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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/doiit

Denis Goulet  
Commissioner

June 10, 2015

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

*Sole Source*

REQUESTED ACTION

1. Authorize the Department of Information Technology on behalf of the Department of Corrections (DOC) to enter into a **sole source** contract amendment (Encumbrance #100842) with Kalos, Inc. (Vendor #170048), of Topeka, Kansas by increasing the contract amount by \$27,045.00 from \$133,401.00 to \$160,446.00 for ongoing support and maintenance services for the Pharmacy Software System.
2. Further authorize the Department to extend the expiration date of the contract from June 30, 2015 to June 30, 2016.

Funding is available in the following account: Agency Software Division, contingent upon the availability and continued appropriation of funds. **100% Other (Agency Class 27) funds: the Agency Class 027 used by the Department of Corrections to reimburse DoIT for this maintenance service is 100% General Funds.**

FY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME-AGENCY NAME-ACCTG UNIT NAME CLASS CODE-ACCOUNT CODE -OBJ (ACCOUNT) DESC	JOB #	AMOUNT
2016	01-03-03-030010-76460000- DoIT- IT for DOC 046-500465 - Consultants	03460009	\$27,045.00

EXPLANATION

The amendment is **sole source** because there is no other vendor able to maintain this **proprietary software**. The State does not have funding to replace this system at this time and to do so would be premature since the current system is operating well and meeting the Department's business needs.

This amendment is to provide ongoing software support and maintenance for the Kalos pharmacy software system called "CIPS" (Correctional Institution Pharmacy System), procured through a competitive RFP process in November of 2006. The New Hampshire Department of Corrections fills approximately 17,000 prescriptions monthly, servicing 1,700 inmates from a central pharmacy. The inmates are housed in four facilities across the state, including outpatient and inpatient services, as well as a psychiatric unit. Pharmacy software is used to fill prescriptions, keep a record/history of those prescriptions, track controlled substances, monitor costs, screen for drug interactions and allergies, and provide the records and histories as required by generally accepted pharmaceutical practices and accreditation agencies. The original contract was approved by Governor and Council on November 15, 2006, Item Number 10A, and subsequently amended on April 1, 2009, Item Number 7 and on June 8, 2011, Item Number 8.

It is critical that the State maintain a functional pharmacy management system supporting the prison system. The consequences of not maintaining this system could result in the violation of the Laaman Decree and the Holliday Decision, which demands the timely delivery of the appropriate medications. The Department of Corrections is required by law to provide correct medication to inmates in an appropriate timeframe. Failure to comply will result in wasted medications through expiration and untimely delivery. Examples of critical medications include illness involving heart and seizure conditions. The impact of missing these medications could lead to hospitalization and a reluctance of contracted licensed medical practitioners to work with DOC because of fear of malpractice.

The Department of Information Technology respectfully requests approval of this contract.

Respectfully submitted,



Denis Goulet  
Commissioner



**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](http://www.nh.gov/doit)

**Denis Goulet**  
*Commissioner*

June 8, 2015

William L. Wrenn  
Commissioner  
State of New Hampshire  
Department of Corrections  
105 Pleasant St.  
Concord, NH 03302-1806

Dear Commissioner Wrenn:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your request to have DoIT enter into a contract amendment, for the benefit of the Department of Corrections, with Kalos Inc., Topeka, Kansas, as described below and referenced as DoIT No. 2006-113C.

This is a request to enter into Contract Amendment B to provide ongoing support, maintenance, and enhancements for the Department of Corrections' Pharmacy Management System. The amendment extends the expiration of the contract from June 30, 2015 to June 30, 2016. The amount of the amendment is \$27,045.00, increasing the contract funding from \$133,401.00 to \$160,446.00.

A copy of this letter will accompany the Department of Information Technology's submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet".

Denis Goulet

DG/ltn  
Amendment 2006-113C  
A&E RID #17233

cc: Leslie Mason, IT Manager, DOIT  
Linda Socha, IT Manager, DOIT

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
CONTRACT AMENDMENT C**

WHEREAS, pursuant to an Agreement approved by Governor and Council, as a result of RFP #2006-113, on November 15, 2006, Item #10A, and subsequently amended on April 1, 2009 Item #7 and on June 8, 2011 Item #8, (herein after referred to as the "Agreement"), Kalos, Inc. (hereinafter referred to as "Vendor"), agreed to supply certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of Information Technology (hereinafter referred to as the "Department") acting for the benefit of the Department of Corrections (hereinafter referred to as the "Agency"), certain sums as specified therein;

WHEREAS, the Agency, Department and Vendor have agreed to amend the Agreement in certain respects;

WHEREAS, the Agency wishes to continue the services, the Agency, Department, and Vendor seek to clarify the Agreement;

WHEREAS, the Agency and Department wish to extend the Contract completion date from June 30, 2015 to June 30, 2016;

WHEREAS, the Department wishes to increase the Contract price by \$27,045 to bring the total contract price from \$133,401.00 to \$160,446.00.

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties agree as follows:

The Agreement is hereby amended as follows:

1. Amend Section 1.6 of the Statement of Work of the Agreement to reflect a new completion date of June 30, 2016.
2. Amend Section 1.8 of the Statement of Work of the Agreement by increasing the Price Limitation by \$27,045 from \$133,401.00 to \$160,446.00.
3. The Scope of Work of the Agreement is further amended as described in Table 1:

**Table 1**

AMENDMENT C	
<b>Statement of Work Section 1: Contract</b>	<p><b>Add the following section to Statement of Work Section 1: Contract</b></p> <p>1.4 Kalos shall provide a perpetual License and Implementation Services for Correctional Institution Pharmacy System Software ("CIPS"), in addition to ongoing technical support and software maintenance Services. As requested by the State, Kalos shall provide Enhancement Services as defined in any Change Orders, including but not limited to, interfaces to the Department of Correction's Electronic Health Records System.</p>
<b>Statement of Work Section 2: Term of Contract</b>	<p><b>Delete the following language:</b></p> <p>The Contract will begin on the Effective Date and extend through December 30, 2011. The Term may be extended for an additional period of one (1) year, at the sole option of the State, subject to the parties prior written agreement on applicable fees for the extended term.</p>

Initial all pages  
Vendor Initials *AD*

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
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	<p><b>And replace with:</b></p> <p>The Contract will begin on the Effective Date and extend through June 30, 2016.</p>				
<p><b>Statement of Work Section 11: Intellectual Property</b></p>	<p>Delete Section 11.6 Survival and replace with:</p> <p><b>11.6 State's Data And Property</b></p> <p>All rights, title, and interest in State Data shall remain with the State. 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.</p> <p><b>11.7 Survival</b></p> <p>Section 11: <i>Intellectual Property</i> shall survive the termination of the Contract.</p>				
<p><b>Exhibit A Section 1: Deliverables, Milestones, &amp; Activities</b></p>	<p><b>Delete the following:</b></p> <p style="text-align: center;"><b>1. DELIVERABLES, MILESTONES, &amp; ACTIVITIES</b></p> <p>Kalos shall provide Correctional Institution Pharmacy System Software ("CIPS") and associated documentation which will meet and perform in accordance with the Specifications.</p> <p><b>And replace with:</b></p> <p style="text-align: center;"><b>1. DELIVERABLES, MILESTONES, &amp; ACTIVITIES</b></p> <p>Kalos shall provide a perpetual License and Implementation Services for Correctional Institution Pharmacy System Software ("CIPS"), in addition to ongoing technical support and software maintenance Services, which shall meet and perform in accordance with the Specifications. As requested by the State, Kalos shall provide enhancement services as defined in any Change Orders, including but not limited to, interfaces to the Department of Correction's Electronic Health Records System.</p>				
<p><b>Exhibit A Section 2.1 Implementation Schedule -</b></p>	<p><b>Remove Reference Number 15 of the table. Replace with:</b></p> <table border="1" data-bbox="472 1503 1484 1562"> <tr> <td data-bbox="472 1503 654 1562">15</td> <td data-bbox="654 1503 1070 1562">Maintenance and Support Ends</td> <td data-bbox="1070 1503 1279 1562">Non-Software</td> <td data-bbox="1279 1503 1484 1562">6/30/2015</td> </tr> </table>	15	Maintenance and Support Ends	Non-Software	6/30/2015
15	Maintenance and Support Ends	Non-Software	6/30/2015		
<p><b>Exhibit B Section 1.1</b></p>	<p><b>Replace the first sentence in the paragraph with:</b></p> <p>This is a Firm Fixed Price contract totaling \$160,446 for the period between the Effective Date through June 30, 2016.</p>				

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**Exhibit B  
Section Number 1.1  
Table 1**

**Delete Table 1 and replace with the following:**

<b>Table 1: Activity, Deliverable, or Milestone Price and Payment Table</b>				
Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date	Payment Amount
<b>IMPLEMENTATION</b>				
<b>1</b>	Data Conversion from Viking	Software	Nov 16, 2006	\$ 6,000.00
<b>2</b>	Inmate Demographic Download	Software	Nov 16, 2006	\$ 800.00
<b>3</b>	Conduct Project Kickoff Meeting and One Day Training	Non-Software	Dec 1, 2006	\$ 1,100.00
<b>4</b>	State completes User Acceptance Testing	Non-Software	Dec 15, 2006	\$ 8,608.00
<b>5</b>	Conduct Training – (10 Days)	Non-Software	Dec 26, 2006 – Jan 9, 2007	\$11,000.00
<b>6a</b>	Project Holdback – 120 Days after Software Development and Deployment	Non-Software	Apr 26, 2007	\$ 4,712.00
<b>6b</b>	Final Payment	Non-Software	Apr 26, 2007	\$ 1,400.00
				<b>\$ 33,820.00</b>
<b>SUPPORT AND MAINTENANCE</b>				
<b>7 FY06 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jan 1, 2007 For FY07 Services thru June 30, 2007	\$ 1,580.00 \$ 2,280.00
<b>8 FY07 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2007 For FY08 Services thru Jun 30, 2008	\$ 2,860.00 \$ 2,280.00
<b>9 FY08 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2008 For FY09 Services thru Jun 30, 2009	\$ 2,980.00 \$ 2,394.00
<b>10 FY09 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2009 For FY10 Services thru Jun 30, 2010	\$ 3,106.00 \$ 2,512.00
<b>11 FY10 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2010 For FY 11 Services thru Jun 30, 2011	\$ 3,238.00 \$ 2,636.00
<b>12 FY11 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2011 For FY12 Services thru Dec 30, 2011	\$1638.00
<b>13 FY12 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Dec 31, 2011 For FY12 Services thru Jun 30, 2012	\$5245.00
<b>14 FY12 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2012 For FY13 Services thru Jun 30, 2013	\$ 14,217.00 \$ 2,904.00
<b>15 FY13 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2013 For FY14 Services thru Jun 30, 2014	\$14,853.00 \$ 3,048.00
<b>16 FY14 Payment</b>	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2014 For FY15 Services thru Jun 30, 2015	\$15,511.00 \$ 3,199.00

