3 Non-Infringement

Kelmar warrants that it has good title to, or the right to allow the **STATE** to use, all **SERVICES**, equipment, and **SOFTWARE** ("Material") provided under this **CONTRACT**, and that such **SERVICES**, equipment, and **SOFTWARE** do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

1.4 Viruses; Destructive Programming

Kelmar warrants that the **SOFTWARE** shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the **SOFTWARE** in accordance with the **SPECIFICATIONS**.

1.5 Compatibility

Kelmar warrants that all **SYSTEM** components, including but not limited to the components provided, including any replacement or upgraded **SYSTEM SOFTWARE** components provided by **Kelmar** to correct **DEFICIENCIES** or as an **ENHANCEMENT**, shall operate with the rest of the **SYSTEM** without loss of any functionality.

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WARRANTY AND WARRANTY SERVICES

1.6 Services

Kelmar warrants that all **SERVICES** to be provided under the **CONTRACT** will be provided expeditiously, in a professional manner, in accordance with industry standards and that **SERVICES** will comply with performance standards, **SPECIFICATIONS**, and terms of the **CONTRACT**.

1.7 Personnel

Kelmar warrants that all personnel engaged in the **SERVICES** shall be qualified to perform the **SERVICES**, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

1.8 Breach of Data

Kelmar shall be solely liable for costs associated with any breach of **STATE DATA** housed at their location(s) including but not limited to notification and any damages assessed by the courts.

1.9 Third Party Materials

As between **Kelmar** and the **STATE**, all third party hardware and **SOFTWARE** are provided "AS IS" and without warranty of any kind. If **Kelmar** has the right to pass through to the **STATE** warranties made by any third party supplier with respect to the third party hardware or **SOFTWARE**, **Kelmar** will pass through such warranties. All such warranties will run directly between the **STATE** and the respective third party supplier.

2. WARRANTY SERVICES

Kelmar agrees to maintain, repair, and correct **DEFICIENCIES** in the **SYSTEM SOFTWARE**, including but not limited to the individual modules or functions, during the **WARRANTY PERIOD**, at no additional cost to the **STATE**, in accordance with the **SPECIFICATIONS**, Terms and requirements of the **CONTRACT**, including, without limitation, correcting all errors, and **DEFECTS** and **DEFICIENCIES**; eliminating viruses or destructive programming; and replacing incorrect, Defective or Deficient **SOFTWARE** and **DOCUMENTATION**. If the **SOFTWARE DELIVERABLE** fails to conform to its **DOCUMENTATION** or **SPECIFICATIONS**, or contains material **DEFECTS** during the **WARRANTY PERIOD**, the following shall occur: (i) **Kelmar** shall use reasonable commercial efforts to correct all **DEFECTS** and/or **DEFICIENCIES**, or replace to the **SOFTWARE DELIVERABLE**; or (ii) if **Kelmar** determines that such remedies are not practicable, **Kelmar** shall refund the fees allocable to such **SOFTWARE DELIVERABLE**. This warranty is void if the **STATE** or any third-party (other than any person selected by **Kelmar** to act on **Kelmar**'s behalf) modifies, adjusts or re-configures the **SOFTWARE DELIVERABLE**. Further, **Kelmar** shall not be responsible for correcting errors resulting from **MISUSE**, negligence, revision, modification, or improper use by the **STATE** of the **SOFTWARE DELIVERABLE** or any portion thereof ("**MISUSE**"); the **STATE** shall be responsible to pay **Kelmar** for **SERVICES** to correct errors resulting from **MISUSE** at **Kelmar**'s standard rates as set forth on *Exhibit B – Pricing Schedule*. **Kelmar** does not warrant that operation of such **SOFTWARE DELIVERABLES** will be uninterrupted or error free. After the **WARRANTY PERIOD**, all corrective efforts, design

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EXHIBIT K
WARRANTY AND WARRANTY SERVICES

ENHANCEMENTS or other SOFTWARE DELIVERABLE modifications shall be governed by the provisions set forth in *Exhibit G – Maintenance and Support Services*.

If during the Warranty Period, **Kelmar** fails to correct a **DEFECT** and/or **DEFICIENCY** within the time period identified in *Section 2.1 in Exhibit G – Maintenance and Support Services*, or any mutually agreed upon extension thereof, the **STATE** may, at its option,: 1) declare **Kelmar** in default, terminate the **CONTRACT**, in whole or in part, without penalty or liability to the **STATE**; and 2) pursue its remedies available at law and in equity.

Notwithstanding any provision of this **CONTRACT** to the contrary, pursuant to **CONTRACT**– Part 1, Sections 4 and 8, and Part 2 Section 13.1, the **STATE**'s option to declare **Kelmar** in default, terminate the **CONTRACT** and pursue its remedies shall remain in effect until satisfactory completion of the full **WARRANTY PERIOD**.

3. WARRANTY PERIOD

The **WARRANTY PERIOD** shall commence upon **Kelmar**'s **IMPLEMENTATION** of the **SOFTWARE DELIVERABLE**, or in the case of a **SOFTWARE DELIVERABLE** subject to **ACCEPTANCE** testing under this **CONTRACT** from the date of the **STATE**'s issuance of a Letter of **ACCEPTANCE** and shall extend for ninety (90) days.

If within the last thirty (30) calendar days of the **WARRANTY PERIOD**, the **SOFTWARE** fails to operate in accordance with its **SPECIFICATIONS**, the **WARRANTY PERIOD** will cease, **Kelmar** shall correct the **DEFICIENCY**, and a new thirty (30) calendar day **WARRANTY PERIOD** will begin. Any further **DEFICIENCIES** with the **SOFTWARE** must be corrected and run without any material deficiency for fourteen (14) consecutive calendar days.

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EXHIBIT L
TRAINING SERVICES**

Kelmar shall provide the following Training **SERVICES**.

A. TRAINING

All courses are to be offered on-site in New Hampshire and shall available for up to fourteen (14) students unless otherwise agreed upon by the Parties. Following the provision of classes, access to on-line course materials shall be provided for thirty (30) days through the online training library to the extent that it is available.

1. Delivery Method -Instructor-Led Class Training

This method helps build the in-depth knowledge and hands-on experience the **STATE**'s employees will need to succeed in their job role with **Kelmar**. From in-class demonstrations led by experienced **Kelmar** instructors, to realistic hands-on labs, Instructor-Led In Class courses provide a dynamic learning environment.

This instruction is targeted to train the group of Users defined as **PROJECT TEAM**, Users from Departments and selected Subject Matter Experts (SMEs).

2. Project Team Developed Training

a. Kelmar and the **STATE** agree to an end user training approach to meet training objectives, including:

- 1) developing "in house" experts and end-user support channels that involve and leverage internal resources and subject matter experts (SMEs); and
- 2) leveraging statewide access to computers and the Web by accessing On-line courses whenever possible to lessen time away from the job and reduce travel costs for those who are spread across the **STATE**.

b. Key activities of the approach are highlighted below:

User Training Approach	Role and Responsibility	
	Kelmar Team	State of NH
Develop Training Plan	Lead the development and IMPLEMENTATION of the Training Plan. Provide guidance, coaching, materials, and tools.	Assist in the development and IMPLEMENTATION of the Training Plan.
Develop Curriculum	Analyze skill requirements.	Assist to analyze skill requirements.
	Detail roles, course content, and estimated course length.	Assist to detail roles, course content, and estimated length.

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User Training Approach	Role and Responsibility	
	Kelmar Team	State of NH
Produce Training Materials and End-User DOCUMENTATION	Lead the development of materials and DOCUMENTATION to include: Kelmar providing baseline DOCUMENTATION in electronic format that can be modified and reproduced.	Assist in the development of training materials.
	Kelmar and the STATE will together Conduct Train-the-Trainers for the STATE 's Central Support Group through IMPLEMENTATION . Kelmar will assist in the first train the trainer class for each topic.	Attend Train-the-Trainers training. Train additional STATE End Users.
Conduct Training	Assist to identify an approach and a plan to conduct training needs assessment for IMPLEMENTATION .	Conduct training needs assessment for post go-live.
Evaluate Training Effectiveness		

c. Key User Training Approach Activities

- 1) **Identify State End Users.** The Kelmar Team shall lead the **STATE** in identifying and categorizing its end users:

User Category 1—Power User Training: Power Users are those employees who frequently use the **SYSTEM**. Training shall consist of a series of courses based on job functions, on business processes specific to job roles, and associated transactions. The training strategy shall be organized around the **STATE**'s business processes and detailed transactions that support these processes.

User Category 2—Casual User Training: Casual Users shall access the **SYSTEM** for inquiries or report viewing on an occasional basis. Their courses shall focus on the end-to-end business process instruction and structured inquiry exercises.

User Category 3—Specialty Users: Specialty Users include functional and technical analysts. They shall be trained on the **SOFTWARE** on the basis of assignments, and may include navigation training and module overview/orientation courseware, functional (modules/business process) training, and configuration.

- 2) **Develop Training Plan.** The Kelmar Team shall act as the training lead and shall provide guidance, coaching, materials, and tools to assist the **STATE** Team to structure and implement a Training Plan—including a strategy for outlining the scope, roles, audiences, and deployment timeline throughout the **PROJECT** lifecycle. The Plan is intended to 1) reinforce knowledge comprehension across the **STATE** by employing a train-the-trainer approach, 2 train employees on what they need to know and do to

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TRAINING SERVICES**

perform their jobs effectively, 3) establish an ongoing skills development process, 4) offer training Solutions that address the immediate and ongoing needs of the **STATE** to train new hires and transfers, and 5) implement a blended training delivery Solution that utilizes instructor-led (ILT) and On-line training to support learner interaction, and promotes effective, timely, and cost-efficient learning.

The Training Plan shall address the specific curriculum for each user category and provide support for the design, development, and deployment of training for each user category. It shall also provide a blueprint for the **STATE's** Team to manage its resources, activities, and timeline throughout the course of the initiative.

- 3) **Develop Training Curriculum.** Kelmar shall develop a recommended training curriculum for the **STATE** of New Hampshire End Users.
- 4) **Produce Training Materials and End-User Documentation.** The Kelmar team shall lead the efforts to produce the training materials and end-user **DOCUMENTATION**.



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EXHIBIT M

Exhibit M is not applicable. This page is left intentionally blank.

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EXHIBIT N
VENDOR PROPOSAL BY REFERENCE**

Kelmar's KAPS™ SYSTEM Introduction and Architecture Overview is attached hereto and incorporated herein by reference as Exhibit N.



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EXHIBIT O
CERTIFICATES AND ATTACHMENTS**

Attached are:

- A. Kelmar's Certificate of Vote/Authority
- B. Kelmar's Certificate of Good Standing
- C. Kelmar's Certificate of Insurance

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ATTACHMENT 1
STATE OF NH REQUIREMENTS**

Attachment 1 – State of NH Requirements are hereby incorporated within.

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CONTRACT AGREEMENT –PART 2**

**New Hampshire Department of Information Technology
Contract Cover Sheet**

Name of Agency/Division: New Hampshire Treasury – Abandoned Property Division	
Contract Number/Name: 2014-135 / Abandoned Property Data System Replacement	
Contract Purpose: The New Hampshire Treasury – Abandoned Property Division (“Division”) desires to contract with, Kelmar Associates, LLC, of Wakefield, MA , for the conversion to and technical administration of a hosted “software as a service” operating system supporting abandoned property operations. An operating system for a state’s abandoned property program is a unique and highly specialized database structure. The database’s functionality must include state-of-the-art operational capacities for holder report processing, cash and securities receipts processing, owner notification and verification, claims processing, claims payment, audit business intelligence capability, website/Internet search capacity, and application security. Services shall include, but not be limited to use of the software, hosting, technical support and maintenance, administrator help desk Services, and software training for this non-public facing hosted software solution.	
Name of Vendor: Kelmar Associates, LLC	Who Negotiated the Contract: William F. Dwyer
Amount of Contract: \$550,000.00	Funding Source: Agency Funds 01-38-38-380150-80210000-038-500177
Term of Contract: Five (5) Years, with Renewal Period not to Exceed Five (5) Years	Is this an amendment? No
Competitive Bid Process: (Explain if “No”) No. Sole Source Contract Hosted Environment Solution	
Background Information: Pursuant to the provisions of NH RSA Chapter 471-C, the Abandoned Property Division is charged with the task of receiving and returning intangible properties to the rightful owner or heir. Typically, such properties are in the form of cash from dormant accounts but may also include securities such as stock or mutual funds in share form. These properties are reported and remitted by the “holders” of such property. By and large, holders are entities such as banks, credit unions, corporations, utilities, insurance companies, retailers, as well as	

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government agencies and municipalities.

Diligent efforts are made to ensure that the property owners are notified that their property has been reported and remitted to the Division. An annual advertisement listing all names reported and their last known address is published in a newspaper with state-wide circulation. Additionally, a mailing in the form of a postcard notification is sent to the last known address of the reported owner. Further, the Division participates in MissingMoney.com, a multi-state database of unclaimed property owner information, and also maintains a page on the State Treasury website, affording ready access to any citizen inquiring about a lost or abandoned account.

In fiscal year 2013, nearly 3,500 holders of property reported and remitted cash in excess of \$17.6 million and delivered roughly 594,761 shares of stock and/or mutual funds to the state's custodial account. Over the past ten (10) fiscal years, the Division has taken in \$137.7 million from holders of abandoned property, averaging approximately \$13.7 million annually.

Also in fiscal year 2013, the Division returned nearly \$7 million dollars to citizens representing 13,015 claims paid. The average claim paid was \$538 and the largest individual claim was \$586,491. In the past ten (10) fiscal years, \$54.8 million has been returned to owners with an average of nearly \$5.5 million returned each year.

The Division's operations also have a direct impact on the state's General Fund. Specifically, the Division delivered \$8.5 million to the General Fund during fiscal year 2013. Over the past ten (10) fiscal years, just over \$61 million has been escheated to the General Fund.

In summary, the Division's statutory obligation and annual production cycle requires receipt and deposit of unclaimed funds and shares; maintenance of a database of the properties; sending notice to, and advertisement of, the name and last known address of the reported owner; processing claims; identifying and auditing non-compliant holders and escheating unclaimed funds to the state's General Fund.

This state of the art software as a service hosted environment solution will enable the Division to move forward with expanded capacity and functionality to perform the vital processes delineated to enable both the payment of millions in unclaimed property to the citizenry of New Hampshire while also providing a consistent flow of funds to the General Fund, which allows all citizens to benefit from unclaimed property.

The Division has grave concerns that the continued operation of this program on an outdated, archaic, and unsupported unclaimed property database management system will eventually negatively impact the right of citizens to collect their unclaimed financial assets and result in a loss of anticipated revenues escheating to the state's General Fund.

Special Concerns:

None

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Amendment History (if applicable):	
Submitted By: William F. Dwyer	Current Date: April 8, 2014
Phone: (603) 271 2628	Email: bdwyer@treasury.state.nh.us

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PART 2 - ATTACHMENT 1

TERMS AND DEFINITIONS

The following general contracting terms and definitions apply except as specifically noted elsewhere in this document.

Acceptance	Notice from the State that a Deliverable has satisfied Acceptance Test or Review.
Acceptance Letter	An Acceptance Letter provides notice from the State that a Deliverable has satisfied Acceptance Tests or Review.
Acceptance Period	The timeframe during which the Acceptance Test is performed
Acceptance Test Plan	The Acceptance Test Plan provided by the Vendor and agreed to by the State that describes at a minimum, the specific Acceptance process, criteria, and Schedule for Deliverables.
Acceptance Test and Review	Tests performed to determine that no Defects exist in the application Software or the System
Access Control	Supports the management of permissions for logging onto a computer or network
Agreement	A contract duly executed and legally binding.
Appendix	Supplementary material that is collected and appended at the back of a document
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Best and Final Offer (BAFO)	For negotiated procurements, a Vendor's final offer following the conclusion of discussions.
CCP	Change Control Procedures
CR	Change Request
COTS	Commercial Off-The-Shelf Software
CM	Configuration Management
Certification	The Vendor's written declaration with full supporting and written Documentation (including without limitation test results as applicable) that the Vendor has completed development of the Deliverable and certified its readiness for applicable Acceptance Testing or Review.
Change	A modification to the Services in the form of "New Work" or a change that would affect the Contract completion schedule set forth in the Work Plan or the amount of compensation due Kelmar.
Change Control	Formal process for initiating changes to the proposed solution or process once development has begun.

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Change Notice	A written finalized statement approved by both Parties which describes a Change and its effects on the Services and/or any affected components of the Contract.
Change Order	Formal documentation prepared for a proposed change in the Specifications.
Change Request	A written request for Kelmar to furnish a proposal for carrying out a requested Change.
Completion Date	End date for the Contract
Confidential Information	Information required to be kept Confidential from unauthorized disclosure <i>under the Contract</i>
Contract	This Agreement between the State of New Hampshire and a Vendor, which creates binding obligations for each party to perform as specified in the Contract Documents.
Contract Conclusion	Refers to the conclusion of the Contract, for any reason, including but not limited to, the successful Contract completion, termination for convenience, or termination for default.
Contract Documents	Documents that comprise this Contract (See Contract Agreement, Section 1.1)
Contract Managers	The persons identified by the State and the Vendor who shall be responsible for all contractual authorization and administration of the Contract. These responsibilities shall include but not be limited to processing Contract Documentation, obtaining executive approvals, tracking costs and payments, and representing the parties in all Contract administrative activities. (See Section 4: <i>Contract Management</i>)
Contracted Vendor/Vendor	The Vendor whose proposal or quote was awarded the Contract with the State and who is responsible for the Services and Deliverables of the Contract.
Conversion Test	A test to ensure that a Data conversion process correctly takes Data from a legacy system and successfully converts it to a form that can be used by the new System.
COTS	Commercial off the Shelf
Cure Period	The thirty (30) day period following written notification of a default within which a contracted vendor must cure the default identified.
Custom Code	Code developed by the Vendor specifically for this project for the State of New Hampshire
Custom Software	Software developed by the Vendor specifically for this project for the State of New Hampshire
Data	State's records, files, forms, Data and other documents or information, in either electronic or paper form, that will be used /converted by the Vendor during the Contract Term
DBA	Database Administrator
Deficiencies/Defects	A failure, deficiency or defect in a Deliverable resulting in a

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	<p>Deliverable, the Software, or the System, not conforming to its Specifications.</p> <p>Class A Deficiency – <i>Software</i> - Critical, does not allow System to operate, no work around, demands immediate action; <i>Written Documentation</i> - missing significant portions of information or unintelligible to State; <i>Non Software</i> - Services were inadequate and require re-performance of the Service.</p> <p>Class B Deficiency – <i>Software</i> - important, does not stop operation and/or there is a work around and user can perform tasks; <i>Written Documentation</i> - portions of information are missing but not enough to make the document unintelligible; <i>Non Software</i> - Services were deficient, require reworking, but do not require re-performance of the Service.</p> <p>Class C Deficiency – <i>Software</i> - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; <i>Written Documentation</i> - minimal changes required and of minor editing nature; <i>Non Software</i> - Services require only minor reworking and do not require re-performance of the Service.</p>
Deliverable	A Deliverable is any Written, Software, or Non-Software Deliverable (letter, report, manual, book, other), provided by the Vendor to the State or under the terms of a Contract requirement.
Department	An agency of the State
Department of Information Technology (DoIT)	The Department of Information Technology established under RSA 21-R by the Legislature effective September 5, 2008.
Documentation	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
Digital Signature	Guarantees the unaltered state of a file
Effective Date	The Contract and all obligations of the parties hereunder shall become effective on the date the Governor and the Executive Council of the State of New Hampshire approves the Contract
Encryption	Supports the encoding of data for security purposes
Enhancements	Updates, additions, modifications to, and new releases for the Software, and all changes to the Documentation as a result of Enhancements, including, but not limited to, Enhancements produced by Change Orders
Firm Fixed Price Contract	A Firm-Fixed-Price Contract provides a price that is not subject to

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	increase, i.e., adjustment on the basis of the Vendor's cost experience in performing the Contract
Fully Loaded	Rates are inclusive of all allowable expenses, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses
GAAP	Generally Accepted Accounting Principles
Governor and Executive Council	The New Hampshire Governor and Executive Council.
Harvest	Software to archive and/or control versions of software
Identification and Authentication	Supports obtaining information about those parties attempting to log on to a system or application for security purposes and the validation of those users
Implementation	The process for making the System fully operational for processing the Data.
Implementation Plan	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
Information Technology (IT)	Refers to the tools and processes used for the gathering, storing, manipulating, transmitting, sharing, and sensing of information including, but not limited to, Data processing, computing, information systems, telecommunications, and various audio and video technologies.
Input Validation	Ensure the application is protected from buffer overflow, cross-site scripting, SQL injection, and canonicalization
Intrusion Detection	Supports the detection of illegal entrance into a computer system
Invoking Party	In a dispute, the party believing itself aggrieved
Key Project Staff	Personnel identified by the State and by the contracted Vendor as essential to work on the Project.
Licensee	The State of New Hampshire
Licensee Work	Any customized work performed for the State by Kelmar which may include programming or software development in respect of the Software Deliverables. All copyrights, patents and trade secrets incorporated in the Licensee Work shall remain the property of Kelmar
Misuse	Misuse of the system including activities such as hacking, purposefully damaging the Software, and/or the unauthorized modification and/or alteration of the KAPS System and data inclusive of altering software and data, changing passwords and settings to prevent others from accessing the system, or interfering with the normal operation of the system.
New Work	Work requested beyond the scope of the Services set forth in the Work Plan
Non Exclusive Contract	A contract executed by the State that does not restrict the State

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	from seeking alternative sources for the Deliverables or Services provided under the Contract.
Non-Software Deliverables	Deliverables that are not Software Deliverables or Written Deliverables, e.g., meetings, help support, services, other
Normal Business Hours	Normal Business Hours – 6:00 a.m. to 6:00 p.m. EST, Monday through Friday excluding State of New Hampshire holidays. State holidays are: New Year’s Day, Martin Luther King Day, President’s Day, Memorial Day, July 4 th , Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day; and 8:00 AM to 4:00 PM EST on Saturdays.
Notice to Proceed (NTP)	The State Contract Manager’s written direction to the Vendor to begin work on the Contract on a given date and time
Operating System	System is fully functional, all Data has been loaded into the System, is available for use by the State in its daily operations.
Operational	Operational means that the System is operating and fully functional, all Data has been loaded; the System is available for use by the State in its daily operations, and the State has issued an Acceptance Letter.
Order of Precedence	The order in which Contract/Documents control in the event of a conflict or ambiguity. A term or condition in a document controls over a conflicting or ambiguous term or condition in a document that is lower in the Order of Precedence
Project	The planned undertaking regarding the entire subject matter of aContract and the activities of the parties related hereto.
Project Team	The group of State employees and contracted Vendor’s personnel responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Work Plan on time, on budget and to the required specifications and quality
Project Management Plan	A document that describes the processes and methodology to be employed by the Vendor to ensure a successful Project.
Project Managers	The persons identified who shall function as the State’s and the Vendor’s representative with regard to Review and Acceptance of Contract Deliverables, invoice sign off, and review and approval of Change Requests (CR) utilizing the Change Control Procedures (CCP)
Project Staff	State personnel assigned to work with the Vendor on the Project
Proposal	The submission from a Vendor in response to the Request for a Proposal or Statement of Work
Regression Test Plan	A plan integrated into the Work Plan used to ascertain whether fixes to Defects have caused errors elsewhere in the application/process.
Review	The process of reviewing Deliverables for Acceptance
Review Period	The period set for review of a Deliverable. If none is specified then

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	the Review Period is five (5) business days.
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network
SaaS- Software as a Service	Occurs where the COTS application is hosted but the State does not own the license or the code. The vendor allows the use of the software as a part of their service.
Schedule	The dates described in the Work Plan for deadlines for performance of Services and other Project events and activities under the Contract
Service Level Agreement (SLA)	A signed agreement between the Vendor and the State specifying the level of Service that is expected of, and provided by, the Vendor during the term of the Contract.
Services	The work or labor to be performed by the Vendor on the Project as described in the Contract.
Software	All custom Software and COTS Software provided by the Vendor under the Contract
Software Deliverables	COTS Software and Enhancements
Software License	Licenses provided to the State under this Contract
Solution	The Solution consists of the total Solution, which includes, without limitation, Software and Services, addressing the requirements and terms of the Specifications. The off-the-shelf Software and configured Software customized for the State provided by the Vendor pursuant to contract documents.
Specifications	The written Specifications that set forth the requirements which include, without limitation, the Proposal, the Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth herein.
State	STATE is defined as: State of New Hampshire Treasury Abandoned Property Division 25 Capitol Street, Rm 205 Concord, NH, 03301 And/Or DoIT Reference to the term “State” shall include applicable agencies
Statement of Work (SOW)	A Statement of Work clearly defines the basic requirements and objectives of a Project. The Statement of Work also defines a high level view of the architecture, performance and design requirements, the roles and responsibilities of the State and the Vendor. The Contract Agreement SOW defines the results that the Vendor remains responsible and accountable for achieving.

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State's Confidential Records	State's information regardless of its form that is not subject to public disclosure under applicable state and federal laws and regulations, including but not limited to <u>RSA Chapter 91-A</u>
State Data	Any information contained within State systems in electronic or paper format.
State Fiscal Year (SFY)	The New Hampshire State Fiscal Year extends from July 1 st through June 30 th of the following calendar year
State Project Leader	State's representative with regard to Project oversight
State's Project Manager (PM)	State's representative with regard to Project management and technical matters. Agency Project Managers are responsible for review and Acceptance of specific Contract Deliverables, invoice sign off, and Review and approval of a Change Proposal (CP).
Subcontractor	A person, partnership, or company not in the employment of, or owned by, the Vendor, which is performing Services under this Contract under a separate Contract with or on behalf of the Vendor
System	All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
TBD	To Be Determined
Technical Authorization	Direction to a Vendor, which fills in details, clarifies, interprets, or specifies technical requirements. It must be: (1) consistent with Statement of Work within statement of Services; (2) not constitute a new assignment; and (3) not change the terms, documents of specifications of the Contract Agreement
Test Plan	A plan, integrated in the Work Plan, to verify the code (new or changed) works to fulfill the requirements of the Project. It may consist of a timeline, a series of tests and test data, test scripts and reports for the test results as well as a tracking mechanism.
Term	Period of the Contract from the Effective Date through termination.
Transition Services	Services and support provided when the contracted vendor is supporting System changes.
UAT	User Acceptance Test
UPMS	Unclaimed Property Management System (present STATE unclaimed property database system.)
Unit Test	Developers create their own test data and test scenarios to verify the code they have created or changed functions properly as defined.
User Acceptance Testing	Tests done by knowledgeable business users who are familiar with the scope of the Project. They create/develop test cases to confirm the System was developed according to specific user requirements. The test cases and scripts/scenarios should be mapped to business requirements outlined in the user requirements documents.

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User Management	Supports the administration of computer, application and network accounts within an organization
Vendor/ Contracted Vendor	The Vendor whose proposal or quote was awarded the Contract with the State and who is responsible for the Services and Deliverables of the Contract.
Verification	Supports the confirmation of authority to enter a computer system, application or network
Walk Through	A step-by-step review of a Specification, usability features or design before it is handed off to the technical team for development
Warranty Period	A period of coverage during which the Contracted Vendor is responsible for providing a guarantee for products and Services delivered as defined in the Contract.
Warranty Releases	Code releases that are done during the Warranty Period.
Warranty Services	The Services to be provided by the Vendor during the Warranty Period.
Work Hours	Vendor personnel shall work normal business hours between 8:00 am and 5:00 pm, eight (8) hour days, forty (40) hour weeks, excluding State of New Hampshire holidays. Changes to this schedule may be made upon agreement with the State Project Manager.
Work Plan	The overall plan of activities for the Project created in accordance with the Contract. The plan and delineation of tasks, activities and events to be performed and Deliverables to be produced under the Project as specified in Appendix C. The Work Plan shall include a detailed description of the Schedule, tasks/activities, Deliverables, critical events, task dependencies, and the resources that would lead and/or participate on each task.
Written Deliverables	Non-Software written deliverable Documentation (letter, report, manual, book, other) provided by the Vendor either in paper or electronic format.

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INTRODUCTION

This **CONTRACT** is by and between the State of New Hampshire, acting through the Treasury (“**STATE**”), and Kelmar Associates, LLC, a Delaware limited liability company, (“**Kelmar**”), having its principal place of business at 500 Edgewater Drive, Suite 525, Wakefield, Massachusetts 01880.

RECITALS

WHEREAS, the **STATE** desires to have **Kelmar** provide a **COMMERCIAL-OFF-THE-SHELF SOFTWARE SYSTEM (“COTS”)**, and associated **SERVICES** for **STATE**;

WHEREAS, **Kelmar** wishes to provide a **COMMERCIAL-OFF-THE-SHELF SOFTWARE SYSTEM** and associated **SERVICES** for the **STATE**.

The parties therefore agree as follows:

1. CONTRACT DOCUMENTS

1.1 Contract Documents

This **CONTRACT** is comprised of the following documents (**CONTRACT DOCUMENTS**):

- A. Part 1 – State Terms and Conditions contained in the Form P-37
- B. Part 2 – The Contract Agreement
 - Part 2 – Attachment 1 – Terms & Definitions**
- C. Part 3 – Consolidated Exhibits
 - Exhibit A- Contract Deliverables
 - Exhibit B- Price and Payment Schedule
 - Exhibit C- Special Provisions
 - Exhibit D- Administrative Services
 - Exhibit E- Implementation Services
 - Exhibit F- Testing Services
 - Exhibit G- Maintenance and Support Services
 - Exhibit H- Requirements- The Vendor’s Responses
 - Exhibit I- Work Plan
 - Exhibit J- Software License and related Terms
 - Exhibit K- Warranty and Warranty Services
 - Exhibit L- Training Services
 - Exhibit M- Intentionally Omitted
 - Exhibit N- The Vendor **PROPOSAL**, by reference
 - Exhibit O- Certificates and Attachments

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1.2 Order of Precedence

In the event of conflict or ambiguity among any of the text of the **CONTRACT DOCUMENTS**, the following **ORDER OF PRECEDENCE** shall govern:

- a. *The State of New Hampshire Terms and Conditions, Form P-37-Contract Agreement Part 1*
- b. *State of New Hampshire, Treasury Contract 2014-135*
- c. *Special Provisions in Exhibit C Section 1*
- d. *Attachments to State of New Hampshire, Treasury Contract 2014-135.*

1.3 Contract Term

The **CONTRACT** and all obligations of the parties hereunder shall become effective after full execution by the parties, and the receipt of required governmental approvals, including, but not limited to, **GOVERNOR AND EXECUTIVE COUNCIL** of the State of New Hampshire approval (“**EFFECTIVE DATE**”).

The **CONTRACT** shall begin on the **EFFECTIVE DATE** and extend for a period of five (5) years thereafter. The **TERM** may be extended up to five (5) years, (“**Extended Term**”) at the sole option of the **STATE**, subject to the parties prior written **AGREEMENT** on applicable fees for each extended **TERM**, up to but not beyond for a period ten (10) years from the **EFFECTIVE DATE** of the **CONTRACT**.

Kelmar shall commence work upon issuance of a **NOTICE TO PROCEED** by the **STATE**.

Time is of the essence in the performance of Kelmar’s obligations under the CONTRACT.

2. COMPENSATION

2.1 Contract Price

The **CONTRACT** price, method of payment, and terms of payment are identified and more particularly described in Contract Exhibit B: *Price and Payment Schedule*.

2.2 Firm Fixed Price Contract

This is a **FIRM FIXED PRICE (FFP) CONTRACT** with price and term limitations as set forth in Contract *Exhibit B: Price and Payment Schedule*.

3. CONTRACT MANAGEMENT

The **PROJECT** will require the coordinated efforts of a **PROJECT TEAM** consisting of both **Kelmar** and **STATE** personnel. **Kelmar** shall provide all necessary resources to perform its obligations under the **CONTRACT**. **Kelmar** shall be responsible for managing the **PROJECT** to its successful completion.

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3.1 Kelmar's Contract Manager

Kelmar shall assign a **CONTRACT MANAGER** who shall be responsible for all **CONTRACT** authorization and administration. **Kelmar's CONTRACT MANAGER** is:

David P. Kennedy, General Counsel & Member
Kelmar Associates, LLC
500 Edgewater Drive, Suite 525
Wakefield, MA 01880
Tel: 781-928-9205
Fax: 781-928-9105
Email: David.Kennedy@kelmarassoc.com

3.2 Kelmar's Project Manager

3.2.1 Contract Project Manager

Kelmar shall assign a **PROJECT MANAGER** who meets the requirements of the **CONTRACT**, including but not limited to, the requirements set forth in the *Attachment 1 Requirements Document*. **Kelmar's** selection of **Kelmar's PROJECT MANAGER** shall be subject to the prior written approval of the **STATE**. The **STATE's** approval process may include, without limitation, at the **STATE's** discretion, review of the proposed **PROJECT MANAGER's** resume, qualifications, references, and background checks, and an interview. The **STATE** may require removal or reassignment of **Kelmar's PROJECT MANAGER** who, in the sole judgment of the **STATE**, is found unacceptable or is not performing to the **STATE's** satisfaction.

3.2.2 Kelmar's PROJECT MANAGER must be qualified to perform the obligations required of the position under the **CONTRACT**, shall have full authority to make binding decisions under the **CONTRACT**, and shall function as **Kelmar's** representative for all administrative and management matters. **Kelmar's PROJECT MANAGER** shall perform the duties required under the **CONTRACT**, including, but not limited to, those set forth in Contract Exhibit I, Section 2. **Kelmar's PROJECT MANAGER** must be available to promptly respond during **NORMAL BUSINESS HOURS** within two (2) hours to inquiries from the **STATE**, and be at the site as needed at mutually agreed upon times. **Kelmar's PROJECT MANAGER** must work diligently and use his best efforts on the **PROJECT**.

3.2.3 Kelmar shall not change its assignment of its **PROJECT MANAGER** without providing the **STATE** written justification and obtaining the prior written approval of the **STATE**. **STATE** approvals for replacement of **Kelmar's PROJECT MANAGER** shall not be unreasonably withheld. The replacement **PROJECT MANAGER** shall have comparable or greater skills than **Kelmar's PROJECT** being replaced; meet the requirements of the **CONTRACT**; and be subject to reference and background checks described above in **Contract Agreement Part 2, Section 3.2.1: CONTRACT Project**

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Manager, and in **CONTRACT** Agreement Part 2, Section 3.6: *Reference and Background Checks*, below. **Kelmar** shall assign a replacement **PROJECT MANAGER** within ten (10) business days of the departure of the prior **Kelmar PROJECT MANAGER**, and **Kelmar** shall continue during the ten (10) business day period to provide competent **PROJECT** management SERVICES through the assignment of a qualified interim **Kelmar PROJECT MANAGER**.