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	<b>17 FY15 Payment</b>	Maintenance and Support Medispan and Warning Label	Non- Software	Pay by Jun 30, 2015 For <b>FY16 Services</b> thru Jun 30, 2016	\$17,045.00	
<b>ENHANCEMENTS</b>						
	<b>22 FY09 Payment</b>	CIPS interface to new offender management system. Thirteen (13) hours at \$100 per hour.	Software	June 30, 2008	\$1300.00	
	<b>23 FY11 Payment</b>	Order Entry Workstation	Software	Q1/Calendar 2011	\$8,000.00	
	<b>24 FY11 Payment</b>	Profile Workstation	Software	Q1/Calendar 2011	\$4,000.00	
	<b>25 As Required</b>	Contingency funds for Contract Change Orders.	NA	As required	\$10,000.00	
<b>Grand Total: (without provider drug interactions)</b>					<b>\$160,446.00</b>	
<b>Exhibit B Section 2 Total Contract Price</b>	<b>Replace first sentence with:</b> 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 \$160,446 ("Total Contract Price").					
<b>Exhibit E Section 1.1 Key Components A Reference Number 24</b>	<b>Replace Reference Number 24 with:</b>					
	24	Maintenance and Support Ends	Non-Software	6/30/2016		
<b>Exhibit S</b>	<b>Delete Exhibit S.</b>					

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**Table 2: Contract 2006-113  
CENTRAL PHARMACY SOFTWARE DELIVERY AMENDMENT HISTORY**

CONTRACT AMENDMENT NUMBER	AMENDMENT TYPE	G&C APPROVAL DATE	NET CONTRACT AMENDMENT VALUE
2006-113	Original Contract	November 15, 2006 Item #10A	\$61,124.00
2006-113 Amendment A	First Amendment (A)	April 1, 2009 Item # 7	\$1,300.00
2006-113 Amendment B	Second Amendment (B)	June 8, 2011 Item #8	\$70,977.00
2006-113 Amendment C	Third Amendment (C)	Upon G&C Approval	\$27,045.00
<b>CONTRACT TOTAL</b>			<b>\$160,446.00</b>

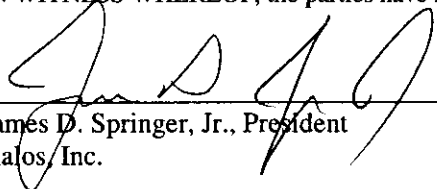
Initial all pages  
Vendor Initials *951*



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
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Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon the approval date from the Governor and the Executive Council.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

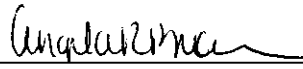
  
\_\_\_\_\_  
James D. Springer, Jr., President  
Kalos, Inc. Date: 5-22-2015

Corporate Signature Notarized:  
STATE OF Kansas

COUNTY OF Shawnee


On this the 22 day of May, 2015, before me, Angela R. Brown,  
the undersigned Officer Notary Public, personally appeared and acknowledged  
her/himself to be the James D. Springer, of Kalos, Inc,  
a corporation, and that she/he, as such PRESIDENT being authorized to do so,  
executed the foregoing instrument for the purposes therein contained, by signing the name of the  
corporation by her/himself as KALOS, INC.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace

My Commission Expires:

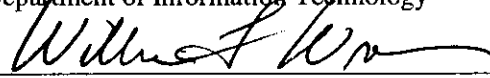
(SEAL)

 **Angela R. Brown**  
Notary Public  
State of Kansas  
My Appt. Expires 6-1-2017

State of New Hampshire


  
\_\_\_\_\_  
Date: 6/4/2015

Denis Goulet, Commissioner  
State of New Hampshire  
Department of Information Technology

  
\_\_\_\_\_  
Date: 6/4/2015

William L. Wrenn, Commissioner  
State of New Hampshire  
Department of Corrections

Approved by the Attorney General (Form, Substance and Execution)

  
\_\_\_\_\_  
Date: 6/8/15

State of New Hampshire, Department of Justice

# 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 Kalos, Inc. doing business in New Hampshire as Kalos Software, a(n) Kansas corporation, is authorized to transact business in New Hampshire and qualified on September 21, 2006. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 28<sup>th</sup> day of May, A.D. 2015

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/22/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Brier Payne Meade Insurance, Inc. PO Box 5637 Topeka, KS 66605	<b>CONTACT NAME:</b> _____ <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No): (785) 233-2679</b> <b>E-MAIL ADDRESS:</b> meade@bpminsurance.com														
<b>INSURED</b>  Kalos, Inc. 3518-B SE 21st Street Topeka, KS 66607	<table style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left; border-bottom: 1px solid black;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left; border-bottom: 1px solid black;">NAIC #</th> </tr> <tr> <td>INSURER A : The Cincinnati Insurance Co.</td> <td>10677</td> </tr> <tr> <td>INSURER B : Cincinnati Indemnity Company</td> <td>23280</td> </tr> <tr> <td>INSURER C : National Fire Insurance Co of Hartford</td> <td>20478</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : The Cincinnati Insurance Co.	10677	INSURER B : Cincinnati Indemnity Company	23280	INSURER C : National Fire Insurance Co of Hartford	20478	INSURER D :		INSURER E :		INSURER F :	
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INSURER D :															
INSURER E :															
INSURER F :															

**COVERAGES** **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY		EBP0044529*	10/03/2012	10/03/2015	EACH OCCURRENCE \$ 1,000,000
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					MED EXP (Any one person) \$ 10,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					PERSONAL & ADV INJURY \$ 1,000,000
OTHER:						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
						\$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY		EBA0097372	10/03/2014	10/03/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000
	ANY AUTO					BODILY INJURY (Per person) \$
	ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>					BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
						\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		EUP0104200	10/03/2014	10/03/2017	EACH OCCURRENCE \$ 2,000,000
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 2,000,000
	DED <input type="checkbox"/> RETENTION \$					\$
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	<input type="checkbox"/> Y/N <input type="checkbox"/> N/A	WC4031023905	10/03/2014	10/03/2015	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 100,000
						E.L. DISEASE - POLICY LIMIT \$ 500,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
 Certificate holder is named as additional insured.

<b>CERTIFICATE HOLDER</b>  Department of Information Technology State of New Hampshire 27 Hazen Drive Concord, NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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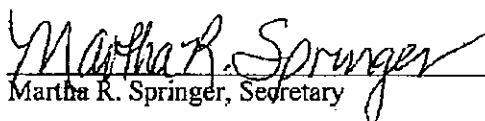
**CERTIFICATE OF AUTHORITY**  
**KALOS, INC. d/b/a KALOS SOFTWARE**

I, Martha R. Springer, do hereby represent and certify that:

- (1) I am Secretary of Kalos Software, a C corporation (the "Corporation").
- (2) I hereby certify that James D. Springer, Jr. is the President of Kalos, Inc. d/b/a Kalos Software and no other corporate resolution, shareholder vote, or other document or action is necessary to grant him authority to commit the Corporation to the obligations of this contract with the State of New Hampshire, Department of Corrections.
- (3) The signature of James D. Springer, Jr., President of this Corporation affixed to any contract instrument or document shall bind the corporation to the terms and conditions of the contract instrument or document.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation.

June 3, 2015

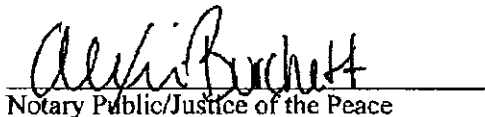
  
Martha R. Springer, Secretary

STATE OF   Kansas  


COUNTY OF   Shawnee  

On this the 3<sup>rd</sup> day of June, 2015, before me, Martha R. Springer, personally appeared and acknowledged herself to be the Secretary of Kalos, Inc. d/b/a Kalos Software, a Kansas corporation, and that she, as such being authorized to do so, executed the foregoing instrument.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

  
Notary Public/Justice of the Peace

My Commission Expires: 1-13-19

 **Alexis Burchett**  
Notary Public  
State of Kansas  
My Appt. Expires 1/13/19



GSC 4/8/11  
#8 B

**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

S. William Rogers  
 Acting Commissioner

April 20, 2011

His Excellency, Governor John H. Lynch  
 and the Honorable Executive Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Information Technology on behalf of the Department of Corrections (DOC) to enter into a contract amendment (Contract #2006-113/P.O. # 190941) with Kalos, Inc. (Vendor #170048), Topeka, Kansas by increasing the contract amount by \$70,977.00, from \$62,424.00.00 to \$133,401.00 for ongoing support and maintenance services for the Pharmacy Software System. The original contact was approved by Governor and Council on 11/15/06, item number 10A. Further authorize the Department to extend the expiration date of the contract from December 30, 2011 to June 30 2015.