3.2.4 Notwithstanding any other provision of the **CONTRACT**, the **STATE** shall have the option, at its discretion, to terminate the **CONTRACT**, declare the **CONTRACTED VENDOR** in default and pursue its remedies at law and in equity, if **Kelmar** fails to assign a **PROJECT MANAGER** meeting the requirements and terms of the **CONTRACT**.

3.2.5 **Kelmar's PROJECT MANAGER is:**

Kenneth Wagers, Managing Director
Kelmar Associates, LLC
3100 Arapahoe Ave, Suite 500
Boulder, CO 80303
Tel: 781-928-9221
Fax: 781-928-9121
Email: kenneth.wagers@kelmarassoc.com

3.3 Kelmar Key Project Staff

3.3.1 **Kelmar** shall assign **KEY PROJECT STAFF** who meet the requirements of the **CONTRACT**, and can implement the **SOFTWARE SOLUTION** meeting the requirements set forth in Appendix C: *System Requirements and Deliverables*, Table C.1: *System Requirements and Deliverables-Vendor Response Checklist*. The **STATE** may conduct reference and background checks on **Kelmar's KEY PROJECT STAFF**. The **STATE** reserves the right to require removal or reassignment of **Kelmar's KEY PROJECT STAFF** who are found unacceptable to the **STATE**. Any background checks shall be performed in accordance with the Contract Agreement – Part 2, Section 3.6 *Reference and Background Checks*.

3.3.2 **Kelmar** shall not change any its **KEY PROJECT STAFF** commitments without providing the **STATE** written justification and obtaining the prior written approval of the **STATE**. **STATE** approvals for replacement of **Kelmar's KEY PROJECT STAFF** will not be unreasonably withheld. The replacement **Kelmar KEY PROJECT STAFF** shall have comparable or greater skills than **KEY PROJECT STAFF** being replaced; meet the requirements of the **CONTRACT**, and be subject to reference and background checks described in Contract Agreement-Part 2, Section 3.6: *Reference and Background Checks*,

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3.3.3 Notwithstanding any other provision of the **CONTRACT** to the contrary, the **STATE** shall have the option to terminate the **CONTRACT**, declare **Kelmar** in default and to pursue its remedies at law and in equity, if **Kelmar** fails to assign **KEY PROJECT STAFF** meeting the requirements and terms of the **CONTRACT** or if it is dissatisfied with **Kelmar**'s replacement **PROJECT STAFF**; provided, however, that the **STATE** first affords **Kelmar** a right to cure this Event of Default as set forth in Section 13.1.

3.3.3.1 **Kelmar**'s **KEY PROJECT STAFF** shall consist of the following individuals in the roles identified below:

Kelmar's KEY PROJECT STAFF:

<u>Key Member(s)</u>	<u>Title</u>
Thomas Umina	Chief Information Officer
Kenneth Wagers	Managing Director
John DeMarco	Managing Director
Kate Stevens	Senior Manager
Tanya Whitlow	Senior Manager

3.4 State Contract Manager

The **STATE** shall assign a **CONTRACT MANAGER** who shall function as the **STATE**'s representative with regard to **CONTRACT** administration. The **STATE CONTRACT MANAGER** is:

Thomas P. McAnespie, Abandoned Property Director
State of New Hampshire
Abandoned Property Division
25 Capitol Street, Rm205
Concord, NH 03301
Tel: (603) 271-1499
Fax: (603) 271-2730
Email: tmcanespie@treasury.state.nh.us

3.5 State Project Manager

The **STATE** shall assign a **PROJECT MANAGER**. The **STATE PROJECT MANAGER**'s duties shall include the following:

- a. Leading the **PROJECT**;
- b. Engaging and managing all the **CONTRACTED VENDORS**;
- c. Managing significant issues and risks.
- d. Reviewing and accepting **CONTRACT DELIVERABLES**;
- e. Invoice sign-offs;
- f. **REVIEW** and approval of **CHANGE PROPOSALS**; and
- g. Managing stakeholders' concerns.

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The **STATE PROJECT MANAGER** is:

Brian Deschenes
Treasury \ MIS
25 Capitol Street, Rm 121
Concord, NH 03301
Tel: (603) 271-8413
Fax: (603) 271-3922
Email: bdeschenes@treasury.state.nh.us

3.6 Reference and Background Checks

Kelmar shall perform reference and background checks on all of its personnel: (a) working on the **STATE**'s premises in connection with the **CONTRACT**, (b) handling the **STATE**'s **CONFIDENTIAL INFORMATION** in connection with the **CONTRACT**; or (c) having access to the **STATE**'s **CONFIDENTIAL INFORMATION** in connection with the **CONTRACT**. These reference and background checks shall include, without limitation, employment, education and certification verification, a review of **STATE**, federal and county criminal records databases, a search through the national prison registry, parole board and federal administrative agency databases, as well as checks against the national sex offender data base. Upon reasonable request, **Kelmar** shall provide satisfactory evidence of such reference and background checks to the **STATE**.

Additionally, the **STATE** may, at its sole expense, conduct reference and background screening of **Kelmar**'s **PROJECT MANAGER** and **Kelmar**'s **KEY PROJECT STAFF**. The **STATE** shall maintain the confidentiality of background screening results in accordance with the Contract Agreement, Part 2-Section 11: *Use of State's Information, Confidentiality*.

4. DELIVERABLES

4.1 Vendor Responsibilities

Kelmar shall be solely responsible for meeting all requirements, and terms and conditions specified in this **CONTRACT**, regardless of whether or not a **SUBCONTRACTOR** is used.

Kelmar may subcontract **SERVICES** subject to the provisions of the **CONTRACT**, including but not limited to, the terms and conditions in Section 6: *General Contract Requirements* herein and the *Contract Agreement Part 1: State of New Hampshire Terms and Conditions-P-37*. **Kelmar** must submit all information and **DOCUMENTATION** relating to the **SUBCONTRACTOR**, including terms and conditions consistent with this **CONTRACT**. The **STATE** will consider **Kelmar** to be wholly responsible for the performance of the **CONTRACT** and the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the **CONTRACT**.

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4.2 Deliverables and Services

Kelmar shall provide the **STATE** with the **DELIVERABLES** and **SERVICES** in accordance with the time frames in the **WORK PLAN** for this **CONTRACT**, and as more particularly described in Contract Exhibit A: *Contract Deliverables*.

Upon its submission of a **DELIVERABLE** or **SERVICE**, **Kelmar** represents that it has performed its obligations under the **CONTRACT** associated with the **DELIVERABLE** or **SERVICE**.

4.3 Non-Software and Written Deliverables Review and Acceptance

After receiving written **CERTIFICATION** from **Kelmar** that a **NON SOFTWARE** or **WRITTEN DELIVERABLE** is final, complete, and ready for **REVIEW**, the **STATE** will **REVIEW** the **DELIVERABLE** to determine whether it meets the Requirements outlined in Contract Exhibit A: *Contract Deliverables*. The **STATE** will notify **Kelmar** in writing of its **ACCEPTANCE** or rejection of the **DELIVERABLE** within five (5) business days of the **STATE**'s receipt of **Kelmar**'s written **CERTIFICATION**. If the **STATE** rejects the **DELIVERABLE**, the **STATE** shall notify **Kelmar** of the nature and class of the Deficiency and **Kelmar** shall correct the Deficiency within the period identified in the **WORK PLAN**. If no period for **Kelmar**'s correction of the **DELIVERABLE** is identified, **Kelmar** shall correct the Deficiency in the **DELIVERABLE** within five (5) business days. Upon receipt of the corrected **DELIVERABLE**, the **STATE** shall have five (5) business days to **REVIEW** the **DELIVERABLE** and notify **Kelmar** of its **ACCEPTANCE** or rejection thereof, with the option to extend the **REVIEW PERIOD** up to five (5) additional business days. If **Kelmar** fails to correct the Deficiency within the allotted period of time, the **STATE** may, at its option, continue reviewing the **DELIVERABLE** and require **Kelmar** to continue until the Deficiency is corrected, or immediately terminate the **CONTRACT**, declare **Kelmar** in default, and pursue its remedies at law and in equity.

4.4 System/Software Testing and Acceptance

SYSTEM/SOFTWARE Testing and **ACCEPTANCE** shall be performed as set forth in the **TEST PLAN** and more particularly described in Exhibit F: *Testing Services*.

4.5 Security

The **STATE** must ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of its **INFORMATION TECHNOLOGY** resources, information, and services. **STATE** resources, information, and services must be available on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and safeguard **STATE** networks, Systems and Data.

IT Security involves all functions pertaining to the securing of **STATE DATA** and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

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All components of the **SOFTWARE** shall be reviewed and tested to ensure they protect the **STATE**'s hardware and software and its related Data assets. See *Contract Agreement –Part 3 – Exhibit F: Testing* for detailed information on requirements for Security testing.

5. SOFTWARE

5.1 COTS Software and Documentation

Kelmar shall provide the **STATE** with **SOFTWARE LICENSES** and **DOCUMENTATION** set forth in the **CONTRACT**, and particularly described in Exhibit J: *Software License and Related Terms*.

5.2 COTS Software Support and Maintenance

Kelmar shall provide the **STATE** with **SOFTWARE** support and Maintenance **SERVICES** set forth in the **CONTRACT**, and particularly described in Exhibit J: *Software License and Related Terms*.

5.3 Restrictions

Except as otherwise permitted under the **CONTRACT**, the **STATE** agrees not to:

- a. Remove or modify any program markings or any notice of **Kelmar**'s proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

5.4 Title

Kelmar must hold the right to allow the **STATE** to use the **SOFTWARE** or hold all title, right, and interest in the **SOFTWARE** and its associated **DOCUMENTATION**.

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6. WARRANTY

Kelmar shall provide the Warranty and **WARRANTY SERVICES** set forth in the **CONTRACT**, and particularly described in Exhibit K: *Warranty and Warranty Services*.

7. SERVICES

Kelmar shall provide the **SERVICES** required under the **CONTRACT DOCUMENTS**. All **SERVICES** shall meet, and be performed, in accordance with the **SPECIFICATIONS**.

7.1 Administrative Services

Kelmar shall provide the **STATE** with the Administrative **SERVICES** set forth in the **CONTRACT**, and particularly described in Exhibit D: *Administrative Services*.

7.2 Implementation Services

Kelmar shall provide the **STATE** with the **IMPLEMENTATION SERVICES** set forth in the **CONTRACT**, and particularly described in Exhibit E: *Implementation Services*.

7.3 Testing Services

Kelmar shall perform testing **SERVICES** for the **STATE** set forth in the **CONTRACT**, and particularly described in Exhibit F: *Testing Services*.

7.4 Training Services

Kelmar shall provide the **STATE** with training **SERVICES** set forth in the **CONTRACT**, and particularly described in Exhibit L: *Training Services*.

7.5 Maintenance and Support Services

Kelmar shall provide the **STATE** with Maintenance and support **SERVICES** for the **SOFTWARE** set forth in the **CONTRACT**, and particularly described in Exhibit G: *System Maintenance and Support*.

8. WORK PLAN DELIVERABLE

Kelmar shall provide the **STATE** with a **WORK PLAN** that shall include, without limitation, a detailed description of the **SCHEDULE**, tasks, **DELIVERABLES**, major milestones, task dependencies, and payment **SCHEDULE**.

The initial **WORK PLAN** shall be a separate **DELIVERABLE** and is set forth in Contract Exhibit I: *Work Plan*. **Kelmar** shall update the **WORK PLAN** as necessary, but no less than every two weeks, to accurately reflect the status of the **PROJECT**, including without limitation, the **SCHEDULE**, tasks, **DELIVERABLES**, major milestones, task dependencies, and payment **SCHEDULE**. Any such updates to the **WORK PLAN** must be approved by the **STATE**, in

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writing, prior to final incorporation into Contract Exhibit I: *Work Plan*. The updated Contract Exhibit I: *Work Plan*, as approved by the **STATE**, is incorporated herein by reference.

In the event of any delay in the **SCHEDULE**, **Kelmar** must immediately notify the **STATE** in writing, identifying the nature of the delay, i.e., specific actions or inactions of **Kelmar** or the **STATE** causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected **SCHEDULE** impact on the **PROJECT**.

In the event additional time is required by **Kelmar** to correct **DEFICIENCIES**, the **SCHEDULE** shall not change unless previously agreed in writing by the **STATE**, except that the **SCHEDULE** shall automatically extend on a day-to-day basis to the extent that the delay does not result from **Kelmar**'s failure to fulfill its obligations under the **CONTRACT**. To the extent that the **STATE**'s execution of its major tasks takes longer than described in the **WORK PLAN**, the **SCHEDULE** shall automatically extend on a day-to-day basis.

Notwithstanding anything to the contrary, the **STATE** shall have the option to terminate the **CONTRACT** for default, at its discretion, if it is dissatisfied with **Kelmar**'s **WORK PLAN** or elements within the **WORK PLAN**.

9. CHANGE ORDERS

The **STATE** reserves the right to request from time to time any **CHANGES** to the requirements and **SPECIFICATIONS** of the **SERVICES** under the **CONTRACT**. If the **STATE** requests or directs **Kelmar** to perform any Additional **SERVICES** beyond the scope of the **SERVICES** set forth in the **WORK PLAN** (all such Additional **SERVICES** to be hereinafter referred to as "**NEW WORK**"), **Kelmar** shall, prior to performing any **New Work**, provide a detailed outline of all work to be done including tasks necessary to accomplish the **New Work**, timeframes, listing of key personnel assigned, the estimated hours for each individual per task, and the estimated overall cost of the **NEW WORK**. **Kelmar** expressly agrees that it shall not perform any **NEW WORK** until such time as approved in writing by the **STATE**.

The approval of **NEW WORK** shall be governed by the **CHANGE REQUEST** procedure set forth below:

- a. **CHANGE REQUEST** at **STATE** Request: If the **STATE** requires **Kelmar** to perform **NEW WORK** or make **CHANGES** to the **SERVICES** that would affect the **CONTRACT** completion **SCHEDULE** set forth in the **WORK PLAN** or the amount of compensation due **Kelmar** (a "**CHANGE**"), the **STATE** shall submit a written request for **Kelmar** to furnish a **PROPOSAL** for carrying out the requested **CHANGE** (a "**CHANGE REQUEST**").
- b. **Kelmar** Recommendation for **CHANGE REQUESTS**: **Kelmar** shall be entitled

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to propose a **CHANGE** to the **STATE**, on its own initiative, should **Kelmar** believe the proposed **CHANGE** would benefit the **STATE**.

- c. Upon receipt of a **CHANGE REQUEST** or on its own initiative, **Kelmar** shall examine the implications of the requested **CHANGE** on the technical **SPECIFICATIONS** and the **CONTRACT SCHEDULE**, and then price out the **NEW WORK**. **Kelmar** shall then submit to the **STATE**, without undue delay, a written **PROPOSAL** for carrying out the **CHANGE**. **Kelmar's PROPOSAL** shall include any associated **CHANGES** in the technical **SPECIFICATIONS**, **WORK PLAN SCHEDULE** and price and method of pricing of the **SERVICES**. If **Kelmar** provides a written **PROPOSAL** and should **Kelmar** be of the opinion that a requested **CHANGE** is not to be recommended, it shall communicate its opinion to the **STATE** but shall nevertheless carry out the **CHANGE** as specified in the written **PROPOSAL** if the **STATE** directs it to do so.
- d. By giving **Kelmar** written notice within a reasonable time, the **STATE** shall be entitled to accept a **Kelmar PROPOSAL** for **CHANGE**, to reject it, or to reach another **AGREEMENT** with **Kelmar**. Should the Parties agree on carrying out a **CHANGE**, a written **CONTRACT CHANGE NOTICE** must be prepared and issued under this **CONTRACT**, describing the **CHANGE** and its effects on the **SERVICES** and any affected components of this **CONTRACT** (a "**CHANGE NOTICE**").
- e. If the **STATE** requests or directs **Kelmar** to perform any **SERVICES** or provide **DELIVERABLES** that are consistent with and similar to the **SERVICES** being provided by **Kelmar** under the **CONTRACT**, but which **Kelmar** reasonably and in good faith believes are not included within the scope of the **SERVICES**, then before performing the activities, **Kelmar** shall notify the **STATE** in writing that it considers the requested activities to constitute a **CHANGE** for which **Kelmar** should receive additional compensation. Along with the notice, **Kelmar** shall include a written **PROPOSAL** for carrying out the **CHANGE** that identifies any associated **CHANGES** in the technical **SPECIFICATIONS**, the **PROJECT SCHEDULE** and the price for the **NEW WORK**. If **Kelmar** fails to notify the **STATE** before beginning the **NEW WORK** constituting a **CHANGE**, then **Kelmar** shall waive any right to assert any claim for additional compensation or time for performing the requested activities. Upon receipt of **Kelmar's** notice, the **STATE** shall follow the procedure outlined in subsection (c) above.
- f. No proposed **CHANGE** shall be performed until the proposed **CHANGE** has been specified in a duly executed **CHANGE NOTICE** issued by the **STATE** and signed by the Parties.

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10. INTELLECTUAL PROPERTY

The **SOFTWARE** is being licensed, not sold. **Kelmar** retains all ownership rights in and to all **DELIVERABLES** and Components of the **KAPS™ SYSTEM** including the Source Code. All United States and international copyrights, trade secrets, patentable inventions and trademarks incorporated into, or used in respect of, the **SOFTWARE DELIVERABLES** shall be and remain the sole property of **Kelmar**. If the **STATE** engages **Kelmar** to perform **NEW WORK**, which may include programming or **SOFTWARE** development in respect of the **SOFTWARE DELIVERABLES**, then: (i) with respect to all work performed for the **STATE** by **Kelmar**, **Kelmar** shall be the author and owner of all copyrights, patents and trade secrets incorporated in such work (the “**LICENSEE WORK**”); and (ii) **Kelmar** shall license back to the **STATE** the right to produce, publish, or otherwise use such **LICENSEE WORK** developed under the **CONTRACT**.