**100% Other (Agency Class 27) funds: the Agency Class 027 used by the Department of Corrections to reimburse DoIT for this maintenance service is 100% General Funds.**

Funding is available in the following account Agency Software Division:

FY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME-AGENCY NAME-ACCTG UNIT NAME CLASS CODE-ACCOUNT CODE -OBJ (ACCOUNT) DESC	JOB #	AMOUNT	TOTALS
2011	01-03-03-030010-76460000- DoIT- IT for DOC 046-500465 - Consultants	03460009	\$12,000.00	\$12,000.00
2012	01-03-03-030010-76460000- DoIT- IT for DOC 046-500465 - Consultants	03460009	\$22,366.00	\$22,366.00
2013	01-03-03-030010-76460000- DoIT- IT for DOC 046-500465 - Consultants	03460009	\$17,901.00	\$17,901.00
2014	01-03-03-030010-76460000- DoIT- IT for DOC 046-500465 - Consultants	03460009	\$18,710.00	\$18,710.00
			<b>GRAND TOTAL</b>	<b>\$70,977.00</b>

## EXPLANATION

This amendment is to provide ongoing software support and maintenance for the Kalos pharmacy software system, procured through a competitive RFP process in November of 2006. The New Hampshire Department of Corrections fills approximately 550 prescriptions daily, servicing 2,700 inmates from a central pharmacy. The inmates are housed in four facilities across the state, including outpatient and inpatient services, as well as a psychiatric unit. Pharmacy software is used to fill prescriptions, keep a record/history of those prescriptions, track controlled substances, monitor costs, screen for drug interactions and allergies, and provide the records and histories as required by generally accepted pharmaceutical practices and accreditation agencies.

The amendment is **sole source** because there is no other vendor able to maintain this **proprietary software**. The State does not have funding to replace this system at this time and to do so would be premature since the current system is operating well and meeting the Department's business needs.

It is critical that the State maintain a functional pharmacy management system supporting the prison system. The consequences of not maintaining this system could result in the violation of the Laaman Decree and the Holliday Decision, which demands the timely delivery of the appropriate medications. The Department of Corrections is required by law to provide correct medication to inmates in an appropriate timeframe. Failure to comply will result in wasted medications through expiration and untimely delivery. Examples of critical medications include illness involving heart and seizure conditions. The impact of missing these medications could lead to hospitalization and a reluctance of contracted licensed medical practitioners to work with DOC because of fear of malpractice.

The Department of Information Technology respectfully requests approval of this contract.

Respectfully submitted,



S. William Rogers  
Acting Commissioner

SWR/mtv  
RID # 10827  
2006-113B



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

S. William Rogers  
Acting Commissioner

March 29, 2011

William L. Wrenn  
Commissioner  
State of New Hampshire  
Department of Corrections  
105 Pleasant St  
Concord, NH 03302-1806

Dear Commissioner Wrenn:

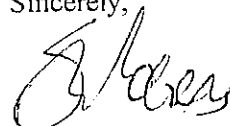
This letter represents formal notification that the Department of Information Technology (DoIT) has approved your request to have DoIT enter into a contract amendment, for the benefit of the Department of Corrections, with Kalos Inc., Topeka, Kansas, as described below and referenced as DoIT No. 2006-113B. This project is a result of RFP# 2006-113B.

This is a request to enter into Contract Amendment B to provide ongoing support, maintenance, and enhancements for the Department of Corrections' Pharmacy Management System. The amendment extends the expiration of the contract from December 30, 2011 through June 30, 2015. The amount of the amendment is \$70,977.00, increasing the contract funding from \$62,424.00 to \$133,401.00.

This project is set forth in the Department of Corrections Strategic Information Technology Plan: 2005-2009 dated October 21, 2005, Project #58 titled Medical Component to CORIS.

A copy of this letter should accompany the Department of Information Technology's submission to the Governor and Executive Council for approval.

Sincerely,



S. William Rogers

SWR/mtv  
Amendment 2006-113B  
A&E RID #10827

cc: Leslie Mason, IT Manager, Bureau of Finance & Administration, DOIT  
Bob Jackson, IT Manager, Dept of Corrections for DOIT

**DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
CONTRACT AMENDMENT B**

WHEREAS, pursuant to an Agreement approved by Governor and Council, as a result of RFP #2006-113, on November 15, 2006, Item #10A (herein after referred to as the "Agreement"), Kalos, Inc. (hereinafter referred to as "Vendor"), agreed to supply certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of Information Technology (hereinafter referred to as the "Department") acting for the benefit of the Department of Corrections (hereinafter referred to as the "Agency"), certain sums as specified therein;

WHEREAS, the Governor and Council on April 1, 2009 Item #7 increased the contract by \$1,300.00 from \$61,124.00 to \$62,424.00;

WHEREAS, the Agency, Department and Vendor have agreed to amend the Agreement in certain respects;

WHEREAS, the Agency wishes to continue the services, the Agency, Department, and Vendor seek to clarify the Agreement;

WHEREAS, the Agency and Department wish to extend the Contract completion date from December 31, 2011 to June 30, 2015;

WHEREAS, the Department wishes to increase the Contract price by \$70,977.00 to bring the total contract price to \$133,401.00.

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties agree as follows:

The Agreement is hereby amended as follows:

1. Amend Section 1.1 State Agency Name, by replacing "Office of Information Technology" with "Department of Information Technology."
2. Amend Section 1.6 of the Statement of Work of the Agreement to reflect a new completion date of June 30, 2015.
3. Amend Section 1.8 of the Statement of Work of the Agreement by increasing the Price Limitation by \$70,977.00, from \$62,424.00.00 to \$133,401.00.
4. The Scope of Work of the Agreement is further amended as described in Table 1:

**Table 1**

Contract # 2006-113 Section Number	AMENDED TEXT
Contract Statement of Work and all Exhibits	Delete all references to "Office of Information Technology;  And replace with "Department of Information Technology."
Statement of Work Section 2: Term of Contract	Delete the following language:  The Contract will begin on the Effective Date and extend through December 30, 2011. The Term may be extended for an additional period of one (1) year, at the sole option of the State, subject to the parties prior written agreement on applicable fees for the extended term.

Initial all pages  
Vendor Initials *ASA*



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
CONTRACT AMENDMENT B

	<p>And replace with:</p> <p>The Contract will begin on the Effective Date and extend through June 30, 2015.</p>				
<p>Statement of Work  Section 13.1:  Insurance</p>	<p>Delete Section 13.1 <i>Insurance</i> and replace with:</p> <p>13.1 Insurance</p> <p>13.1.1 KALOS Insurance Requirement</p> <p>KALOS shall, at its sole expense, obtain and maintain in force, and shall require any Subcontractor or assignee to obtain and maintain in force, including for the benefit of the State, the following insurance:</p> <p>a. 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 \$1,000,000 per incident; and</p> <p>b. The policies shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than ten (10) days after written notice thereof has been received by the State.</p>				
<p>Exhibit A  Section 2.1  Implementation  Schedule –</p>	<p>Remove Reference Number 15 of the table. Replace with:</p> <table border="1" data-bbox="430 1207 1502 1276"> <tr> <td data-bbox="430 1207 620 1276">15</td> <td data-bbox="620 1207 1058 1276">Maintenance and Support Ends</td> <td data-bbox="1058 1207 1279 1276">Non-Software</td> <td data-bbox="1279 1207 1502 1276">6/30/2015</td> </tr> </table>	15	Maintenance and Support Ends	Non-Software	6/30/2015
15	Maintenance and Support Ends	Non-Software	6/30/2015		
<p>Exhibit B  Section 1.1</p>	<p>Replace the first sentence in the paragraph with:</p> <p>This is a Firm Fixed Price contract totaling \$133,401.00 for the period between the Effective Date through June 30, 2015.</p>				
<p>Exhibit B  Section Number 1.1  Table 1</p>	<p>Remove Table 1. Replace with the following table:</p>				

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
CONTRACT AMENDMENT B

Table 1: Activity, Deliverable, or Milestone Price and Payment Table				
Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date	Payment Amount
<b>IMPLEMENTATION</b>				
1	Data Conversion from Viking	Software	Nov 16, 2006	\$ 6,000.00
2	Inmate Demographic Download	Software	Nov 16, 2006	\$ 800.00
3	Conduct Project Kickoff Meeting and One Day Training	Non-Software	Dec 1, 2006	\$ 1,100.00
4	State completes User Acceptance Testing	Non-Software	Dec 15, 2006	\$ 8,608.00
5	Conduct Training – (10 Days)	Non-Software	Dec 26, 2006 – Jan 9, 2007	\$11,000.00
6a	Project Holdback – 120 Days after Software Development and Deployment	Non-Software	Apr 26, 2007	\$ 4,712.00
6b	Final Payment	Non-Software	Apr 26, 2007	\$ 1,400.00
			<b>Sub-Total</b>	<b>\$33,620.00</b>
<b>SUPPORT AND MAINTENANCE</b>				
7	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jan 1, 2007	\$ 1,580.00
<b>FY06 Payment</b>			For FY07 Services thru June 30, 2007	\$ 2,280.00
8	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2007	\$ 2,860.00
<b>FY07 Payment</b>			For FY08 Services thru Jun 30, 2008	\$ 2,280.00
9	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2008	\$ 2,980.00
<b>FY08 Payment</b>			For FY09 Services thru Jun 30, 2009	\$ 2,394.00
10	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2009	\$ 3,106.00
<b>FY09 Payment</b>			For FY10 Services thru Jun 30, 2010	\$ 2,512.00
11	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2010	\$ 3,238.00
<b>FY10 Payment</b>			For FY 11 Services thru Jun 30, 2011	\$ 2,636.00
12	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2011	\$1638.00
<b>FY11 Payment</b>			For FY12 Services thru Dec 30, 2011	
13	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Dec 31, 2011	\$5245.00
<b>FY12 Payment</b>			For FY12 Services thru Jun 30, 2012	
14	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2012	\$ 14,217.00
<b>FY12 Payment</b>			For FY13 Services thru Jun 30, 2013	\$ 2,904.00
15	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2013	\$14,853.00
<b>FY13 Payment</b>			For FY14 Services thru Jun 30, 2014	\$ 3,048.00
16	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jun 30, 2014	\$15,511.00
<b>FY14 Payment</b>			For FY15 Services thru Jun 30, 2015	\$ 3,199.00
			<b>Sub-Total</b>	<b>\$86,481.00</b>

Initial all pages  
Vendor Initials *JSJ*

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
CONTRACT AMENDMENT B

ENHANCEMENTS								
17 FY09 Payment	CIPS interface to new offender management system. Thirteen (13) hours at \$100 per hour.	Software	June 30, 2008	\$1300.00				
18 FY11 Payment	Order Entry Workstation software licenses	Software	Q1/Calendar 2011	\$8,000.00				
19 FY11 Payment	Profile Workstation software licenses	Software	Q1/Calendar 2011	\$4,000.00				
			<b>Sub-Total</b>	<b>\$13,300.00</b>				
<b>Grand Total: (without provider drug interactions)</b>				<b>\$133,401.00</b>				
Exhibit B Section 1.1 Table 2	Replace Application Products in Table 2 with the following:							
	<b>Application Products</b>							
	Correctional Institution Pharmacy System (CIPS)	Version 9	5	\$14,720.00				
	Order Entry Workstation		20	\$8000.00				
	Profile Workstation		20	\$4000.00				
<b>Grand Sub Total</b>				<b>\$26,720.00</b>				
Exhibit B Section 2 Total Contract Price	<p>Replace first sentence with:</p> <p>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 \$ \$133,401.00 ("Total Contract Price").</p>							
Exhibit B Section 3 Invoicing	<p>Delete the following language:</p> <p style="padding-left: 40px;">State of New Hampshire  Office of Information Technology  49 Donovan Street  Concord, NH 03301</p> <p>And replace with:</p> <p style="padding-left: 40px;">State of New Hampshire  Department of Information Technology  c/o Accounts Payable  27 Hazen Drive  Concord, NH 03301</p>							
Exhibit E Section 1.1 Key Components A Reference Number 24	<p>Replace Reference Number 24 with:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">24</td> <td style="width: 45%;">Maintenance and Support Ends</td> <td style="width: 20%;">Non-Software</td> <td style="width: 25%;">6/30/2015</td> </tr> </table>				24	Maintenance and Support Ends	Non-Software	6/30/2015
24	Maintenance and Support Ends	Non-Software	6/30/2015					
Exhibit S	Delete Exhibit S.							

Initial all pages  
Vendor Initials *GA*

DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
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Initial all pages  
Vendor Initials

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
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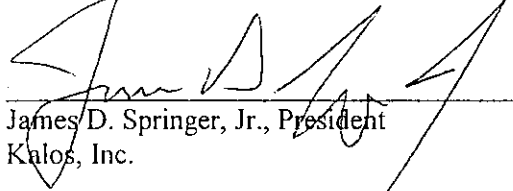
Table 2: Contract 2006-113  
CENTRAL PHARMACY SOFTWARE DELIVERY AMENDMENT HISTORY

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	G&C APPROVAL DATE	NET CONTRACT AMENDMENT AMOUNT
2006-113	Original Contract	November 15, 2006 Item #10A	\$61,124.00
2006-113 Amendment A	First Amendment (A)	April 1, 2009 Item # 7	\$1,300.00
2006-113 Amendment B	Second Amendment (B)	Upon G&C Approval	\$70,977.00
	<b>CONTRACT TOTAL</b>		<b>\$133,401.00</b>

DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
CONTRACT DOC 2006-113  
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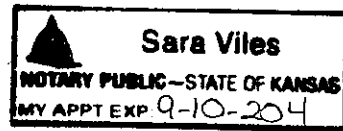
Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon the approval date from the Governor and the Executive Council.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

  
James D. Springer, Jr., President  
Kalos, Inc.

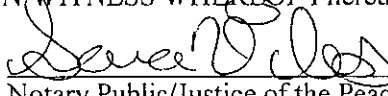
Date: 3-21-2011

Corporate Signature Notarized:  
STATE OF Kansas  
COUNTY OF Shawnee



On this the 21 day of March, 2011, before me, Sara Viles,  
the undersigned Officer JAMES SPRINGER JR, personally appeared and acknowledged  
her/himself to be the PRESIDENT, of KALOS INC,  
a corporation, and that she/he, as such \_\_\_\_\_, being authorized to do so,  
executed the foregoing instrument for the purposes therein contained, by signing the name of the  
corporation by her/himself as JAMES SPRINGER OF KALOS.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

  
Notary Public/Justice of the Peace

My Commission Expires:

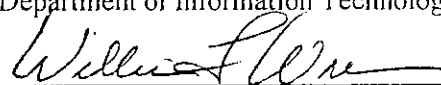
(SEAL)



State of New Hampshire

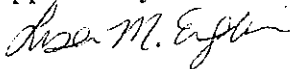
  
S. William Rogers, Acting Commissioner  
State of New Hampshire  
Department of Information Technology

Date: 3/30/11

  
William L. Wrenn, Commissioner  
State of New Hampshire  
Department of Corrections

Date: 3/28/11

Approved by the Attorney General (Form, Substance and Execution)

  
Lisa M. English  
State of New Hampshire, Department of Justice

Date: 4/15/2011

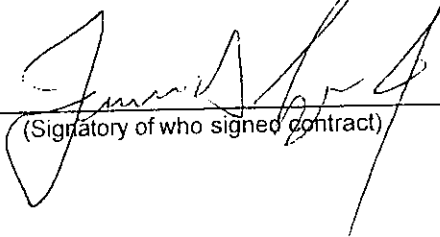
Initial all pages  
Vendor Initials ASJ

## Certificate of Authority/Vote

I, James D. Springer Jr., hereby certify that I am the Sole Officer of the company known as Kalos, Inc. d/b/a Kalos Software, a Kansas Corporation.

I hereby further certify and acknowledge that the State of New Hampshire will rely on this certification as evidence that I have full authority to bind Kalos, Inc. d/b/a Kalos Software and that no corporate resolution, shareholder vote, or other document or action is necessary to grant me such authority.

Name and Title: James D Springer Jr., President  
(Name & Title of one who signed contract)

Signature:   
(Signatory of who signed contract)


Date: 03-21-2011

STATE OF Kansas, County of Shawnee on this 21<sup>st</sup> day of March, 2011,  
(day) (month) (yr)

Before me SARA VILES, the undersigned Officer, personally  
(Name of Notary Public/Justice of the Peace)

Appeared James D Springer, Jr., known to me (or satisfactorily proven) to be the  
(Name of one who signed contract)

Person whose name is subscribed to the within instrument and acknowledge that he/she executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.

(NOTARY SEAL)   
(Signature of Notary Public/ Justice of the Peace)

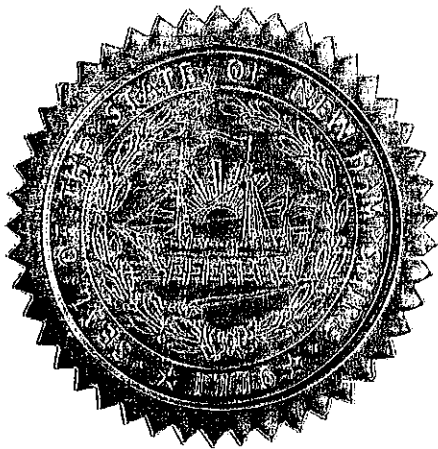


Commission Expires: 9-10-2014

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 Kalos, Inc. doing business in New Hampshire as Kalos Software, a(n) Kansas corporation, is authorized to transact business in New Hampshire and qualified on September 21, 2006. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 24<sup>th</sup> day of May, A.D. 2011

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State



# ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/28/2010

PRODUCER (785)233-1717 FAX-(785)233-2679  
Brier Payne Meade Insurance, Inc.  
5835 S. W. 29th St., Ste. 101  
P. O. Box 5637  
Topeka, KS 66605-0637

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Kalos, Inc.  
3518 B SE 21st Street  
Topeka, KS 66607

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Cincinnati Insurance	10677
INSURER B: Cincinnati Casualty	28665
INSURER C: Cincinnati Intermediaries, Inc	
INSURER D:	
INSURER E:	

**COVERAGES**  
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	EBP0044529*	10/03/2009	10/03/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	CAA5868618	10/03/2009	10/03/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$ \$
A		<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	CCC1151061*	10/03/2007	10/03/2010	X WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
B		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC2114063	10/03/2009	10/03/2010	\$1,000,000 each claim \$2,000,000 aggregate \$10,000 deductible
C		<b>OTHER Professional</b>	SG02235001	09/10/2009	09/10/2010	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Named insured: Kalos, Inc. D/B/A Kalos Software 3518 SE 21st Street Suite B Topeka, KS 66607

**CERTIFICATE HOLDER**  
 Department of Information Technology  
 State of New Hampshire  
 Attn: Robert Jackson, DOC IT Leader  
 27 Hazen Drive  
 Concord, NH 03301

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE  
 Marla Farrar/MARLA *Marla J. Farrar*



**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF INFORMATION TECHNOLOGY**

27 Hazen Dr., Concord, NH 03301  
 603-271-2843 1-800-852-3345 x2843  
 Fax: 603-271-1516 TDD Access: 1-800-735-2964  
<http://www.nh.gov/doit/internet/>

**Richard C. Bailey, Jr.**  
 Chief Information Officer

February 19, 2009

*GTC*  
*4/1/2009*  
*Item # 7*

His Excellency, Governor John H. Lynch  
 and the Honorable Executive Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

1. Authorize the Department of Information Technology (DoIT), on behalf of the Department of Corrections, to enter into a contract amendment (Contract #2006-113) with Kalos, Inc. (Vendor # 130028), Topeka, Kansas by increasing the contract amount by \$1,300.00 from \$61,124.00 to \$62,424.00 for an increased level of software services for the Pharmacy Software System. The amendment will be effective upon Governor and Council approval, through December 30, 2011.