In no event shall **Kelmar** be precluded from developing for itself, or for others, materials that are competitive with, or similar to the **SOFTWARE**, the **LICENSEE WORK**, or any modifications developed in connection with performance of obligations under the **CONTRACT**. In addition, **Kelmar** shall be free to use its general knowledge, skills, experience, and any other ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this **CONTRACT**.

10.1 State’s Data

All rights, title and interest in **STATE DATA** shall remain with the **STATE**.

10.2 Kelmar’s Materials

Subject to the provisions of this **CONTRACT**, **Kelmar** may develop for itself, or for others, materials that are competitive with, or similar to, the **DELIVERABLES**. In accordance with the confidentiality provision of this **CONTRACT**, **Kelmar** shall not distribute any products containing or disclose any **STATE CONFIDENTIAL INFORMATION**. **Kelmar** shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this **CONTRACT**, provided that such is not obtained as the result of the deliberate memorization of the **STATE CONFIDENTIAL INFORMATION** by **Kelmar's** employees or third party consultants engaged by **Kelmar**.

Without limiting the foregoing, the parties agree that the general knowledge referred to herein cannot include information or records not subject to public disclosure under New Hampshire RSA Chapter 91-A, which includes but is not limited to the following: records of grand juries and petit juries; records of parole and pardon boards; personal school records of pupils; records pertaining to internal personnel practices, financial information, test questions, scoring keys and other examination data use to administer a licensing examination, examination for employment, or academic examination and personnel, medical, welfare, library use, video tape sale or rental, and other files containing personally identifiable information that is private in nature.

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10.3 Survival

This Contract Agreement Section 10: *Intellectual Property* shall survive the termination of the CONTRACT.

11. USE OF STATE’S INFORMATION, CONFIDENTIALITY

11.1 Use of State’s Information

In performing its obligations under the CONTRACT, **Kelmar** may gain access to information of the STATE, including STATE CONFIDENTIAL INFORMATION. “STATE CONFIDENTIAL INFORMATION” shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: *Access to Public Records and Meetings* (see e.g. RSA Chapter 91-A: 5 *Exemptions*). **Kelmar** shall not use the STATE CONFIDENTIAL INFORMATION developed or obtained during the performance of, or acquired, or developed by reason of the CONTRACT, except as directly connected to and necessary for **Kelmar**’s performance under the CONTRACT.

11.2 State Confidential Information

Kelmar shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively “release”), all STATE CONFIDENTIAL INFORMATION that becomes available to **Kelmar** in connection with its performance under the CONTRACT, regardless of its form.

Subject to applicable federal or State laws and regulations, CONFIDENTIAL INFORMATION shall not include information which: (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof; (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party; (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or (iv) is disclosed with the written consent of the disclosing party. A receiving party also may disclose CONFIDENTIAL INFORMATION to the extent required by an order of a court of competent jurisdiction.

Any disclosure of the STATE CONFIDENTIAL INFORMATION shall require the prior written approval of the STATE. **Kelmar** shall immediately notify the STATE if any request, subpoena or other legal process is served upon **Kelmar** regarding the STATE CONFIDENTIAL INFORMATION, and **Kelmar** shall cooperate with the STATE in any effort the STATE undertakes to contest the request, subpoena or other legal process, at no additional cost to the STATE.

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In the event of the unauthorized release of **STATE CONFIDENTIAL INFORMATION**, **Kelmar** shall immediately notify the **STATE**, and the **STATE** may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

Consistent with its obligations hereunder, **Kelmar** warrants and represents to the **STATE** that each of its Personnel: (a) working on the **STATE**'s premises in connection with the **CONTRACT**, (b) handling the **STATE**'s **CONFIDENTIAL INFORMATION** in connection with the **CONTRACT**; or (c) having access to the **STATE**'s **CONFIDENTIAL INFORMATION** in connection with the **CONTRACT** is, and shall continue to be, by virtue of a written confidentiality **AGREEMENT** with **Kelmar**, under a duty of confidentiality with respect to the **STATE**'s **CONFIDENTIAL INFORMATION**. **Kelmar** further warrants and represents that said individuals are reminded annually of their confidentiality obligations under the aforementioned **AGREEMENTS** and are required to attend annual training concerning **Kelmar**'s policies and procedures governing the treatment of **CONFIDENTIAL INFORMATION** as well as data security and privacy obligations under applicable state, federal and local laws.

11.3 Vendor Confidential Information

Insofar as **Kelmar** seeks to maintain the confidentiality of its confidential or proprietary information, **Kelmar** must clearly identify in writing all information it claims to be confidential or proprietary. Notwithstanding the foregoing, the **STATE** acknowledges that **Kelmar** considers the **SOFTWARE** and **DOCUMENTATION** to be **CONFIDENTIAL INFORMATION**. **Kelmar** acknowledges that the **STATE** is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A. The **STATE** shall maintain the confidentiality of the identified **CONFIDENTIAL INFORMATION** insofar as it is consistent with applicable State and federal laws or regulations, including but not limited to, RSA Chapter 91-A. In the event the **STATE** receives a request for the information identified by **Kelmar** as confidential, the **STATE** shall, within two business days of receipt of the request, notify **Kelmar** and specify the date the **STATE** will be releasing the requested information. At the request of the **STATE**, **Kelmar** shall cooperate and assist the **STATE** with the collection and review of **Kelmar**'s information, at no additional expense to the **STATE**. Any effort to prohibit or enjoin the release of the information shall be **Kelmar**'s sole responsibility and at **Kelmar**'s sole expense. If **Kelmar** fails to obtain a court order enjoining the disclosure, the **STATE** shall release the information on the date specified in the **STATE**'s notice to **Kelmar**, without any liability to **Kelmar**.

11.4 Survival

This Contract Agreement Section 11, *Use of State's Information, Confidentiality*, shall survive termination or conclusion of the **CONTRACT**.

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12. LIMITATION OF LIABILITY

12.1 State

Subject to applicable laws and regulations, in no event shall the **STATE** be liable for any consequential, special, indirect, incidental, punitive, or exemplary damages. Subject to applicable laws and regulations, the **STATE**'s liability to **Kelmar** shall not exceed the total **CONTRACT** price set forth in Contract Agreement, Section 1.8 of the **CONTRACT Agreement –Part 1-General Provisions**.

Notwithstanding the foregoing and any provision of this **CONTRACT** to the contrary, in no event does the **STATE** waive its sovereign immunity or any applicable defenses or immunities.

12.2 Kelmar

Subject to applicable laws and regulations, in no event shall **Kelmar** be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and **Kelmar**'s liability to the **STATE** shall not exceed two times (2X) the total **CONTRACT** price set forth in Contract Agreement, Section 1.8 of the *Contract Agreement –Part 1-General Provisions*.

Notwithstanding the foregoing, the limitation of liability in this SOW Section 12.2 shall not apply to **Kelmar**'s indemnification obligations set forth in the *Contract Agreement Part 1-Section 13: Indemnification* and confidentiality obligations in Contract Agreement-Part 2-Section 11: *Use of State's Information, Confidentiality*, which shall be unlimited.

12.3 State's Immunity

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the **STATE**, which immunity is hereby reserved to the **STATE**. This covenant shall survive termination or **CONTRACT CONCLUSION**.

12.4 Survival

This *Contract Agreement- Part 2-Section 12: Limitation of Liability* shall survive termination or **CONTRACT CONCLUSION**.

13. TERMINATION

This Section 13 shall survive the termination or **CONTRACT CONCLUSION**.

13.1 Termination for Default

Any one or more of the following acts or omissions of **Kelmar** shall constitute an event of default hereunder ("Event of Default")

- a. Failure to perform the **SERVICES** satisfactorily or on **SCHEDULE**;
and/or

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b. Failure to perform any other covenant, term or condition of the **CONTRACT**.

13.1.1 Upon the occurrence of any Event of Default, the **STATE** shall provide **Kelmar** written notice of default and require it to be remedied within thirty (30) days from the date of notice (“**CURE PERIOD**”). If **Kelmar** fails to cure the default within the **CURE PERIOD**, the **STATE** may terminate the **CONTRACT** effective two (2) days after giving the **CONTRACTED VENDOR** notice of termination, at its sole discretion, treat the **CONTRACT** as breached and pursue its remedies at law or in equity or both.

In the event **Kelmar**'s fails and/or refuses to cure the default within the **CURE PERIOD**, the **STATE** may also Procure **SERVICES** that are the subject of the **CONTRACT** from another source and **Kelmar** shall be liable for reimbursing the **STATE** for the replacement **SERVICES**, and all administrative costs directly related to the replacement of the **CONTRACT** and procuring the **SERVICES** from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth in the **CONTRACT**.

13.1.2 **Kelmar** shall provide the **STATE** with written notice of default, and the **STATE** shall cure the default within thirty (30) days.

13.1.3 Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the **STATE**, which immunity is hereby reserved to the **STATE**. This covenant shall survive termination or **CONTRACT CONCLUSION**.

13.2 Termination for Conflict of Interest

13.2.1 The **STATE** may terminate the **CONTRACT** by written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto of applicable laws regarding ethics in public acquisitions and procurement and performance of **CONTRACTS**.

In such case, the **STATE** shall be entitled to a pro-rated refund of any current development, support, and maintenance costs. The **STATE** shall pay all other contracted payments that would have become due and payable if **Kelmar** did not know, or reasonably did not know, of the conflict of interest.

13.2.2 In the event the **CONTRACT** is terminated as provided above pursuant to a violation by **Kelmar**, the **STATE** shall be entitled to pursue the same remedies against **Kelmar** as it could pursue in the event of a default of the **CONTRACT** by **Kelmar**.

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13.3 Termination Procedure

- 13.3.1** After receipt of a notice of termination, and except as otherwise directed by the **STATE**, **Kelmar** shall:
- a. Stop work under the **CONTRACT** on the date, and to the extent specified, in the notice;
 - b. Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the **STATE** to the extent required, which approval or ratification shall be final for the purpose of this Section;
 - c. Take such action as the **STATE** directs, or as necessary to preserve and protect the property related to the **CONTRACT** which is in the possession of **Kelmar** and in which the **STATE** has an interest;
 - d. Within thirty days of the notice to terminate, confer with the **STATE** to arrange for the transfer of any property with **Kelmar**'s possession. Such property shall be transferred to the **STATE** by **Kelmar** in a mutually agreed upon format and at a mutually agreed upon time; provide a Microsoft SQL Server database backup of all **STATE DATA** managed by KAPS; and
 - e. Upon completion of the transfer, provide written **CERTIFICATION** to the **STATE** that **Kelmar** has surrendered to the **STATE** all said property.
 - f. Assist in **TRANSITION SERVICES**, as reasonably requested by the **STATE** at no additional cost.

14. CHANGE OF OWNERSHIP

In the event that **Kelmar** is sold, undergoes a merger or other such similar material change in ownership for any reason whatsoever, the **STATE** shall have the option of continuing under the **CONTRACT** with **Kelmar**, its successors or assigns for the full remaining **TERM** of the **CONTRACT**; continuing under the **CONTRACT** with **Kelmar**, its successors or assigns for such period of time as determined necessary by the **STATE**; or immediately terminate the **CONTRACT** without liability to **Kelmar**, its successors or assigns.

15. ASSIGNMENT, DELEGATION AND SUBCONTRACTS

15.1 **Kelmar** shall not assign, delegate, subcontract, or otherwise transfer any of its interest, rights, or duties under the **CONTRACT** without the prior written consent of the **STATE**. Such consent shall not be unreasonably withheld or conditioned. Any attempted transfer, assignment,

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delegation, or other transfer made without the **STATE**'s prior written consent shall be null and void, and may constitute an event of default at the sole discretion of the **STATE**.

- 15.2** **Kelmar** shall remain wholly responsible for performance of the entire **CONTRACT** even if assignees, delegates, **SUBCONTRACTORS**, or other transferees ("Assigns") are used, unless otherwise agreed to in writing by the **STATE**, and the Assigns fully assumes in writing any and all obligations and liabilities under the **CONTRACT** from the **EFFECTIVE DATE**. In the absence of a written assumption of full obligations and liabilities of the **CONTRACT**, any permitted assignment, delegation, subcontract, or other transfer shall neither relieve the **CONTRACTED VENDOR** of any of its obligations under the **CONTRACT** nor affect any remedies available to the **STATE** against **Kelmar** that may arise from any event of default of the provisions of the **CONTRACT**. The **STATE** shall consider **Kelmar** to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the **CONTRACT**.
- 15.3** Notwithstanding the foregoing, nothing herein shall prohibit **Kelmar** from assigning the **CONTRACT** to the successor of all or substantially all of the assets or business of **Kelmar** provided that the successor fully assumes in writing all obligations and responsibilities under the **CONTRACT**. In the event that **Kelmar** should change ownership, as permitted under this Contract Agreement Part 2, Section 14: *Change of Ownership*, the **STATE** shall have the option to continue under the **CONTRACT** with **Kelmar**, its successors or assigns for the full remaining **TERM** of the **CONTRACT**; continue under the **CONTRACT** with **Kelmar**, its successors or assigns for such period of time as determined necessary by the **STATE**; or immediately terminating the **CONTRACT** without liability to **Kelmar**, its successors or assigns.

16. DISPUTE RESOLUTION

16.1 Informal Resolution. The Parties shall endeavor to amicably resolve any dispute, claim, question, or disagreement arising from or relating to this **CONTRACT** or the breach thereof, in accordance with the provisions of this Section 16. To this effect, they shall meet as often as the Parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the Parties believe to be appropriate and germane in connection with its resolution. The Parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If the Parties are unable to reach a solution within a period of sixty (60) calendar days, then, upon notice by either Party to the other, the dispute, claim, question, or difference shall be escalated to Abandoned Property Director, or his designee, and the matter shall be resolved without the need for formal legal proceedings as follows:

16.1.1 Within thirty (30) days of receipt of written notification of a dispute, the Deputy Treasurer shall meet with the Parties to negotiate and work out a settlement.

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During the course of negotiations, all reasonable requests made by one Party to another for non-privileged information reasonably related to the **AGREEMENT** shall be honored in order that each of the Parties may be fully advised of the other's position. The specific format for the discussions shall be left to the discretion of the designated **STATE** and **Kelmar** representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

16.1.2. Following the completion of the process outlined in Section 17.1.1 above (which shall not exceed ninety (90) days unless mutually agreed upon by the Parties), the State Treasurer, or his designee, shall, within thirty (30) calendar days, issue a written opinion regarding the issue(s) in dispute. The opinion regarding the dispute shall be considered the **STATE**'s final action and the exhaustion of administrative remedies.

16.2 Continued Performance. Each Party agrees to continue performing its obligations under the **CONTRACT** while a dispute is being resolved pursuant to this Section 16 except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either Party's right to terminate the **CONTRACT** as provided in Section 13, as the case may be.

17 GENERAL PROVISIONS

17.1 Travel Expenses

The **STATE** will not be responsible for any travel or out of pocket expenses incurred in the performance of the **SERVICES**.

Kelmar shall assume all travel and related expenses by "fully loading" the proposed labor rates to include, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

17.2 Shipping and Delivery Fee Exemption

The **STATE** will not pay for any shipping or delivery fees unless specifically itemized in the **CONTRACT**.

17.3 Project Workspace and Office Equipment

The **STATE** agency will work with **Kelmar** to determine the requirements for providing all necessary workspace and office equipment, including desktop computers for **Kelmar**'s staff.

17.4 Access/Cooperation

As applicable, and reasonably necessary, and subject to the applicable State and federal laws and regulations and restrictions imposed by third parties upon the **STATE**, the **STATE** shall provide **Kelmar** with access to all program files, libraries, personal computer-based

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SYSTEMS, SOFTWARE packages, network **SYSTEMS**, security **SYSTEMS**, and hardware as required to complete contracted **SERVICES**.

The **STATE** shall use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow **Kelmar** to perform its obligations under the **CONTRACT**.

17.5 Required Work Procedures

All work done must conform to standards and procedures established by the **DEPARTMENT OF INFORMATION TECHNOLOGY** and the **STATE**.

17.6 Regulatory Government Approvals

Kelmar shall obtain all necessary and applicable regulatory or other governmental approvals necessary to perform its obligations under the **CONTRACT**.

17.7 Force Majeure

Neither **Kelmar** nor the **STATE** shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Except in the event of the foregoing, Force Majeure events shall not include **Kelmar's** inability to hire or provide personnel needed for **Kelmar's** performance under the **CONTRACT**.

17.8 Insurance

17.8.1 The Contracted Vendor Insurance Requirement

See Contract Agreement Part 1-Form P-37 Section 14; See Special Terms and Conditions at Exhibit C.

17.8.2 The ACORD Insurance Certificate should note the Certificate Holder in the lower left hand block including State of New Hampshire, Department of Treasury, Thomas P. McAnespie, Abandoned Property Director, State of New Hampshire Abandoned Property Division, 25 Capitol Street, Rm205, Concord, NH 03301.

17.9 Exhibits

The Exhibits referred to, in and attached to the **CONTRACT** are incorporated by reference as if fully included in the text.

17.10 Venue and Jurisdiction

Any action on the **CONTRACT** may only be brought in the State of New Hampshire Merrimack County Superior Court.

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17.11 Survival

The terms, conditions and warranties contained in the **CONTRACT** that by their context are intended to survive the completion of the performance, cancellation or termination of the **CONTRACT** shall so survive, including, but not limited to, the terms of the *Contract Agreement Exhibit D Section 3: Records Retention and Access Requirements*, *Contract Agreement Exhibit D Section 4: Accounting Requirements*, and *Contract Agreement Part 2-Section 11: Use of State’s Information, Confidentiality* and *Contract Agreement Part 1-Section 13: Indemnification* which shall all survive the termination of the **CONTRACT**.

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STATE OF NH REQUIREMENTS

BUSINESS REQUIREMENTS

State Requirements		Vendor Response	Delivery Method	Comments
Req #	Criticality			
APPLICATION INTERFACES				
B1.1	Generate a system interface to the State's accounts payable system to request approved claim payments from KAPS.	Yes		
B1.2	Generate a system interface to process check numbers, amounts and payment dates from the State's accounts payable system to post the check payment information into KAPS.	Yes		
B1.3	Generate a system interface to the State's unclaimed property website to populate the website's property search database with unclaimed properties in KAPS that are eligible for claim.	Yes		
B1.4	Generate a system interface to the State's unclaimed property website to process claims filed via the website, and create KAPS system claims.	Yes		
B1.5	Generate a system interface to the NAUPA MissingMoney.com unclaimed property website to populate the website's property search database with unclaimed properties in KAPS that are eligible for claim.	Yes		
B1.6	Generate a system interface to the NAUPA MissingMoney.com unclaimed property website to process claims filed via the website, and create KAPS system claims.	Yes		
OPERATIONAL REQUIREMENTS				
B2.1	Provide a secure Web based hosted solution for the provision of and ongoing maintenance for a state of the art unclaimed property database system	Yes		
B2.2	The hosted solution provider will be fully accessible for Division operations personnel between the hours of 6:00 AM and 6:00 PM ET Monday through Friday, and 8:00 AM to 4:00 PM on Saturdays.	Yes		
B2.3	The hosted solution provider must be able to demonstrate the ability to utilize and integrate third party data sources in an effort to reduce claims payment costs and increase confidence that correct party is receiving payment of unclaimed property.	Yes		
B2.4	The hosted solution provider shall demonstrate and provide functionality for provision of accurate, up to date managerial reports for all systems applications and programs.	Yes		
B2.5	The Vendor's hosted application Help Desk / support must be available from the hours of 8:00 AM to 6:00 PM ET Monday through Friday.	Yes		
B2.6	The hosted solution provider will establish on-site visit schedule to state's offices that will include, at least, one visit per each calendar year quarter during term of contract.	Yes		
B2.7	The hosted solution provider shall demonstrate industry best practices for data security as it pertains to all personal identifiable information (PII) that is maintained by the Unclaimed Property Division of the Treasury.	Yes		
B2.8	The hosted solution provider shall establish standardized issue resolution response times predicated on the severity of the service interruption.	Yes		
B2.9	The Hosted solution provider must demonstrate that it has in-depth experience in all aspects of unclaimed property operations, and a present business model/plan that evidences a long term commitment to continually adapt to all innovations and emerging trends of unclaimed property identification, reporting, safekeeping and reunification to rightful owner.	Yes		

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B2.10	Establish and demonstrate best practice solutions in the areas of: application security, internal controls and open data standards.	Yes		
B2.11	The Hosted solution provider's data center must be audited annually for compliance with SSAE 16 Type II Standard. Subsequent to the execution of any pertinent Non-disclosure Agreement the Director of Abandoned Property will be provided a copy of the audit for review.	Yes		
B2.12	The hosted solution Vendor shall provide redundant fully mirrored back-up and recovery services of its hosted applications in case of catastrophic disaster.	Yes		
B2.13	The hosted solution provider shall provide and demonstrate the applications ability to segregate user based permissions based on an authorized user's functional responsibilities.	Yes		
B2.14	The hosted solution providers application shall generate and maintain complete audit activity logs of its hosted application and make available to the state upon request or through use of an administrative console or reporting capability.	Yes		
Training requirements				
B3.1	The hosted solution provider shall provide substantial operational capacity and functionality training at time of conversion to system and throughout full term of contract to seven person unclaimed property staff and other individuals within the Treasury whose job functions require direct interaction to the unclaimed property data integrity, cash receipt and cash payment functions.	Yes		
B3.2	The hosted solution provider shall provide training at Unclaimed Property Division of the Treasury or at vendor offices locations, via telephone, webinar and help desk platforms/applications.	Yes		
Unclaimed Property Administrative Processes				
B4.1	The hosted solution provider shall generate accurate, current pricing and corporate history information for all reported unclaimed securities and mutual funds.	Yes		
B4.2	The hosted solution provider shall provide functionality for tracking of all securities by report year and date of receipt.	Yes		
B4.3	The hosted solution provider shall provide functionality to extract and export listings of securities eligible for liquidation sale based on date received.	Yes		
B4.4	The hosted solution provider shall provide functionality to extract reported owner information for the issuance of standard paper and internet based paperless claims.	Yes		
B4.5	The hosted solution provider shall provide functionality to extract and export reported owner information for standardized mailing notifications, public notices and public outreach processes.	Yes		
B4.6	The hosted solution provider shall provide functionality to generate and extract data sets from historical holder reportings to produce audit business intelligence reports.	Yes		
B4.7	The hosted solution provider shall provide additional adequate data processing performance and resource capacity for cyclical calendar year peak periods in the claims generation and payment and report processing periods.	Yes		
B4.8	The hosted solution provider's application shall include the ability for the automation of abandoned properties reporting import process, including the ability for exception reporting and error detection and correction of data that is imported.	Yes		
B4.9	The hosted solution provider's application shall provide functionality for an automated process for report reconciliation of all fully balanced unclaimed property reports.	Yes		

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APPLICATION REQUIREMENTS						
State Requirements				Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments	
APPLICATION						
A1.1	Ability to access data using open standards access drivers (please specify supported versions in the comments field).	M	Yes	Standard	Data is available through KAPS interfaces, or the state may access the Microsoft SQL Server backups as desired.	
A1.2	The system software adheres to open standards and is not proprietary.	M	Yes	Standard	HTML, Java and SQL	
A1.3	The database platform adheres to open standards.	M	Yes	Standard	Microsoft SQL Server	
A1.4	The Solution must comply with Open Standards as specified in RSA 21-R:10 and 21-R:13, including but not limited to Open Data Formats.	M	Yes			
A1.5	Web-based compatible and in conformance with the following W3C standards:	M	Yes	Standard		
A1.6	XHTML 1.0	M	Yes	Standard		
A1.7	CSS 2.1	M	Yes	Standard		
A1.8	XML 1.0 (fourth edition)	M	Yes	Standard		
APPLICATION SECURITY						
A2.1	Verify the identity or authenticate all of the system client applications before allowing use of the system to prevent access to inappropriate or confidential data or services.	M	Yes	Standard		
A2.2	Verify the identity or authenticate all of the system's human users before allowing them to use its capabilities to prevent access to inappropriate or confidential data or services.	M	Yes	Standard		
A2.3	Enforce unique user names.	M	Yes	Standard		
A2.4	Enforce complex passwords for Administrator Accounts of ten characters or more in accordance with DoIT's statewide <i>User Account and Password Policy</i>	M	Yes	Standard	Need to review 'User Account and Password Policy'.	
A2.5	Enforce the use of complex passwords for general users using capital letters, numbers and special characters	M	Yes	Standard		
A2.6	Encrypt passwords in transmission and at rest within the database.	M	Yes	Standard		
A2.7	Expire passwords after 90 days	M	Yes	Standard		
A2.8	Authorize users and client applications to prevent access to inappropriate or confidential data or services.	M	Yes	Standard		
A2.9	Provide ability to limit the number of people that can grant or change authorizations	M	Yes	Standard		

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A2.10	Establish ability to enforce session timeouts during periods of inactivity.	M	Yes	Standard	
A2.11	Ensure application security flaws. (At a minimum, the application shall be tested against all flaws outlined in the Open Web Application Security Project (OWASP) Top Ten (https://www.owasp.org/index.php/OWASP_Top_Ten_Project))	M	Yes	Standard	Top Ten testing to be completed.
A2.12	The application shall not store authentication credentials or sensitive Data in its code.	M	Yes	Standard	
A2.13	Audit all attempted accesses that fail identification, authentication and authorization requirements	M	Yes	Standard	
A2.14	The application shall log all activities to a central server to prevent parties to application transactions from denying that they have taken place. The logs must be kept for 60 Months	M	Yes	Standard	
A2.15	The application must allow a user to explicitly terminate a session. No remnants of the prior session should then remain on desktop.	M	Yes	Standard	
A2.16	Use only the Software and System Services designed for use	M	Yes	Standard	
A2.17	The application Data shall be protected from unauthorized use when at rest	M	Yes	Standard	
A2.18	Keep any sensitive Data or communications private from unauthorized individuals and programs.	M	Yes	Standard	
A2.19	Subsequent application enhancements or upgrades shall not remove or degrade security requirements	M	Yes	Standard	
A2.20	Create change management documentation and procedures	M	Yes	Standard	

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HARDWARE REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
HARDWARE REQUIREMENTS					
E1.1	MS Windows 7 or higher with 4G of RAM	Required	Yes		
E1.2	Internet Browser Internet Explorer 9.0 or higher, FireFox 26 or higher, Google Chrome 31 or higher	Required	Yes		

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State Requirements		TESTING		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method
APPLICATION SECURITY TESTING				
T1.1	All components of the software shall be reviewed and tested to ensure they protect the State's web site and its related Data assets.	M	Yes	Standard
T1.2	The Vendor shall be responsible for security testing, as appropriate. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability.	M	Yes	Standard
T1.3	Test for Identification and Authentication; supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users	M	Yes	Standard
T1.4	Test for Access Control; supports the management of permissions for logging onto a computer or network	M	Yes	Standard
T1.5	Test for encryption; supports the encoding of data for security purposes	M	Yes	Standard
T1.6	Test the Intrusion Detection; supports the detection of illegal entrance into a computer system	M	Yes	Standard
T1.7	Test the Verification feature; supports the confirmation of authority to enter a computer system, application or network	M	Yes	Standard
T1.8	Test the User Management feature; supports the administration of computer, application and network accounts within an organization.	M	Yes	Standard
T1.9	Test Role/Privilege Management; supports the granting of abilities to users or groups of users of a computer, application or network	M	Yes	Standard
T1.10	Test Audit Trail Capture and Analysis; supports the identification and monitoring of activities within an application or system	M	Yes	Standard
T1.11	Test Input Validation; nsures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.	M	Yes	Standard
T1.12	Prior to the System being moved into production, the Vendor shall provide results of all security testing to the Department of Information Technology for review and acceptance.	M	Yes	Standard
STANDARD TESTING				
T2.1	The Vendor must perform application testing using an industry standard and State approved testing methodology.	M	Yes	Standard

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T2.2	The Vendor must perform application stress testing and tuning.	M	Yes	Standard
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HOSTING-CLOUD REQUIREMENTS						
State Requirements			Vendor			
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Vendor	Comments
OPERATIONS						
H1.1	Vendor shall maintain a secure hosting environment providing all necessary hardware, software, and Internet bandwidth to manage the application and support users with permission based logins. State access will be via Internet Browser	M	Yes	Standard		
H1.2		M	Yes	Standard	Via Internet Browser. IP access will be via whitelisted IP addresses only.	
H1.3	At the State's option, authorized third parties may be given limited access by the Vendor to certain levels of the State's system through the VPN or through a separate network connection that meets the Vendor's specifications.	M	Yes			To be determined if access to state network will be required.
H1.4	At a minimum, the System should support this client configuration: Intel i7 Multicore processor running at 3.0GHz PC, Microsoft Windows 8 Professional, 8GB DDR3 Ram, 500GB SATA 6 HD, Internet Explorer 11, and 128 bit encryption.	M	Yes			Minimum Browser requirement; Internet Explorer 9 or higher, Firefox 25 or higher, Chrome 30 or higher for client Internet Browser.
H1.5	The State will be responsible for equipment, labor, and /or services necessary to set-up and maintain the internet connectivity at the State and/or other third party sites.	M	Yes	Standard		
H1.6	Vendor will not be responsible for network connection issues, problems or conditions arising from or related to circumstances outside the control of the Vendor, ex: bandwidth, network outages and /or any other conditions arising on the State's internal network or, more generally, outside the Vendor's firewall or any issues that are the responsibility of the State Internet Service Provider	M	Yes	Standard		
H1.7	Vendor shall provide a secure Class A Data Center providing equipment (including dedicated servers), an on-site 24/7 system operator, managed firewall services, and managed backup Services.	M	Yes	Standard		
H1.8	Data Center Air Conditioning – used to control temperature and humidity in the Data Center. Temperature ranges shall be between 68 and 75 °F.	M	Yes	Standard		
H1.9	Data Center Humidity shall be non-condensing and be maintained between 40-55% with a maximum dew point of 62 °F.	M	Yes	Standard		

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H1.10	Data Center Backup Power – uninterruptible power supplies shall be sized to sustain computer systems and associated components for, at a minimum, the amount of time it takes for a backup generator to take over providing power. Where possible, servers shall contain redundant power supplies connected to commercial power via separate feeds.	M	Yes	Standard	
H1.11	Data Center Generator – shall be sufficient to sustain computer systems and associated components for, at a minimum, the amount of time it takes for commercial power to return. Fuel tanks shall be large enough to support the generator at -full load for a period not less than 1 ½ days of operation.	M	Yes	Standard	
H1.12	Data Center Floor – A raised floor is required for more uniform air circulation in the form of a plenum for cold air as well as to provide space for power cabling and wetness monitoring.	M	Yes	Standard	
H1.13	Data Center Fire Protection System – fire detectors in conjunction with suppression gaseous systems must be installed to reduce the risk of loss due to fire.	M	Yes	Standard	
H1.14	The Data Center must be physically secured – restricted access to the site to personnel with controls such as biometric, badge, and others security solutions. Policies for granting access must be in place and followed. Access shall only be granted to those with a need to perform tasks in the Data Center.	M	Yes	Standard	
H1.15	Vendor must monitor the application and all servers.	M	Yes	Standard	
H1.16	Vendor shall manage the databases and services on all servers located at the Vendor's facility.	M	Yes	Standard	
H1.17	Vendor shall install and update all server patches, updates, and other utilities within 60 days of release from the manufacturer.	M	Yes	Standard	
H1.18	Vendor shall monitor System, security, and application logs.	M	Yes	Standard	
H1.19	Vendor shall manage the sharing of data resources.	M	Yes	Standard	
H1.20	Vendor shall manage daily backups, off-site data storage, and restore operations.	M	Yes	Standard	
H1.21	The Vendor shall monitor physical hardware.	M	Yes	Standard	
H1.22	The Vendor shall immediately report any breach in security to the State of New Hampshire.	M	Yes	Standard	
DISASTER RECOVERY					
	Vendor shall conform to adequate disaster recovery procedures as defined by the State of New Hampshire.	M	Yes		Each party reviewed other party's applicable procedures and confirmed mutually agreeable processes existed

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H2.2	Vendor shall have documented disaster recovery plans that address the recovery of lost State data as well as their own. Systems shall be architected to meet the defined recovery needs.	M	Yes	Standard	
H2.3	The disaster recovery plan shall identify appropriate methods for procuring additional hardware in the event of a component failure. In most instances, systems shall offer a level of redundancy so the loss of a drive or power supply will not be sufficient to terminate services however, these failed components will have to be replaced.	M	Yes	Standard	
H2.4	Vendor shall adhere to a defined and documented back-up schedule and procedure.	M	Yes	Standard	
H2.5	Back-up copies of data are made for the purpose of facilitating a restore of the data in the event of data loss or System failure.	M	Yes	Standard	
H2.6	Scheduled backups of all servers must be completed regularly. At a minimum, the applications servers and client data shall be backed up after normal business hours, with one daily, one weekly, and one monthly backup stored in a secure location to assure data recovery in the event of disaster.	M	Yes	Standard	
H2.7	The minimum acceptable frequency is differential backup daily, and complete backup weekly.	M	Yes	Standard	
H2.8	Tapes or other back-up media tapes must be securely transferred from the site to another secure location to avoid complete data loss with the loss of a facility.	M	Yes	Standard	
H2.9	If State data is personally identifiable, data must be encrypted in the operation environment and on back-up tapes.	M	Yes	Standard	
H2.10	Data recovery – In the event that recovery back to the last backup is not sufficient to recover State Data, the Vendor shall employ the use of database logs in addition to backup media in the restoration of the database(s) to afford a much closer to real-time recovery. To do this, logs must be moved off the volume containing the database with a frequency to match the business needs.	M	Yes	Standard	
NETWORK ARCHITECTURE					
H3.1	The Vendor must operate hosting Services on a network offering adequate performance to meet the business requirements for the State application. For the purpose of this contract, adequate performance is defined as 99.9% uptime, exclusive of the regularly scheduled maintenance window.	M	Yes		99.9% uptime shall relate solely to NORMAL BUSINESS HOURS. Failures to be treated as "DEFICIENCIES" to be resolved as stated in Exhibit G
H3.2	The Vendor shall provide network redundancy deemed adequate by the State by assuring redundant connections provided by multiple Internet Vendors, so that a failure of one Internet connection will not interrupt access to the State application.	M	Yes	Standard	