2. Further authorize the Department of Information Technology (DoIT), on behalf of the Department Corrections, to pay from State Fiscal Year (SFY) 2009 appropriations, \$1,300.00 for software programming charges incurred in June 2008, which should have been paid from SFY 2008 funds.

**100% Other (Agency Class 27) funds: the Agency Class 027 used by the Department of Corrections to reimburse DoIT for this maintenance service is 100% General Funds.**

Funding is available in the following account Agency Software Division:

Fiscal Year	Account	Job #	Budget Line	Current Amount	Change	New Amount
FY07	010-003-1660-0300-046-0465-7130400	03460009	5577	\$ 42,620		\$ 42,620
FY08	010-003-1660-0300-046-0465-7130400	03460009		\$ 5,374		\$ 5,374
FY09	010-003-1660-0300-046-0465-7130400	03460009	20516	\$ 5,618	\$1,300	\$ 6,918
FY10	010-003-1660-0300-046-0465-7130400	03460009	902	\$ 5,874		\$ 5,874
FY11	010-003-1660-0300-046-0465-7130400	03460009	902	\$ 1,638		\$ 1,638
			<b>Total</b>	<b>\$61,124</b>	<b>\$1,300</b>	<b>\$62,424</b>

### EXPLANATION

This amendment is to provide funding for the required unanticipated software changes required for the Kalos pharmacy software system. During the June 2008 computer conversion from the Automated Prison System (APS) to the Corrections Information Management System (CORIS), it was discovered that inmate demographic data, required by the Kalos pharmaceutical software system, could not be obtained electronically from the CORIS software system unless the Kalos system was modified.

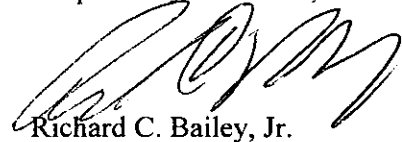
The vendor (Kalos) completed the work which was identified as critical. An error occurred in authorizing the work to Kalos. Due to the oversight, the billing invoice was not expected. Additionally, the invoice did not follow the established payment authorization procedure. The invoice was received after the start of FY 2009, preventing the State from utilizing FY 2008 funds. The error has been addressed and will not be repeated.

The consequences of not completing this work could have resulted in the violation of the Laaman Decree and the Holliday Decision which demand the timely delivery of the appropriate medications. The Department of Corrections is required by law to provide correct medication to inmates in an appropriate timeframe. Failure to comply will result in wasted medications through expiration and untimely delivery. Examples of critical medications include illness involving heart and seizure conditions. The impact of missing these medications could lead to hospitalization and a reluctance of contracted licensed medical practitioners to work with DOC because of fear of malpractice.

The original contract was approved by Governor and Council on November 15, 2006, item 10A.

The Department of Information Technology has reviewed and approved the request for this contract amendment and we respectfully request your approval.

Respectfully submitted,



Richard C. Bailey, Jr.  
Chief Information Officer

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
DOC 2006-113  
CONTRACT AMENDMENT A**

WHEREAS, pursuant to an Agreement approved by Governor and Council, as a result of Request for Proposal, #2006-113, on November 15, 2006, Item #10A (herein after referred to as the "Agreement"), Kalos, Inc. (hereinafter referred to as the "Vendor") agreed to supply certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Office of Information Technology (OIT), acting for the benefit of the Department of Corrections (herein after referred to as "Agency"), certain sums as specified therein;

WHEREAS, effective September 5, 2008, the Office of Information Technology (OIT) is now known as the Department of Information Technology (DoIT), (herein after referred to as the "Department");

WHEREAS, pursuant to the Agreement, the Statement of Work, Section 2: *Contract Term* and the provisions of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council;

WHEREAS, the Vendor and the Department have agreed to amend the Agreement in certain respects;

WHEREAS, the Agency wishes to increase the services, the Agency, the Department and the Vendor seek to clarify the Agreement;

WHEREAS, the Agency and the Department wishes to increase the contract price by \$1,300.00 to bring the total contract price to \$62,424.00;

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties agree as follows:

The Contract Agreement (page1) is hereby amended as follows:

1. Amend Section 1.8 of the Contract Agreement by increasing the Price Limitation from \$61,124.00 to \$62,424.00.

Contract Exhibit A: *Contract Deliverable* of the Agreement is hereby amended as follows:

1. Amend Exhibit A: *Contract Deliverables*, Table 2.1: *Implementation Schedule – Activities / Deliverables / Milestones*, to include the following deliverable: Programming Charges: CIPS interface to new offender management system for 13 hours at \$100 per hour for a \$1,300 total amount.
2. Exhibit A: *Contract Deliverables* of the Agreement is hereby amended to now read as follows:

**2.1 Implementation Schedule – Activities / Deliverables / Milestones**

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Delivery Date
1	State sends copy of current data from Viking System for trial conversion	Software	11/16/2006
2	KALOS completes Unit and System Testing	Non-Software	11/30/2006
3	Project Work Plan	Written	11/20/2006
4	Conduct Project Kickoff Meeting	Non-Software	12/1/2006
5	Conduct one day training	Non-Software	12/1/2006
6	State completes User Acceptance Testing	Non-Software	12/15/2006

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
DOC 2006-113  
CONTRACT AMENDMENT A**

7	State sends copy of current data for final conversion	Software	12/18/2006
8	All Operating System Software and Converted Data Loaded into Production Environment	Software	12/20/2006
9	Cutover to New Software	Software	12/26/2006
10	Conduct 10 Training Days	Non-Software	12/26/2006-1/9/2007
11	Warranty Period Begins	Software	12/26/2006
12	Weekly Project Status Reports	Written	On-going
13	Warranty Period Ends	Software	4/26/2007
14	Conduct Project Exit Meeting	Non-Software	Upon complete system documentation. Latest expected date: 6/1/2007
15	Kalos specified data changes in load file required by Kalos software Correctional Institution Pharmacy System (CIPS) from the Corrections Information Management System (CORIS)	Software	05/01/2008
16	State delivered load file with data changes	Software	05/23/2008
17	Kalos verifies/accepts new load file	Software	05/25/2008
18	Kalos modified table internal to CIPS to accept data changes	Software	06/02/2008
19	State places load file into production	Software	05/30/2008
20	Maintenance and Support ends	Non-Software	12/31/2011

Exhibit B of the Agreement is :

- Section 1.1: *Firm Fixed Price* hereby amended to now read as follows:

This is a Firm Fixed Price Contract totaling \$62,424.00 for the period between the Effective Date through December 30, 2011. KALOS shall be responsible for performing its obligations in accordance with the Contract. This Contract will allow KALOS to invoice the State for the following Activities, Deliverables, or Milestones at fixed pricing/rates appearing in the Price and Payment Tables below:

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date	Payment Amount
1	Data Conversion from Viking	Software	Nov 16, 2006	\$ 6,000
2	Inmate Demographic Download	Software	Nov 16, 2006	\$ 800
3	Conduct Project Kickoff Meeting and One Day Training	Non-Software	Dec 1, 2006	\$ 1,100

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
DOC 2006-113  
CONTRACT AMENDMENT A**

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date	Payment Amount
4	State completes User Acceptance Testing	Non-Software	Dec 15, 2006	\$ 8,608
5	Conduct Training – (10 Days)	Non-Software	Dec 26, 2006- Jan 9, 2007	\$11,000
6a	Project Holdback –120 Days after Software Development Deployment	Non-Software	Apr 26, 2007	\$ 4,712
6b	Final Payment	Non-Software	December 30, 2011	\$ 1,400
7	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by Jan 1, 2007 for Services thru June 30, 2007	\$ 1,580 \$ 2,280
8	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by June 30, 2007 For June 30, 2008	\$ 2,860 \$ 2,280
9	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by June 30, 2008 For June 30, 2009	\$ 2,980 \$ 2,394
10	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by June 30, 2009 For June 30, 2010	\$ 3,106 \$ 2,512
11	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by June 30, 2010 For June 30, 2011	\$ 3,238 \$ 2,636
12	Maintenance and Support Medispan and Warning Label	Non-Software	Pay by June 30, 2011 For December 30, 2011	\$ 1,638
13	CIPS interface to new offender management system. Thirteen (13) hours at \$100 per hour	Software	June 30, 2008	\$ 1,300
	Total			\$62,424

**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 \$62,424.00 ("Total Contract Price"). The payment by the State of the total Contract price shall be the only, and the complete reimbursement to KALOS for all fees and expenses, of whatever nature, incurred by KALOS in the performance hereof.

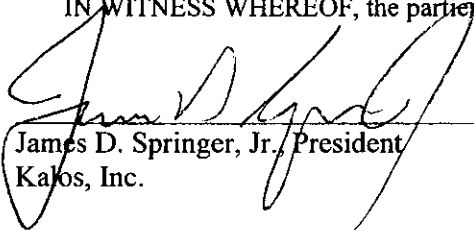
STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
DOC 2006-113  
CONTRACT AMENDMENT A

Table 1: Contract 2006-113 - Central Pharmacy Software Delivery, Contract Amendment Descriptions

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
Contract #2006-113	Original Contract	November 15, 2006	\$61,124.00
Amendment # 2006-113 A	First Amendment (A)	Upon Governor and Council	\$62,424.00
<b>CONTRACT TOTAL</b>			<b>\$62,424.00</b>

Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon the approval date from the Governor and the Executive Council.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

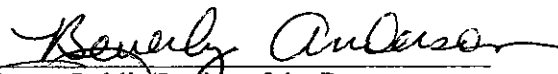
  
James D. Springer, Jr., President  
Kalos, Inc.