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H3.3	Where redundant connections are not provided, then the Internet Vendor who provides the Internet service to the Vendor must have their service supplied by a provider(s) that has multiple feeds to ensure that a failure in one of the larger carriers will not cause a failure of the State's Service.	M	No		Redundant vendors are used for internet connection.
H3.4	The Vendor' network architecture must include redundancy of routers and switches in the Data Center.	M	Yes	Standard	All switches and routers are redundant.
HOSTING SECURITY					
H4.1	The Vendor shall employ security measures ensure that the State's application and data is protected.	M	Yes	Standard	
H4.2	If State data is hosted on multiple servers, data exchanges between and among servers must be encrypted.	M	Yes	Standard	
H4.3	All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, shall have aggressive intrusion-detection and firewall protection.	M	Yes	Standard	
H4.4	All components of the infrastructure shall be reviewed and tested to ensure they protect the State's hardware, software, and its related data assets. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide confidentiality, integrity and availability.	M	Yes	Standard	
H4.5	In the development or maintenance of any code, the Vendor shall ensure that the Software is independently verified and validated using a methodology determined appropriate by the State. All software and hardware shall be free of malicious code.	M	Yes	Standard	
H4.6	The Vendor shall notify the State's Project Manager of any security breaches within two (2) hours of the time that the Vendor learns of their occurrence.	M	Yes	Standard	
H4.7	The Vendor shall ensure its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the Vendor' hosting infrastructure and/or the application.	M	Yes	Standard	
H4.8	The Vendor shall be solely liable for costs associated with any breach of State data housed at their location(s) including but not limited to notification and any damages assessed by the courts.	M	Yes	Standard	
H4.9	The Vendor shall authorize the State to perform scheduled and random security audits, including vulnerability assessments, of the Vendor' hosting infrastructure and/or the application upon request.	M	Yes	Standard	

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H4.10	The Vendor shall provide fire detection and suppression system, physical security of and infrastructure security of the proposed hosting facility. The environmental support equipment of the Vendor website hosting facility: power conditioning; HVAC; UPS; generator must be acceptable to the State.	M	Yes	Standard	
SERVICE LEVEL AGREEMENT					
H5.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	Yes	Standard	
H5.2	Maintain the hardware and Software in accordance with the Specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required.	M	Yes	Standard	
H5.3	Repair or replace the hardware or Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	Yes	Standard	
H5.4	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff between the hours of 8:30am to 5:00pm- Monday thru Friday EST.	M	Yes	Standard	
H5.5	The Vendor response time for support shall conform to the specific deficiency class as described below: <ul style="list-style-type: none"> o Class A Deficiency - Software - Critical, does not allow System to operate, no work around, demands immediate action; Written Documentation - missing significant portions of information or unintelligible to State; Non Software - Services were inadequate and require re-performance of the Service. o Class B Deficiency - Software - important, does not stop operation and/or there is a work around and user can perform tasks; Written Documentation - portions of information are missing but not enough to make the document unintelligible; Non Software - Services were deficient, require reworking, but do not require re-performance of the Service. o Class C Deficiency - Software - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; Written Documentation - minimal changes required and of minor editing nature; Non Software - Services require only minor reworking and do not require re-performance of the Service. 	M	Yes	Standard	

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	As part of the Software maintenance agreement, ongoing software maintenance and support issues, shall be responded to according to the following: a. Class A Deficiencies - The Vendor shall have available to the State on-call telephone assistance, with issue tracking available to the State, eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Vendor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request; b. Class B & C Deficiencies –The State shall notify the Vendor of such Deficiencies during regular business hours and the Vendor shall respond back within four (4) hours of notification of planned corrective action; The Vendor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications, Terms and Requirements of the Contract;				
H5.6		M	Yes	Standard	
H5.7	The hosting server for the State shall be available Monday through Friday from 6am to 6pm and on Saturdays from 8am - 4pm, except for during planned scheduled maintenance.	M	Yes		
H5.8	The Vendor will guide the State with possible solutions to resolve issues to maintain a fully functioning, hosted System.	M	Yes	Standard	
H5.9	A regularly scheduled maintenance window shall be identified (such as weekly, monthly, or quarterly) at which time all relevant server patches and application upgrades shall be applied.	M	Yes	Standard	All system maintenance will be outside of regularly scheduled work hours unless agreed to by both parties.
H5.10	The Vendor response time for support shall conform to the specific deficiency class as described in	M	Yes	Standard	
H5.11	The Vendor will give two-business days prior notification to the State Project Manager of all changes/updates and provide the State with training due to the upgrades and changes.	M	Yes	Standard	
H5.12	The Vendor shall guarantee 99.9% uptime, exclusive of the regularly scheduled maintenance window	M	Yes		99.9% uptime shall relate solely to NORMAL BUSINESS HOURS. Failures to be treated as "DEFICIENCIES" to be resolved as stated in Exhibit G.
H5.13	If The Vendor is unable to meet the 99.9% uptime requirement during NORMAL BUSINESS HOURS , The Vendor shall credit State's account in an amount based upon the following formula: (Total Contract Item Price/365) x Number of Days Contract Item Not Provided. The State must request this credit in writing	M	Yes		
H5.14	The Vendor shall use a change management policy for notification and tracking of change requests as well as critical outages.	M	Yes	Standard	

ATTACHMENT 1
STATE OF NH REQUIREMENTS

H5.15	A critical outage will be designated when a business function cannot be met by a nonperforming application and there is no work around to the problem.	M	Yes	Standard	
H5.16	All hardware and software components of the Vendor hosting infrastructure shall be fully supported by their respective manufacturers at all times. All critical patches for operating systems, databases, web services, etc, shall be applied within sixty (60) days of release by their respective manufacturers.	M	Yes	Standard	
H5.17	The Vendor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly on the following: Server up-time; All change requests implemented, including operating system patches; All critical outages reported including actual issue and resolution; Number of deficiencies reported by class with initial response time as well as time to close.	M	Yes	Standard	
H5.18	The Vendor shall provide the State with a personal secure FTP site to be used the State for uploading and downloading files.	M	Yes	Standard	

ATTACHMENT 1
STATE OF NH REQUIREMENTS

SUPPORT & MAINTENANCE REQUIREMENTS

State Requirements		Vendor			
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
SUPPORT & MAINTENANCE REQUIREMENTS					
S1.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	Yes	Standard	
S1.2	Maintain the hardware and Software in accordance with the Specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required.	M	Yes	Standard	
S1.3	Repair or replace the hardware or Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	Yes	Standard	
S1.4	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff between the hours of 8:30am to 5:00pm- Monday thru Friday EST.	M	Yes	Standard	Except for State holidays
S1.5	The Vendor response time for support shall conform to the specific deficiency class as described in Exhibit G Section 2 System Support.	M			
S1.6	The Vendor will guide the State with possible solutions to resolve issues to maintain a fully functioning, hosted System.	M	Yes	Standard	
S1.7	The Vendor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.	M	Yes	Standard	
S1.8	The Vendor shall maintain a record of the activities related to warranty repair or maintenance activities performed for the State:	M	Yes	Standard	
S1.9	For all maintenance Services calls, The Vendor shall ensure the following information will be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue Identified by.	M	Yes	Standard	

ATTACHMENT 1
STATE OF NH REQUIREMENTS

S1.10	The Vendor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.	M	Yes	Standard		
WARRANTY SERVICES						
S2.1	a. Maintain the System Software in accordance with the Specifications and Terms of the Contract.	M	Yes			
S2.2	b. Repair or replace the System Software or any portion thereof so that the System operates in accordance with the Specifications, terms and requirements of the Contract.	M	Yes			
S2.3	c. <VENDOR> shall have available to the State on-call telephone assistance, with issue tracking available to the State, twenty four (24) hours per day and seven (7) days a week with an email / telephone response within two (2) hours of request, with assistance response dependent upon issue severity;	M	Yes			
S2.4	e. Maintain a record of the activities related to warranty repair or maintenance activities performed for the State;	M	Yes			
S2.5	g. The Vendor must work with the State to identify and troubleshoot potentially large-scale Software failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems; and	M	Yes			

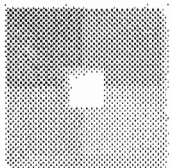
ATTACHMENT 1
STATE OF NH REQUIREMENTS

PROJECT MANAGEMENT

State Requirements			Vendor			
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments	
PROJECT MANAGEMENT						
P1.1	Vendor shall participate in an initial kick-off meeting to initiate the Project.	M	Yes	Standard		
P1.2	Vendor shall provide Project Staff as specified in the RFP.	M	Yes	Standard		
P1.3	Vendor shall submit a finalized Work Plan within ten (10) days after Contract award and approval by Governor and Council. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, critical events, task dependencies, and payment Schedule. The plan shall be updated no less than weekly.	M	Yes	Standard		
P1.4	Vendor shall provide detailed <i>bi-weekly</i> status reports on the progress of the Project, which will include expenses incurred year to date.	M	Yes	Standard	Bi-weekly	
P1.5	All user, technical, and System Documentation as well as Project Schedules, plans, status reports, and correspondence must be maintained as project documentation. (Define how- WORD format- on-Line, in a common library or on paper)	M	Yes	Standard	Microsoft Word, PDF or HTML	

K A P S

System Introduction and Architecture Overview



KELMAR

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Preface

Overview

KAPS offers all of the features and functions that an unclaimed property department requires. Using current technologies, KAPS features flexible workflow focused processing, strong internal controls and comprehensive data management as well as access to the reports and graphs needed to manage your department.

This document provides an overview of Kelmar's KAPS Unclaimed Property System including its differentiators, features, internal controls and data change logging, in addition to our system architecture as described through the enclosed diagrams and sample screens.

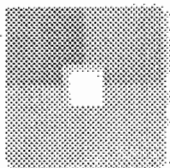
Contact

For more information on KAPS please contact:

Ken Wagers

781-928-9221

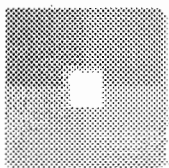
kenneth.wagers@kelmarassoc.com



KELMAR

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Why KAPS is Different

Existing unclaimed property systems are aging

- * Most installed systems are single tier client server systems
- * For most systems, the primary development languages are no longer widely used, and it's difficult to find developers to maintain system code
- * End users have direct access to the system database, allowing potential access to data that should be controlled
- * System architecture is not scalable for high volume processing
- * Accessing and reporting on data change information is difficult
- * Reporting solution is rigid, and doesn't allow for easy end user ad hoc reporting
- * In many departments, multiple external systems are maintained to supplement existing system functionality

Existing database schemas are not designed using current methods

- * Relational integrity is not enforced using foreign key relationships
- * The application allows direct access to data, instead of procedure or view based access
- * Database schemas have typically been designed by hand, instead of using advanced modeling tools
- * Some critical areas provide unnecessary override functions, circumventing system controls

Client service demands are changing

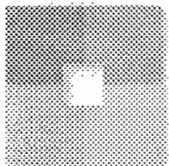
- * The Internet barely existed when most systems were written. In 1995, there were only one million hosts available on the Internet, and approximately 16 million users. Today, in excess of one billion hosts are available, and there are over 2.7 billion Internet users.
- * In 2012, over 80% of the US population actively used the Internet.
- * Customers, including both holders reporting property and consumers claiming property, expect systems to be self service and available at all hours.

Integration with external data

Information sources available to unclaimed property departments have increased greatly. Easily accessible (and well-integrated into KAPS) third party data includes:

- * Social Security Administration's Death Master File
- * National Change of Address database
- * Historical address information
- * Current address information
- * Address delivery verification and certification (CASS)
- * Potential beneficiary information
- * Active email addresses

Integrating these third party data sources assists with paying claims in a consistent, accurate manner, reducing costs to process claims and increasing confidence that the correct person has been paid.



Introduction

Developed using Current Technologies

Technology in software development tools and database systems has been advancing at a tremendous pace. Kelmar is taking advantage of these advances as we develop KAPS.

New Ideas

The world of unclaimed property has also advanced, and the innovative ideas administrators and state officials develop need to be integrated into the systems that manage their department.

Kelmar is developing the next generation system with these ideas in mind, and we are building in flexibility and extensibility for the future.

Workflow Support at Every Step

KAPS is designed to automate many of the common tasks performed by the users as well as help the users determine what work needs to be completed next. In addition, the system provides dashboard reports in major areas so managers can see a visual representation of the workload for their teams and users.

KAPS contains extensive batch processing, allowing for automation of common tasks such as holder report processing, internet generated claims, and other system processes that can be safely completed with minimal user input.

Integrated Data Security

KAPS requires strong passwords, and requires regular change of those passwords.

Data is secured and isolated from the system users, and available only through authorized KAPS interfaces. Confidential data is further secured by system roles, and may only be displayed and reported on by authorized users.

Data Improvement & Authentication

KAPS validates and improves data at every step. The Social Security Administration's Death Master File is used to identify property owners that may be deceased, and will check all claimants' death file status.

It also provides CASS-certified and NCOA verified mailing addresses when generating mailings from the system. As desired, KAPS will allow claimants to be authenticated through third party systems.

Product Quality Built In

As we develop our systems, we integrate testing into every step. Every new build of the application will run through an extensive automated battery of tests to help insure that problems are identified and solved before you run the system.

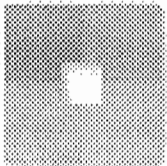
Clients will access a remote site to test new versions, modules and features of the KAPS system without installing or updating your production systems.

Easy Updates

Kelmar's development process will allow you to more easily stay on the current release of our products. We automate the database and application update process so upgrading to new versions will be a snap. Of course, you maintain full control of when to update as well as the option of deploying to a test system first.

Improved Support and Training

We understand that support for our systems is a critical component of making KAPS work for you. Our support organization will work with the latest tools, updated documentation and knowledge bases. We'll make ourselves available in your offices or remotely to ensure that you're getting the most out of your system.



KELMAR

Features

Holder Report Processing

- * Automated load of files from FTP, Web and network locations
- * Automated error checking of loaded files
- * Auto correction of common errors
- * User editing of holder data is strictly limited
- * Email notification to Holder Contact of report status, acceptance and rejections
- * Permanent error reporting history
- * Automated reconciliation when reports are in balance
- * Strict control and complete change log control of activities related to properties, reports and the reconciliation process

Receipts Processing

- * Receipts tracking for Cash, Securities and Tangible Property
- * Receipts links to all areas of property values in KAPS
- * Separation of duties for data entry and reconciliation of receipt batches
- * Integration with state revenue systems in order to reconcile recorded receipts in KAPS with receipts received state revenue system.

Owner Notification

- * User management of extract criteria
- * User management of output format
- * Process to update address information from external sources
- * User management of address import format
- * CASS certified mailings
- * Tracking of all outreach activity

Claims Processing

- * Claim tracking and staff assignment
- * Workflow assigned to each claim
- * Flexible approval matrix tied to workflow
- * Automated claims import – manage only exceptions
- * Option for integrated third party authentication services
- * SSA Death Master File status confirmation for owners and claimants
- * Automated tracking of all actions on a claim

Claims Payment

- * Improved automation for the claims payment process
- * Tracking of issued, cancelled and reissued checks

Securities Processing

- * Complete securities tracking
- * Track transfers between custodial accounts
- * Allows individual custodian sub-accounts
- * Reconciliation between KAPS and custodian

Reporting & Business Intelligence

- * Dashboard style reporting for key system areas
- * Run reports on an automated schedule
- * Ad Hoc report writing capability

Website Integration

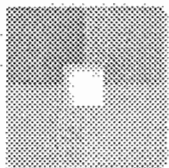
- * Full Claimant integration options, including filing claims, publishing claims status and daily removal of ineligible properties
- * Full Holder integration, including filing of positive and negative holder reports, optional payment integration, and report status publishing

System Wide Features

- * Configurable data element change tracking
- * Team based security model
- * Integrated document management, including option to email forms to claimants, owners and holders
- * Easy system configuration
- * Highly normalized database model

Implementation

- * Enterprise-class Kelmar hosted solution
- * Simple user client installation
- * Browser based application delivery
- * All major internet browsers supported
- * Improved process to update system to latest releases
- * Automated system testing integrated into every build cycle



KELMAR

Internal Controls

The matrix below indicates system role groups that are assigned to users in the KAPS system. Each role group contains a series of detailed roles that make up the responsibilities for that group. KAPS will not allow users to be a member of multiple role groups where it could create a conflict with recommended internal control procedures. For example, a system user with responsibility for processing Holder Reports should not be allowed to process claims.

A preliminary example of Role Group Exclusions is shown below:

	Holder Reporting	Holder Report Import	Claim Processing	Receipts Management	Tangible Management	Securities Management	Owner Notifications	Administer Reference Tables	Administer Users	Administer Claims	Holder Audit	Batch Processing
Holder Reporting	Y	Y	N	Y	Y	Y	Y	N	N	N	Y	Y
Holder Report Import	Y	Y	N	N	Y	Y	Y	N	N	N	Y	Y
Claim Processing	N	N	Y	N	N	N	N	N	N	Y	Y	Y
Receipts Management	N	N	N	Y	N	N	Y	N	N	N	Y	Y
Tangible Management	Y	Y	N	N	Y	Y	Y	N	N	N	Y	Y
Securities Management	Y	Y	N	N	Y	Y	Y	N	N	N	Y	Y
Owner Notifications	Y	Y	N	Y	Y	Y	Y	N	N	N	Y	Y
Administer Reference Tables	N	N	N	N	N	N	N	Y	N	N	N	N
Administer Users	N	N	N	N	N	N	N	N	Y	N	N	N
Administer Claims	N	N	Y	N	N	N	N	N	N	Y	Y	Y
Holder Audit	Y	Y	Y	N	Y	Y	Y	N	N	Y	Y	Y
Batch Processing	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y

Y - Okay to Assign
N - Should Not Assign

In addition to the role groups, users are individually assigned Claims Workflow roles where appropriate. For example, a user in the Claims Processing role group may be assigned the Claims Initial Approval role, but not the Second Level Approval role.

Other key system roles, such as the ability to reconcile or un-reconcile reports are also assigned individually rather than through general team membership to limit access to key functions within the system.



Data Change Logging

KAPS provides for a comprehensive system to track changes to and deletions of data within the system. The tracking system is configurable, allowing each client to determine what information is critical to track.

Deleted Records

For tables with deleted record tracking enabled, a complete copy of the deleted record is retained. The data retained includes the user who initiated the delete, and when the record was deleted.

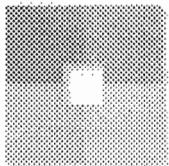
Updated Information

For table columns that have change tracking enabled, the following information is maintained for each changed column:

- ✦ The Primary Key of the record changed
- ✦ The Column Name that was changed
- ✦ The value of the information in the column before change
- ✦ The value of the information in the column after change
- ✦ The User who initiated the change
- ✦ The date and time when the information was changed

Structuring the data in the manner allows KAPS to easily provide detailed information to answer such questions as:

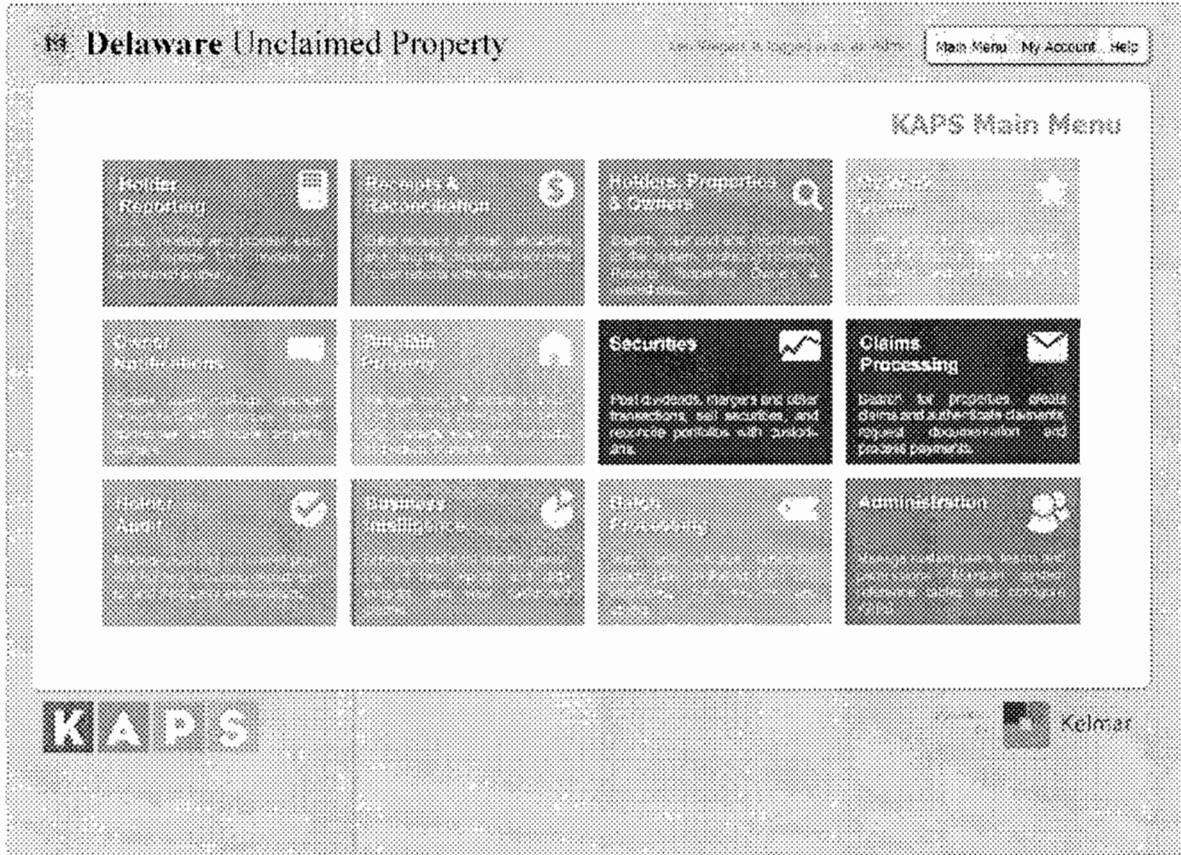
- ✦ What changes were made to owners and properties on Report ID 75894?
- ✦ Who changed the Owner Name on Property ID 1247817?
- ✦ How many data elements were updated by system user MSMITH between two dates?
- ✦ How many changes have there been to the Claimant Name fields?
- ✦ How many records were deleted from the Property table this year?



Sample Screens

Main Menu

From the main menu, users have access to all areas of the system. Navigation is easy, quick and well organized.



Holder Reports with Errors

This screen shows Holder Reports that have loaded where errors exist. As in other areas of KAPS, the system brings to your attention the information that needs attention.

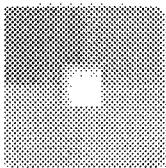
Delaware Unclaimed Property

[Main Menu](#)
[My Account](#)
[Help](#)

Holder Reports

Holder Reports

Holder Report ID	File ID	Report Date	Holder Name	Holder	Errors	Warnings	Progress Count	Amount
607	1130	06/27/2013	ABC COMPANY	Report Errors Desc	7	0	149	
608	1036	06/27/2013	ABC COMPANY	Report Errors Desc	7	0	149	
672	1110	07/04/2013	WILBINKI GIBBS&I COMPANY	Report Errors Desc	8	0	7	
674	1112	07/04/2013	WILBINKI GIBBS&I COMPANY	Report Errors Desc	3	1	25	
674	1126	06/04/2013	PENNSIL BANK AND TRUST	Report Errors Desc	3	1	90	
685	1127	06/04/2013	PENNSIL BANK AND TRUST	Report Errors Desc	3	2	90	
686	1128	06/04/2013	PENNSIL BANK AND TRUST	Report Errors Desc	3	1	90	
687	1129	06/04/2013	PENNSIL BANK AND TRUST	Report Errors Desc	4	0	63	
697	1138	07/11/2013	SENY-TH BANK	Report Errors Desc	5	7	11	
698	1140	07/11/2013	SENY-TH BANK	Report Errors Desc	8	1	10	
697	1138	07/11/2013	SENY-TH BANK	Report Errors Desc	20	4	12	
790	1141	07/11/2013	STANTON BANK	Report Errors Desc	9	3	14	



Electronic Holder Report Detailed Information

Delaware Unclaimed Property
Web Menu My Account Help

2019 Report > Holders Reporting > Holders > 10111 > Report Information
Report Information

Report Details

Case Report ID: 10111

Case Created: 10/15/2019

Report Status: Pending for Information

Report Type

Report Type: Annual Report

Report Period: 12/31/2018

Reporting Information

Reporting Contact Name: Investment Manager

Address: 9-10 BROADWAY DR, WILMINGTON, DE 19800

Phone: 302-441-1000

Country: USA

Report Text

Report Text: 10111

Reporting Contact Name: Investment Manager

Address: 9-10 BROADWAY DR, WILMINGTON, DE 19800

Phone: 302-441-1000

Country: USA

Case Details

Case Name: 10111

Case Type: Annual Report

Case Status: Pending for Information

Match Details

Match Status: No

Match Reason: No Match

Report Summary

REPORTED	ADDITIONS	DELETIONS	REVERTED	MATCH REASON
10111	0	0	0	No Match
10111	0	0	0	No Match
10111	0	0	0	No Match
10111	0	0	0	No Match
10111	0	0	0	No Match

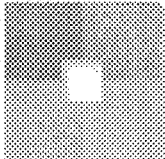
Report Details

Report ID: 10111

Report Name: Annual Report

Report Period: 12/31/2018

Report Status: Pending for Information



Receipts In Process

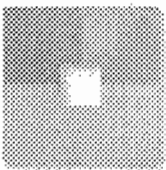
This screen displays receipt batches that are not completed, and require further processing.

Delaware Unclaimed Property

[Home](#) | [My Account](#) | [Help](#)

Receipt Batches List
Grouped by: Receipt Date

Batch ID	Batch Number	Receipt Date	Disposal Date	Closed Date	Assignment Status	Batch Status	Receipt Count	Total Value
70	149	07/15/2013	07/16/2013	10/17/2013	Yes	Processed - Fully Assigned	10	\$11,000
21	701	07/23/2013	07/27/2013		No	In Process - Not Assigned	2	\$300
12	0541	07/23/2013	07/24/2013		No	In Process - In Balance	7	\$40,000
33	084	07/23/2013	07/23/2013		No	In Process - In Balance	6	\$234
20	0786	08/02/2013	08/02/2013		No	In Process - Not Assigned	31	\$15,400
25	0784	08/02/2013	08/02/2013		No	In Process	11	\$20,000
17	139	08/07/2013	08/07/2013		No	In Process - Not Assigned	9	\$30,000
28	0815	08/07/2013	08/07/2013		No	In Process - Not Assigned	8	\$17,000



Receipt Batch Detail

This screen displays the details of a batch, and provides the tools to manage individual receipts.

Delaware Unclaimed Property
Main Menu My Account Help

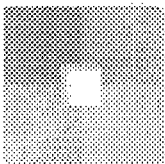
View Batch Details

Batch Status	Batch ID	Batch Number	Batch Date	Default Date	Grand Total	Adjustment Batch
In Process - 0%	24	00000000000000000000	01/01/2013	01/01/2013	0.00	

	CONTEXT	RECEIPT DETAIL	REFERENCE	APPLIED
Receipt Count	2	4	0	0
Cost	\$100.00	\$100.00	\$100.00	\$100.00
Payments	\$40	\$40	\$40	\$40
Due Date	01/01/2013	01/01/2013	01/01/2013	01/01/2013

Receipt ID	Receipt Type	Receipt Description	Check Number	Original Date	Check Type	Local Cash	Applied Amt	Y
101	Holder Support Payment		875298	07/24/2011	Check	\$10.00	\$10.00	0
102	Holder Support Receipt		875001	08/20/2012	Check	\$90.00	\$90.00	0
103	Holder Support Receipt		1234	09/11/2011	Check	\$100.00	\$0.00	0
100	Holder Support Receipt	100000		10/01/2012		\$0.00	\$0.00	0

1 of 4 pages



Receipt Detail

This screen is used for editing receipts. Only fields used for the current receipt type are displayed, speeding entry through the form.

Delaware Unclaimed Property Main Menu My Account Help

Receipts List - 04/20/2013

Receipt Detail

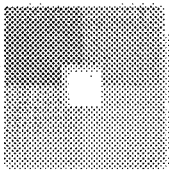
Receipt No: 473225
 Return Date: 03/22/2013
 Return Type: Holder Report Receipt

Receipts Reported: 1000
 Amount Reported: 1000
 Credit Amount: 0
 Credit Date: 03/22/2013

Receipts Reported: 1000
 Amount Reported: 1000
 Credit Amount: 0
 Credit Date: 03/22/2013

Paper: 20-104-1705
 Description: 0-950-11 Corp Profit Based Remit
 State: Delaware
 Verified Date: 03/22/2013

Receipt No	Receipt Description	Amount	Date	Type	Balance	Unpaid
473225	Holder Report Receipt	1000	03/22/2013	Holder	1000	0
473225	Holder Report Receipt	1000	03/22/2013	Holder	1000	0
473225	Holder Report Receipt	1000	03/22/2013	Holder	1000	0



Holders

From the holder search screen, the user can see both a list of holders, and the detailed information for their reports, contacts, extensions, and other information.

Delaware Unclaimed Property Main Menu My Account Help

Holder

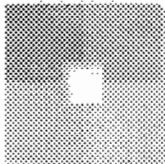
Holder ID	Holder Name	Legal	Tax ID	Address	City	Zip	Check	Status	Exp. Date
22	AMERICAN AIRLINES INC		500322321		MEMPHIS			Act	01/01/19
13	AMERICAN AIRLINES		112102117	306 BALDWIN ST	MEMPHIS			Act	01/01/19
28	AMERICAN AIRLINES INC		542784408		MEMPHIS		10/01	Act	01/01/19
40	AMERICAN AIRLINES INC		411732118		MEMPHIS			Act	01/01/19
23	AMERICAN AIRLINES INC		304932440		MEMPHIS			Act	01/01/19
25	AMERICAN AIRLINES INC		112102117		MEMPHIS			Act	01/01/19
27	AMERICAN AIRLINES INC		126154451		MEMPHIS			Act	01/01/19
18	AMERICAN AIRLINES INC		112102117	2190 MEMPHIS			10/01	Act	01/01/19
24	AMERICAN AIRLINES INC		322441702					Act	01/01/19
42	AMERICAN AIRLINES INC		088697117		MEMPHIS		10/01	Act	01/01/19
46	AMERICAN AIRLINES INC		180136018	1101 MEMPHIS				Act	01/01/19

2 of 2 items

Report ID: Report Name: Report Type: Extended Date: Report Status: Reporting Date: Reporting Date: Reporting Date

Report ID	Report Name	Report Type	Extended Date	Report Status	Reporting Date	Reporting Date	Reporting Date
13	AMERICAN AIRLINES INC	Annual Report					
23	AMERICAN AIRLINES INC	Annual Report					
25	AMERICAN AIRLINES INC	Annual Report					

2 of 2 items



Holder Reports

The Holder Reports screen provides quick access to a list of reports, with all of the details shown at the bottom of the search grid.

Delaware Unclaimed Property

Home | Search | Reports | My Account | Help

Reports

Report ID	Holder ID	Holder Name	Report ID	Report Type	Report Date	Unclaimed Amount
10	1	ABC COMPANY		Annual Report	11/30/2011	20%
11	2	XYZ COMPANY		Annual Report	11/30/2011	20%
12	3	DEF COMPANY		Annual Report	11/30/2011	20%
13	4	GHI COMPANY		Annual Report	11/30/2011	20%
14	5	JKL COMPANY		Annual Report	11/30/2011	20%
15	6	MNO COMPANY		Annual Report	11/30/2011	20%
16	7	PQR COMPANY		Annual Report	11/30/2011	20%
17	8	STU COMPANY		Annual Report	11/30/2011	20%
18	9	VWX COMPANY		Annual Report	11/30/2011	20%
19	10	YZA COMPANY		Annual Report	11/30/2011	20%
20	11	BCD COMPANY		Annual Report	11/30/2011	20%
21	12	EFG COMPANY		Annual Report	11/30/2011	20%
22	13	HIJ COMPANY		Annual Report	11/30/2011	20%
23	14	KLM COMPANY		Annual Report	11/30/2011	20%
24	15	NOP COMPANY		Annual Report	11/30/2011	20%
25	16	QRS COMPANY		Annual Report	11/30/2011	20%
26	17	TUV COMPANY		Annual Report	11/30/2011	20%
27	18	WXY COMPANY		Annual Report	11/30/2011	20%
28	19	ZAB COMPANY		Annual Report	11/30/2011	20%
29	20	XYZ COMPANY		Annual Report	11/30/2011	20%
30	21	ABC COMPANY		Annual Report	11/30/2011	20%
31	22	DEF COMPANY		Annual Report	11/30/2011	20%
32	23	GHI COMPANY		Annual Report	11/30/2011	20%
33	24	JKL COMPANY		Annual Report	11/30/2011	20%
34	25	MNO COMPANY		Annual Report	11/30/2011	20%
35	26	PQR COMPANY		Annual Report	11/30/2011	20%
36	27	STU COMPANY		Annual Report	11/30/2011	20%
37	28	VWX COMPANY		Annual Report	11/30/2011	20%
38	29	YZA COMPANY		Annual Report	11/30/2011	20%
39	30	ABC COMPANY		Annual Report	11/30/2011	20%
40	31	DEF COMPANY		Annual Report	11/30/2011	20%
41	32	GHI COMPANY		Annual Report	11/30/2011	20%
42	33	JKL COMPANY		Annual Report	11/30/2011	20%
43	34	MNO COMPANY		Annual Report	11/30/2011	20%
44	35	PQR COMPANY		Annual Report	11/30/2011	20%
45	36	STU COMPANY		Annual Report	11/30/2011	20%
46	37	VWX COMPANY		Annual Report	11/30/2011	20%
47	38	YZA COMPANY		Annual Report	11/30/2011	20%
48	39	ABC COMPANY		Annual Report	11/30/2011	20%
49	40	DEF COMPANY		Annual Report	11/30/2011	20%
50	41	GHI COMPANY		Annual Report	11/30/2011	20%
51	42	JKL COMPANY		Annual Report	11/30/2011	20%
52	43	MNO COMPANY		Annual Report	11/30/2011	20%
53	44	PQR COMPANY		Annual Report	11/30/2011	20%
54	45	STU COMPANY		Annual Report	11/30/2011	20%
55	46	VWX COMPANY		Annual Report	11/30/2011	20%
56	47	YZA COMPANY		Annual Report	11/30/2011	20%
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58	49	DEF COMPANY		Annual Report	11/30/2011	20%
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76	67	DEF COMPANY		Annual Report	11/30/2011	20%
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80	71	PQR COMPANY		Annual Report	11/30/2011	20%
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82	73	VWX COMPANY		Annual Report	11/30/2011	20%
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91	82	VWX COMPANY		Annual Report	11/30/2011	20%
92	83	YZA COMPANY		Annual Report	11/30/2011	20%
93	84	ABC COMPANY		Annual Report	11/30/2011	20%
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119	110	YZA COMPANY		Annual Report	11/30/2011	20%
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121	112	DEF COMPANY		Annual Report	11/30/2011	20%
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123	114	JKL COMPANY		Annual Report	11/30/2011	20%
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125	116	PQR COMPANY		Annual Report	11/30/2011	20%
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141	132	JKL COMPANY		Annual Report	11/30/2011	20%
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145	136	VWX COMPANY		Annual Report	11/30/2011	20%
146	137	YZA COMPANY		Annual Report	11/30/2011	20%
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148	139	DEF COMPANY		Annual Report	11/30/2011	20%
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150	141	JKL COMPANY		Annual Report	11/30/2011	20%
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152	143	PQR COMPANY		Annual Report	11/30/2011	20%
153	144	STU COMPANY		Annual Report	11/30/2011	20%
154	145	VWX COMPANY		Annual Report	11/30/2011	20%
155	146	YZA COMPANY		Annual Report	11/30/2011	20%
156	147	ABC COMPANY		Annual Report	11/30/2011	20%
157	148	DEF COMPANY		Annual Report	11/30/2011	20%
158	149	GHI COMPANY		Annual Report	11/30/2011	20%
159	150	JKL COMPANY		Annual Report	11/30/2011	20%
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161	152	PQR COMPANY		Annual Report	11/30/2011	20%
162	153	STU COMPANY		Annual Report	11/30/2011	20%
163	154	VWX COMPANY		Annual Report	11/30/2011	20%
164	155	YZA COMPANY		Annual Report	11/30/2011	20%
165	156	ABC COMPANY		Annual Report	11/30/2011	20%
166	157	DEF COMPANY		Annual Report	11/30/2011	20%
167	158	GHI COMPANY		Annual Report	11/30/2011	20%
168	159	JKL COMPANY		Annual Report	11/30/2011	20%
169	160	MNO COMPANY		Annual Report	11/30/2011	20%
170	161	PQR COMPANY		Annual Report	11/30/2011	20%
171	162	STU COMPANY		Annual Report	11/30/2011	20%
172	163	VWX COMPANY		Annual Report	11/30/2011	20%
173	164	YZA COMPANY		Annual Report	11/30/2011	20%
174	165	ABC COMPANY		Annual Report	11/30/2011	20%
175	166	DEF COMPANY		Annual Report	11/30/2011	20%
176	167	GHI COMPANY		Annual Report	11/30/2011	20%
177	168	JKL COMPANY		Annual Report	11/30/2011	20%
178	169	MNO COMPANY		Annual Report	11/30/2011	20%
179	170	PQR COMPANY		Annual Report	11/30/2011	20%
180	171	STU COMPANY		Annual Report	11/30/2011	20%
181	172	VWX COMPANY		Annual Report	11/30/2011	20%
182	173	YZA COMPANY		Annual Report	11/30/2011	20%