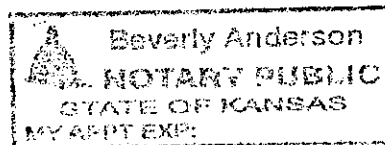
Date: 2-6-09

Corporate Signature Notarized:  
STATE OF Kansas  
COUNTY OF Shawnee

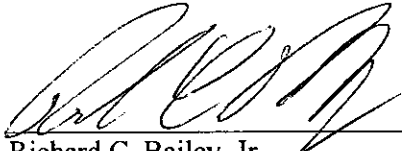
On this the 6<sup>th</sup> day of February, 2009, before me,  
James D. Springer, the undersigned Officer of Kalos, Inc.,  
personally appeared and acknowledged her/himself to be the President  
of Kalos, Inc., a corporation, and that she/he as such  
President being authorized to do so, executed the foregoing instrument for  
the purposes therein contained, by signing the name of the corporation by her/himself as  
President.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

  
Notary Public/Justice of the Peace  
My Commission Expires: 11-23-10  
(SEAL)



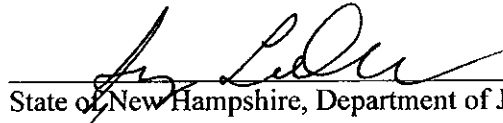
STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY SOFTWARE DELIVERY  
DOC 2006-113  
CONTRACT AMENDMENT A



Richard C. Bailey, Jr.  
State of New Hampshire  
Department of Information Technology

Date: \_\_\_\_\_

**Approved by the Attorney General (Form, Substance and Execution)**



State of New Hampshire, Department of Justice

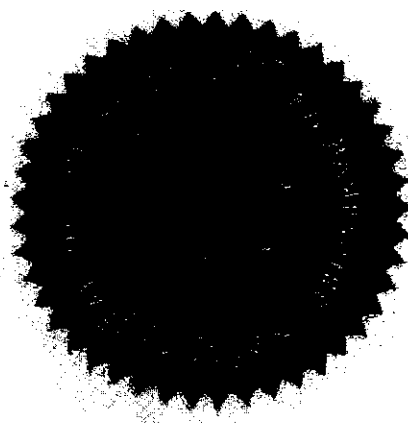
Date: 3/17/09



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 Kalos, Inc. d/b/a in N.H. as Kalos Software., a(n) Kansas corporation, is authorized to transact business in New Hampshire and qualified on September 21, 2006. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2<sup>nd</sup> day of February, A.D. 2009

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

**CERTIFICATE**  
(Corporation Without Seal)

I, Martha Springer, do hereby represent and certify that:

- (1) I am Secretary of Kalos, Inc.,  
a(n) Kansas Corporation (the Corporation).
- (2) I maintain and have custody of and am familiar with the Seal and the minutes of the Corporation.
- (3) I am duly authorized to issue certificates with respect to the contents of such books.
- (4) The following statements are true and accurate based on the resolutions adopted by the Board of

Directors of the Corporation at a meeting of the said Board of Directors held on February 5, 2009, which meeting was duly held in accordance with Kansas law and the by-laws of the Corporation.

- (5) The signature of James D Springer, Jr. President of this Corporation affixed to any contract instrument or document shall bind the corporation to the terms and conditions of the contract instrument or document.
- (6) The foregoing signature authority has not been revoked, annulled or amended in any manner whatsoever, and remains in full force and effect as of the date hereof.
- (7) This corporation has no seal.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation.

Dated: 2-06-09  
(Current Date)

Martha K. Springer (secretary)  
(Certifier Signature and Title)

STATE OF Kansas

COUNTY OF Shawnee

**PRODUCER (785)233-1717 FAX (785)233-2679**  
 Brier Payne Meade Insurance, Inc.  
 5835 S. W. 29th St., Ste. 101  
 P. O. Box 5637  
 Topeka, KS 66605-0637

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURED Kalos, Inc.**  
 3518 B SE 21st Street  
 Topeka, KS 66607

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Cincinnati Insurance	10677
INSURER B: Cincinnati Indemnity	23280
INSURER C: Philadelphia Insurance Co.	
INSURER D:	
INSURER E:	

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	BOP1635047*	10/03/2006	10/03/2009	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES/LIEN (occurrences) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	CAA5868618	10/03/2008	10/03/2009	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC \$ AGG \$
A	<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$	CCC1151061*	10/03/2007	10/03/2010	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC184024805	10/03/2008	10/03/2009	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	<b>OTHER</b> Professional	PHSD353281	09/10/2008	09/10/2009	\$1,000,000 each claims \$2,000,000 aggregate Deductible \$5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

**CERTIFICATE HOLDER**  
 Department of Information Technology  
 State of New Hampshire  
 Attn: Robert Jackson, DOC IT Leader  
 47 Hazen Drive  
 Concord, NH 03301

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE  
 Maria Farrar/MARLA *Maria J. Farrar*



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY

27 Hazen Dr., Concord, NH 03301  
603-271-2843 1-800-852-3345 x2843  
Fax: 603-271-1516 TDD Access: 1-800-735-2964  
<http://www.nh.gov/doit/internet/>

Richard C. Bailey, Jr.  
Chief Information Officer

February 19, 2009

William L. Wrenn  
Commissioner  
State of New Hampshire  
State Office Park South  
105 Pleasant Street  
Concord, NH 03302-1806

Dear Commissioner Wrenn:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your request to enter into a contract amendment for the benefit of the Department of Corrections with Kalos Inc., Topeka, Kansas, as described below and referenced as DoIT No. 2006-113 A. This project is a result of RFP# 2006-113.

This is a request to enter into a contract amendment to increase the level of software services for the Pharmacy Software System (Kalos). The necessary software services were discovered while converting from the Automated Prison System (APS) to the Corrections Information Management System (CORIS). The contract will become effective upon Governor and Council approval through December 30, 2011. The amount of the contract is not to exceed \$62,424.00.

This project is set forth in the Department of Corrections Strategic Information Technology Plan: 2005-2009 dated October 21, 2005, Project #58 titled Medical component to CORIS.

A copy of this letter should accompany the submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard C. Bailey, Jr.", written over the word "Sincerely,".

Richard C. Bailey, Jr.

RCB/mee  
Amendment 2006-113 A

cc: Leslie Mason, IT Manager  
Robert Jackson, IT Manager

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 DOC 2006-113  
 Contract Document

State of New Hampshire  
 State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 2006-113  
 Statement of Work  
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**CONTRACT AGREEMENT**

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

**GENERAL PROVISIONS**

1.1 State Agency Name Office of Information Technology	1.2 State Agency Address 27 Hazen Drive Concord, NH 03301	1.8 Price Limitation \$61,124.00
1.3 Contractor Name Kalos, Inc.	1.4 Contractor Address 3518 SB 21 <sup>st</sup> Street, Suite D Topeka, KS 66607	
1.5 Account No.	1.6 Completion Date December 30, 2011	1.7 Audit Date N/A
1.9 Contracting Officer for State Agency Richard C. Bailey, Jr.	1.10 State Agency Telephone Number 603-271-4273	
1.11 Contractor Signature <i>[Signature]</i>	1.12 Name & Title Contractor Signor James D. Springer, Jr. President	
1.13 Acknowledgement State of, County of		

On, 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 <i>[Signature]</i>	<b>Sally Gragg</b> NOTARY PUBLIC - STATE OF KANSAS MY APPT. EXP. 5/30/2009
1.13.2 Name & Title of Notary or Justice of the Peace Sally Gragg	
1.14 State Agency Signor(s) <i>[Signature]</i>	1.15 Name/Title of State Agency Signor(s) Richard C. Bailey, Jr. Chief Operating Officer
1.16 Approval by Department of Personnel (Date of Compensation for Individual Constitutionalists)	
By: _____ Director, On:	
By: <i>[Signature]</i> Assistant Attorney General, On: 11/3/06	
By: _____ Assistant Attorney General, (Form, Substance and Execution)	
By: _____ Approval by the Governor or Comptroller	

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TERMS and DEFINITIONS  
 Capitalized terms used in the Contract will have the meanings given below.

Acceptance	Notice from the State that a Deliverable has satisfied Acceptance Test and/or Review.
Acceptance Criteria	The criteria a product must meet to successfully complete a test phase or meet delivery requirements.
Acceptance Period	The time frame during which the Acceptance Test and/or is performed.
Acceptance Test Plan	A test plan provided by KALOS, and agreed to by the State, that describes at a minimum, the specific acceptance process, criteria, and schedule for Deliverables.
Acceptance Test and/or Review	Tests performed to determine that no Deficiencies exist in the Application Software or the System.
Agency	New Hampshire Department of Corrections or the State.
Application Software	CIPS software
Automated	Robotics solution company
CCP	Change Control Procedures
CIPS	Correctional Institution Pharmacy System (CIPS)
CR	Change Request
COTS	Commercial Off-The-Shelf Software applications
Certification or comply	KALOS' written certification with full supporting and written documentation (including, without limitation, test results as applicable) that KALOS has completed development of the Deliverable and certified its readiness for applicable Acceptance Test and/or Review.
Confidential Information	Information required to be kept Confidential from unauthorized disclosure under the Contract.
Contract Documents	Documents that comprise this Contract (See Statement of Work Section 1.1).
Contract Managers	The persons identified by the State and by KALOS 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 contract administration activities.
CORIS - Corrections Information System	A fully integrated correction solution that supports both institutional and community-based corrections using a single electronic offender record, ensuring data consistency and improving decision-making around management and treatment. See: <a href="http://www.xwave.com/products/default.aspx">http://www.xwave.com/products/default.aspx</a>
D/C or d/c	Discontinue
Data	State's records, files, forms, data and other documents or

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DEA	Drug Enforcement Agency
Deficiency	A failure, deficiency, or defect in a Deliverable/System resulting in a Deliverable, the Software, or the System, not conforming to its Specifications. 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. 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. 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.
Deliverables	Any Written, Software, or Non-Software Deliverable (letter, report, manual, book, other), provided by KALOS to the State under the terms of the Contract
Deposit Materials	Application Code stored in an escrow account.
Documentation	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
Effective Date	The date on which this Contract takes effect. (See Statement of Work Section 2: Contract Term)
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
EOM	End of Month
Expired Prescription	A medication order that is past the effective date of the physician order or a prescription for an inmate that has been released.
EPIC (number)	A number assigned by the wholesaler to identify products.
FDA	Food and Drug Administration
Floor/night stock inventory	Limited supplies of drugs to be accessible by the nursing staff when the pharmacy is unavailable
First DataBank	First DataBank, a subsidiary of The Hearst Corporation, is a leading provider of electronic drug information to the healthcare industry

Firm Fixed Price Contract	Statement of Work
Formulary drug	A firm-fixed-price contract provides a price that is not subject to increase, i.e., adjustment on the basis of KALOS' cost experience in performing the contract. Formulary drug-a drug that is approved for use by the NHDOC medical staff Generally Accepted Accounting Principles The New Hampshire Governor and Executive Council.
GAAP	The process for making the System operational for processing the Data.
Governor and Executive Council	Sets forth the transition from development of the System to full operation, and includes, without limitation, training, business and technical procedures.
Implementation	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.
Information Plan	The date that KALOS completes installation and certifies such completion in writing to the State.
Information Technology (IT)	Kalos, Inc.
Installation Date	The group of KALOS employees responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Project Plan on time, on budget and to the required specifications and quality.
KALOS	KALOS employees, Project Manager, and Key Project Staff.
KALOS Key Project Team	responsible for the processes and mechanisms required such that the Services are procured in accordance with the Project Plan on time, on budget and to the required specifications and quality.
KALOS Team	KALOS employees, Project Manager, and Key Project Staff.
KOP	Services are procured in accordance with the Project Plan on time, on budget and to the required specifications and quality.
Letter of Acceptance	Keep on Person
Licensee	Written State acceptance of the CIPS system once User Acceptance Testing is successfully completed
MAR	The State of New Hampshire.
Med Cart	Medication Administration Record
Monograph	The physical cart that holds medications to be administered by nursing staff.
Medispan	A description of a particular drug which includes drug name, instructions for use, purpose, warnings, side-effects, etc.
NDC	Medispan provides fully integrated electronic drug data and clinical information to healthcare professionals worldwide, including a complete line of continuously updated drug databases, application programming interfaces, and stand-alone PC products.
NHDOC	National Drug Code
Non-display drugs	New Hampshire Department of Corrections Drugs which are currently not preferred, yet have been issued by

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Review Period	The process of Reviewing Deliverables for Acceptance. The period set for Review contained in the Work Plan for a Deliverable. If none is specified, then five (5) business days shall apply.
RFP (Request for Proposal) Schedule	Request For Proposal 2006-113.
Service Level Agreement (SLA)	The dates described in the Work Plan for deadlines for performance of Services and other Project events and activities.
Services	A signed agreement between KALOS and the State specifying the level of service that is expected and provided by KALOS during the term of the Contract.
SIG	The work or labor to be performed by KALOS on the Project as described in the Contract.
Software Deliverables	Abbreviation for Directions
Software License	COIS Software provided by KALOS under the contract
Solution	Software provided under the Contract.
Specifications	The Solution consists of the total solution, which includes, without limitation, Software and Services, meeting the requirements and terms of the Specifications.
State Project Team	The written specifications that set forth the requirements which include, without limitation, this RFP, 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. The Specifications are incorporated by reference as though completely set forth herein.
State Confidential Information	The group of State employees responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Project Plan on time, on budget and to the required specifications and quality.
State Data	State 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 New Hampshire RSA Chapter 91-A.
State Fiscal Year	Any information contained within State systems in electronic or paper format.
State Project Manager (PM)	The New Hampshire State Fiscal Year extends from July 1 <sup>st</sup> through June 30 <sup>th</sup> of the following calendar year.
State Pharmacist	State's representative with regard to project management and technical matters.
State Technical Lead and Architect	State of New Hampshire State person involved in the testing, deployment and use of the CIPS application State person working with KALOS who will help design and test the operational environment for the CIPS application software

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Non-Exclusive Contract	the NH DOC Pharmacy in the past.
Non-Software Deliverables	A contract executed by the State that does not restrict the State from seeking alternative sources for the Deliverables or Services provided under this Contract.
Non-formulary drug	Deliverables that are not Software Deliverables or Written Deliverables e.g. meetings, help support, services, other.
Normal Business Hours	A drug that is not approved for use by the NHDOC medical staff and requires approval for use through the NHDOC override process 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 <sup>th</sup> , Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. Specific dates will be provided.
Notice to Proceed (NTP)	The State Contract Manager's direction to KALOS to begin work on the Contract on a given date and time.
ODBC	Open Database Connection. A national standard for accessing databases.
Office of Information Technology (OIT)	The Office of Information Technology established under RSA 4-D within the Office of the Governor.
Operational System	System which is operating and fully functional. All Data has been loaded into the System, is available for use by the State in its daily operations.
Order of Precedence	The order in which Contract Documents reside in the event of a conflict or ambiguity.
Pill Line	Medications that are self-administered under observation by correctional staff and stored by correctional staff.
Production Cut Over Date	The date that the State has successfully completed User Testing and signoff, the software has been placed into production, and the Warranty Period commences.
Project	The planned undertaking regarding the entire subject matter of the Contract and the activities of the parties related hereto.
Project Team	The group of State employees and KALOS personnel responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Project 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 KALOS to ensure a successful project.
Project Managers	The persons identified in Section 4.2 and 4.4 of the Statement of Work.
Proposal	KALOS' written proposal submitted in response to RFP 2006-113.
Radio Button	The submission from a Vendor in response to the RFP.
Regression Test Plan	A group of buttons of which only one can be on at a time.
Review	Test plan for the retesting of corrected deficiencies The process of Reviewing Deliverables for Acceptance.



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Subcontractor	A person, partnership, or company subcontracted by KALOS to perform under the Contract.
Subject Matter Expert	State personnel skilled and knowledgeable in a specific area, e.g. pharmaceuticals.
System	Software, hardware, interfaces and extensions integrated and functioning together in accordance with the Specifications.
TBD	To Be Determined.
Technical Authorization	Direction to KALOS 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 or specifications of the SOW.
Test Plan	Series of tests with scripts and expected results designed to verify that the application performs according to Specifications.
Training Plan	Plan describing the steps to train State employees in the use of application software.
Total Contract Price	Maximum amount of charges KALOS can invoice the State for payment for this fixed price Contract.
UAT	User Acceptance Tests
User Acceptance Test Plan	The Acceptance Test Plan provided by KALOS, and agreed to by the State, given to the State personnel for final testing before system acceptance, that describes at a minimum, the specific acceptance process, criteria, and schedule for Deliverables.
Warranty Period	That period following Acceptance during which KALOS shall provide Warranties and Warranty Services.
Warranty Services	The services to be provided during the Warranty Period.
Warranty Release	Software code that is provided to the State as a remedy for defects documented during the Warranty Period.
Work Plan	The overall plan of activities for the Project created in accordance with the Contract.
Work Plan Deliverables	Any Written Software, or Non-Software Deliverable (letter, report, manual, book, other), provided by KALOS to the State under the terms of the Contract.
Written Deliverables	Written documentation (letter, report, manual, book, other) provided by KALOS, either in paper or electronic format.

This Contract is between the State of New Hampshire, Office of Information Technology ("State"), and Kalos, Inc., a Kansas corporation, ("KALOS") having its principal place of business at 3518 SE 21<sup>st</sup> Street, Suite B, Topeka, KS 66607.

**RECITALS**

The State desires to have KALOS provide a commercial-off-the-shelf software system, and associated Services, for the NH Department of Corrections Men's Central Pharmacy.

KALOS wishes to provide a commercial-off-the-shelf software system, and associated Services, for the NH Department of Corrections Men's Central Pharmacy.

The parties therefore agree as follows:

**1. CONTRACT**

**1.1 Contract Documents**

This Contract consists of the following Documents (Contract Document):

- a. The Statement of Work
- b. Exhibit A Contract Deliverables
- c. Exhibit B Price and Payment Schedule
- d. Exhibit C Special Provisions
- e. Exhibit D Administrative Services
- f. Exhibit E Implementation Service
- g. Exhibit F Testing Services
- h. Exhibit G Maintenance and Support Services
- i. Exhibit H Requirements--KALOS Responses
- j. Exhibit I Work Plan
- k. Exhibit J CIPS Software License and related Terms
- l. Exhibit K Warranty and Warranty Services
- m. Exhibit L Training Services
- n. Exhibit M Agency RFP with Addendums
- o. Exhibit N KALOS Proposal dated July 5, 2006
- p. Exhibit O Certificate of Vote
- q. Exhibit P Certificate of Authority
- r. Exhibit Q Certificate of Insurance
- s. Exhibit R Performance Bond
- t. Exhibit S Proposal Transmittal Form Letter
- u. Exhibit T Required IT Work Procedures

**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:

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**4. CONTRACT MANAGEMENT.**  
The Project will require the coordinated efforts of a Project Team consisting of both KALOS and State personnel. KALOS shall provide all necessary resources to perform its obligations under the Contract. KALOS shall be responsible for managing the Project to its successful completion.