My Work Queue

The "My Work Queue" screen is a centralized place for system users to see all work that has been assigned. It provides quick access to go right to each system area to see the details.

Delaware Unclaimed Property | Home | My Account | Help

My Work Queue

System	Priority	Description	Date	Status	Assigned To	Assigned
PR Report	201	DALLAS CR COMPANY	1/10/2015	Review - Mail Sent	Ken Wagers	Transfer Fee
PR Report	200		6/25/2013	Report Errors Sent	Ken Wagers	Notice Fee
PR Report	200	DAVE CR TRUST	7/29/2013	Report Errors Sent	Ken Wagers	Notice Fee
Notice Notice	20	225	6/7/13/2013	Closed & Int. Mail Applied	Ken Wagers	
Notice Notice	20	300	6/7/13/2013	In Process - Mail Scheduled	Ken Wagers	
Notice Notice	20	300	6/7/13/2013	In Process - Mail Scheduled	Ken Wagers	
Notice Notice	20	300	6/7/13/2013	In Process - Mail Scheduled	Ken Wagers	
Notice Notice	20	300	6/7/13/2013	In Process - Mail Scheduled	Ken Wagers	
Notice Notice	20	300	6/7/13/2013	In Process - Mail Scheduled	Ken Wagers	
Notice Notice	20	300	6/7/13/2013	In Process - Mail Scheduled	Ken Wagers	

KAPS Kelmar

Securities Custodians

This screen shows securities custodians. Select a custodian, and the custodial transactions appear at the bottom of the screen.

Delaware Unclaimed Property Main Menu My Account Help

Custodian Management

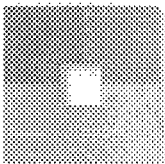
Custodian Name:

Custodian ID	Custodian Name	Custodian Type	Tax Reporting Type	Tax Identifier	EIN/SSAN	Address	Action
1	Wells Fargo						
3	Republic Indefinite						
4	Lincoln National Bank						

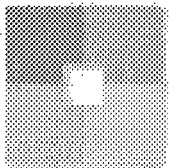
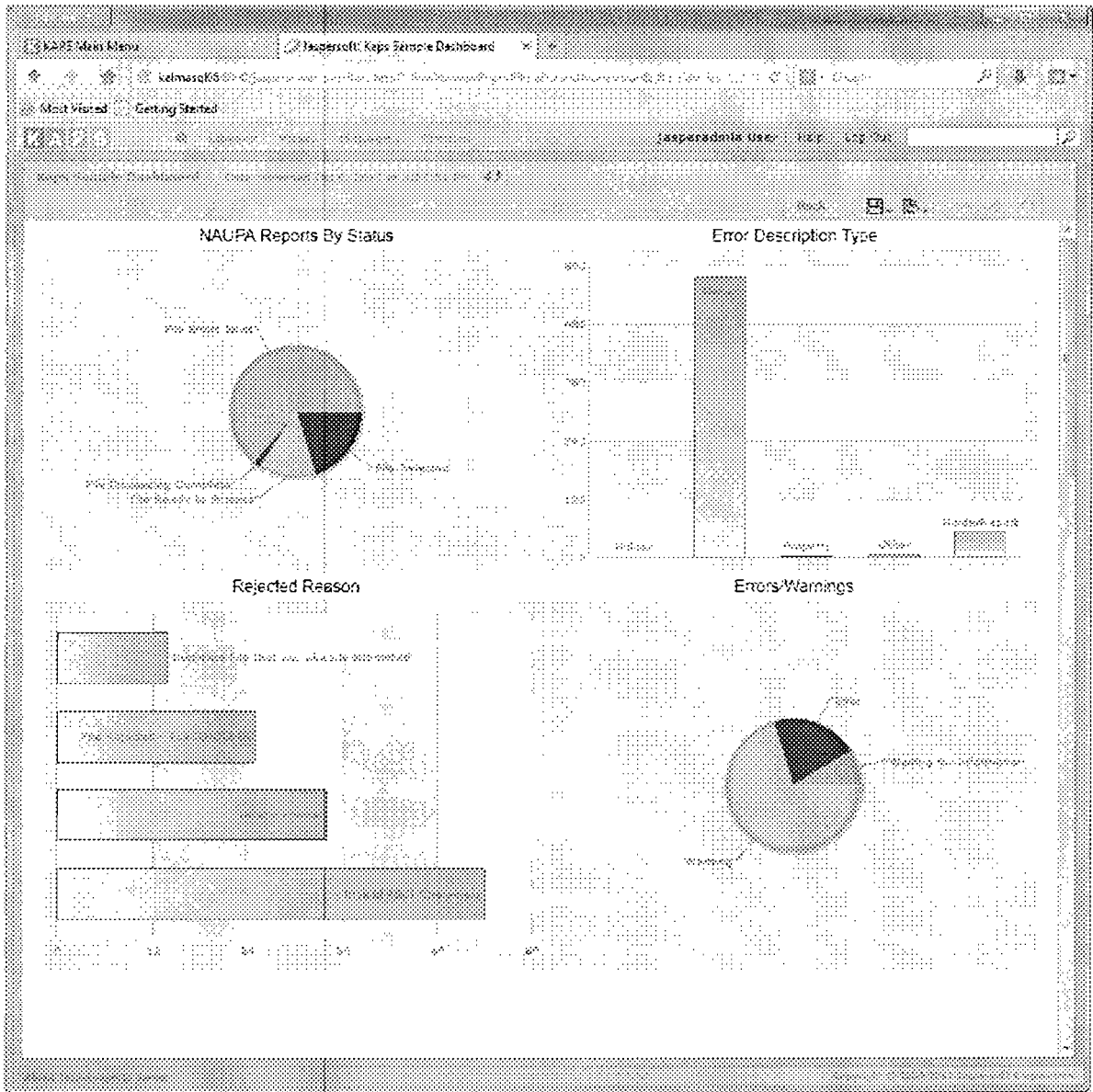
Custodian Transactions

Transaction ID	Security ID	Security Name	Custodian Type	Status	Acquire Date	Acquisition Date	Cost Basis
1	100	Brownie Holdings Corp	Cash Overhead	Open	01/23/2014	02/26/2014	\$4.50
2	101	Windsor Minerals Corp	Cash Overhead	Posted	01/23/2014	01/23/2014	345.50
3	102	Republic National Bank	Safe	Open			0.70
4	103	Bank of America Bank	Cash Overhead	Open	01/23/2014	01/23/2014	25.00
5	104	Bank of America Bank	Cash Overhead	Open	01/23/2014	01/23/2014	25.00
6	105	Bank of America Bank	Cash Overhead	Open	01/23/2014	01/23/2014	25.00

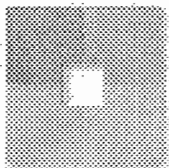
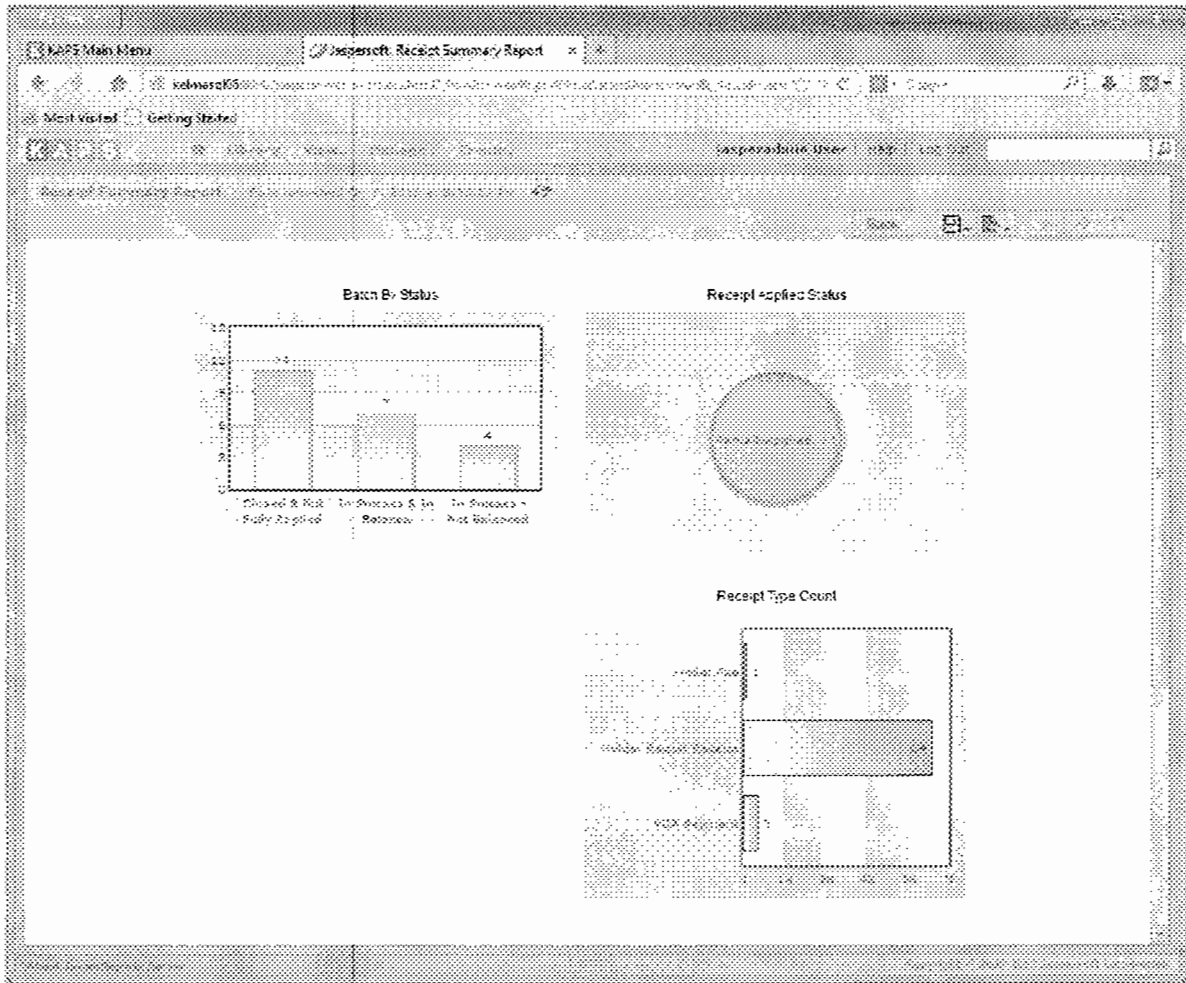
KAPS Kelmar



Sample Dashboard -- Holder Reporting



Sample Dashboard -- Receipts Processing





Sample Reporting -- Data Change Report

KAPS Main Menu | JasperSoft: Kaps Charge Tracking

Most Visited: Getting Started

KAPS Change Status Report

Changes made between: 10/01/2010 and 10/31/2010

Table	Parent ID	Field Changes	Record ID	Value Before	Value After	User ID	Change Date
Account	1	Account	1	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	2	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	3	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	4	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	5	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	6	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	7	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	8	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	9	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	10	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	11	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	12	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	13	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	14	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	15	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	16	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	17	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	18	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	19	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	20	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	21	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	22	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	23	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	24	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	25	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	26	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	27	1000000000	1000000000	1000000000	10/01/2010
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Account	1	Account	33	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	34	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	35	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	36	1000000000	1000000000	1000000000	10/01/2010
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Account	1	Account	38	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	39	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	40	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	41	1000000000	1000000000	1000000000	10/01/2010
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Account	1	Account	44	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	45	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	46	1000000000	1000000000	1000000000	10/01/2010
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Account	1	Account	48	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	49	1000000000	1000000000	1000000000	10/01/2010
Account	1	Account	50	1000000000	1000000000	1000000000	10/01/2010

Page 1 of 1



KELMAR ASSOCIATES, LLC

UNANIMOUS WRITTEN CONSENT OF MANAGEMENT COMMITTEE

The undersigned, being all of the Members of the Management Committee of Kelmar Associates, LLC, a Delaware limited liability company (the "Company"), hereby unanimously consent, approve, and adopt as of the 8th day of April, 2014 the following resolutions pursuant to Article 5.1 of the Operating Agreement:

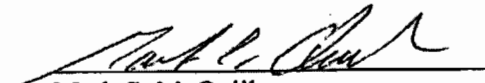
RESOLVED: That the Company shall enter into a contract with the State of New Hampshire (the "State") for the purpose of providing the State with: (a) a non-exclusive license to utilize the Company's state-of-the-art unclaimed property management system, KAPS™ and (b) maintenance and support services for the aforementioned KAPS™ System, for a period of five (5) years (the "New Hampshire KAPS Contract").

RESOLVED: That, pursuant to Section 5.1 (a) of the Operating Agreement, the Members hereby authorize David P. Kennedy, General Counsel & Member of Kelmar Associates, LLC (hereinafter the "General Counsel") to enter into the New Hampshire Contract. The terms of such contract shall be at the discretion of the General Counsel as he deems appropriate, and upon which the General Counsel is authorized to sign and bind the Company to the terms of the New Hampshire KAPS Contract.

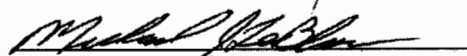
RESOLVED: That the General Counsel, acting on behalf of the Company, be authorized and directed by the Members to execute and deliver, and to file with the proper governmental officials, all certificates and instruments contemplated by the New Hampshire KAPS Contract and/or the renewal thereof, with such changes therein and additions thereto as the General Counsel shall in his sole discretion approve, such approval to be evidenced conclusively by his execution and delivery thereof.

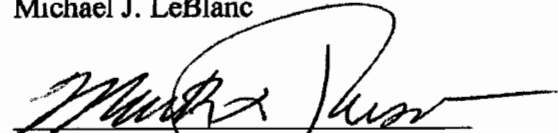
This Unanimous Written Consent of the Management Committee may be executed in one or more counterparts, and shall be filed with the minutes of the meetings of the Management Committee of the Company and shall be treated for all purposes as resolutions taken at a meeting on the 8th of April, 2014.

MEMBERS:


Mark S. McQuillen


David P. Kennedy


Michael J. LeBlanc


Mark X. Russo

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Kelmar Associates, LLC, a(n) Delaware limited liability company registered to do business in New Hampshire on January 11, 2002. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 13th day of March, A.D. 2014

William M. Gardner
Secretary of State

NOTEPAD

INSURED'S NAME KELMAR ASSOCIATES, LLC

KELMA-1
OP ID: EH

PAGE 2
DATE 09/27/13

MANAGEMENT LIABILITY

Directors & Officers \$3,000,000
Employment Practices Liability \$3,000,000
Fiduciary Liability \$3,000,000
Crime \$5,000,000

D. Endurance American Specialty Insurance Company

DATA PRIVACY

Media Liability \$5,000,000
Security & Privacy \$5,000,000
Regulatory Proceeding Sublimit \$3,000,000
Privacy Breach Costs \$3,000,000
Business Income Loss \$5,000,000
Digital Asset Loss \$5,000,000
Cyber Extortion Threat \$5,000,000