- a. The State of New Hampshire Terms and Conditions, as stated in Appendix G, Section G.4 of the RFP and the General Contract Requirements, as stated in the RFP Section 6.
- b. State of New Hampshire, Office of Information Technology Contract #2006-113
- c. KALOS Proposal to RFP 2006-113 dated July 5, 2006.
- d. IT Project Required Work Procedures, Section G-1 of the RFP

**1.3 Non-Exclusive, Firm Fixed Price Contract**

This is a Non-Exclusive, Firm Fixed Price ("FFP") Contract with price and term limitations as set forth in the Contract.

The State may, at its discretion, retain other contractors to provide Services or Deliverables procured under this Contract. KALOS will not be responsible for any delay, act, or omission of such other contractors, except that KALOS shall be responsible for any delay, act, or omission of the other contractors if such delay, act, or omission is caused by or due to the fault of KALOS.

**2. CONTRACT TERM**

The Contract shall take effect after full execution by the parties, and the receipt of required governmental approvals, including but not limited to, Governor and Executive Council approval.

The Contract will begin on the Effective Date and extend through December 30, 2011. The Term may be extended for an additional period of one (1) year, at the sole option of the State, subject to the parties prior written agreement on applicable fees for the extended term.

KALOS shall commence work upon issuance of a Notice to Proceed by the State. If KALOS commences work prior to the Effective Date and a Notice to Proceed, such work will be performed at the sole risk of KALOS, and the State shall be under no obligation to pay KALOS for any costs incurred or services performed.

Time is of the essence in the performance of KALOS's obligations under the Contract.

**3. COMPENSATION/CONTRACT PRICE**

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

**4.1 KALOS Contract Manager**

KALOS shall assign a Contract Manager who shall be responsible for all Contract authorization and administration. KALOS Contract Manager is:

James D. Springer, Jr.  
President  
Kalos Inc.  
3518 SE 21<sup>st</sup> Street, Suite B  
Topeka, KS 66607

Phone: 485.232.3606  
Phone: 800.264.0068  
Toll Free Phone: 800.264.0068  
Fax: 785.232.4917

Email: jim@kalos-inc.com

**4.2 KALOS Project Manager**

**4.2.1 Contract Project Manager**

KALOS shall assign a project manager who meets the requirements of the Contract, including but not limited to, the requirements set forth in the RFP. Kalos' selection of the KALOS Project Manager shall be subject to the prior written approval of the State. The State's approval process may include, at the State's discretion, review of the KALOS Project Manager's resume, qualifications, references, background checks, and an interview. The State may require removal or reassignment of KALOS Project Manager who, in the sole judgment of the State, is found unacceptable to the State or is not performing to the State's satisfaction.

~~The KALOS Project Manager shall have full authority to make binding decisions under the Contract, and shall function as KALOS representative for all administrative and management matters. The KALOS Project Manager must be available to promptly respond during Normal Business Hours to inquiries from the State. The KALOS Project Manager must work diligently and use his/ her best efforts on the Project. The KALOS Project Manager must be qualified to perform the obligations required of the position under the Contract.~~

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The KALOS Project Manager shall perform the duties required under the Contract, including, but not limited to, those set forth in Exhibit 1, Section 2.

4.2.3 KALOS shall not change its assignment of the KALOS Project Manager without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of the KALOS Project Manager shall not be unreasonably withheld. The replacement Project Manager shall have comparable or greater skills than the KALOS Project Manager being replaced; meet the requirements of the Contract (including but not limited to, the requirements set forth in RFP); and be subject to reference and background checks described above in Section 4.2.1: *Contract Project Manager* and Section 4.10: *Background Checks*. KALOS shall assign a replacement KALOS Project Manager within ten (10) business days of the departure of the prior KALOS Project Manager, and KALOS shall continue during the ten (10) business day period to provide project management services through the assignment of a qualified interim Project Manager.

4.2.4 Notwithstanding any other provision of the Contract, the State shall have the option, at its discretion, to terminate the Contract, declare KALOS in default and pursue its remedies at law and in equity, if KALOS fails to assign a KALOS Project Manager meeting the requirements and terms of the Contract.

4.2.5 The KALOS Project Manager is:

James D. Springer, Jr.  
President  
Kaloss Inc.  
3518 SE 21<sup>st</sup> Street, Suite B  
Topsail, KS 66607  
Phone: 485.232.3606  
Toll Free Phone: 800.264.0068  
Fax: 785.232.4917  
Email: jim@kaloss-inc.com

4.3 KALOS Key Project Staff

4.3.1 KALOS shall assign key project staff who meet the requirements of the Contract, and can implement the CIPS software solution meeting the requirements set forth in RFP Appendix C: *System Requirements and Deliverables*, Table C.1-1: *Requirements-Vendor Response Checklist*. The State may conduct reference and background checks on the KALOS Key Project Staff. The State reserves the right to require removal or reassignment of the KALOS' Key Project Staff who are found unacceptable to the

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State. Any background checks shall be performed in accordance with Section 4.10: *Background Checks*.

4.3.2 KALOS shall not change any Key Project Staff commitments without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of the KALOS Key Project Staff will not be unreasonably withheld. The replacement key project staff shall have comparable or greater skills than the key project staff being replaced; meet the requirements of the Contract, including but not limited to the requirements set forth in RFP Appendix C: *System Requirements and Deliverables* and be subject to reference and background checks described above in Section 4.2.1: *Contract Project Manager* and in Section 4.10: *Background Checks*.

4.3.3 Notwithstanding any other provision of the Contract to the contrary, the State shall have the option to terminate the Contract, declare KALOS in default and to pursue its remedies at law and in equity, if KALOS fails to assign key project staff meeting the requirements and terms of the Contract.

4.3.3.1 KALOS Key Project Staff shall consist of the following individuals in the roles as identified below:

Key Members of the KALOS Team are:

Member	Title
James D. Springer, Jr.	President
Tim Marchand	General Manager/ Support
Rex Bloom	Software Manager
Josh Powell	CIPS Version 9 Oversight
Chris Haugsness	Support
Gary Bliss	Senior Programmer
Randy Larson	IT Specialist

4.4 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:

Robert Jackson  
Information Technology Manager  
Office of Information Technology  
State Office Park South  
105 Pleasant Street  
PO Box 1806  
Concord, NH 03302-1806

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TEL: (603) 271-5675  
FAX: (603) 271-5639  
EMAIL: Robert.Jackson@oi.tn.h.gov

**4.5 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 KALOS;
- c. Managing significant issues and risks;
- d. Reviewing and accepting Contract Deliverables;
- e. Invoice sign-off;
- f. Review and approval of Change proposals; and
- g. Managing stakeholders' concerns.

The State Project Manager is:

Judith LaForest, RPH  
Department of Corrections  
NH State Prison for Men  
281 North State Street  
PO Box 14  
Concord, NH 03302-0014  
  
Phone: 603-271-6480  
EMAIL: jlaforest@hbdoos.state.nh.us

**4.6 State Meetings and Reports**

The KALOS Project Manager or KALOS Key Project Staff personnel shall submit weekly status reports in accordance with the Schedule and terms of this Contract. The KALOS Key Project Staff shall participate in meetings as requested by the State, in accordance with the requirements and terms of this Contract. All status reports shall be prepared in formats approved by the State. Status reports shall include, at a minimum, the following:

- a. Project status related to the Work Plan;
- b. Deliverable status;
- c. Accomplishments during week(s) being reported;
- d. Planned activities for the upcoming two (2) week period;
- e. Future activities; and
- f. Issues and concerns requiring resolution.

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As reasonably requested by the State, KALOS shall provide the State with information or reports regarding the Project. KALOS 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.

**4.7 State-Owned Documents and Data**

KALOS 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 termination of the Contract, KALOS shall turn over all State-Owned Documents, material, and reports, and work in progress relating to this Contract to the State. State-Owned Documents must be provided in both printed and electronic format.

**4.8 Records Retention and Access Requirements**

KALOS 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, policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 Contractor Records Retention.

KALOS 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. KALOS and its Subcontractors shall retain all such records for three (3) years following termination of the Contract. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including all appeals.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by State and federal officials. Access to these items will be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the State. Delivery of and access to such records will be at no cost to the State during the three (3) year period after termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals. KALOS shall include the record retention and review requirements of this section in any of its subcontractors.

The State agrees that books, records, documents, and other evidence of accounting procedures and practices related to the KALOS 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.

**4.9 Accounting Requirements**

KALOS 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.

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4.10 Background Checks

The State may, at its sole expense, conduct background screening of the KALOS Project Manager and KALOS Key Project Staff. The State shall maintain the confidentiality of background screening results in accordance with the Statement of Work, Section 12: Use of State's Information, Confidentiality.

5. DELIVERABLES

5.1 Deliverables and Services

KALOS shall provide the State with the Deliverables and Services required under this Contract, and as more fully set forth in Exhibit A: *Contract Deliverables*.

5.2 Non-Software and Written Deliverables Review and Acceptance

After receiving written Certification from KALOS 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 Acceptance Criteria outlined in Exhibit A: *Contract Deliverables*. The State will notify KALOS in writing of its Acceptance or rejection of the Deliverable within five (5) business days of the State's receipt of KALOS' written Certification. If the State rejects the Deliverable, the State shall notify KALOS of the nature and class of the Deficiency and KALOS shall correct the Deficiency within the period identified in the Work Plan. If no period for KALOS' correction is identified, KALOS 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 KALOS of its Acceptance or rejection thereof, with the option to extend the review period up to five (5) additional business days. If KALOS fails to correct the Deficiency within the allotted period of time, the State may, at its option, continue reviewing the Deliverable and require KALOS to continue until the Deficiency is corrected, or immediately terminate the Contract, declare KALOS in default, and pursue its remedies at law and in equity.

5.3 System/Software Testing and Acceptance

System and Software Testing and Acceptance shall be performed as set forth in the Testing Plan and Exhibit F: *Testing Services*

6. SOFTWARE

6.1 CIPS Software and Documentation

KALOS shall provide the State with CIPS Software licenses and Documentation as set forth in Exhibit J: *CIPS Application Software License and Related Terms*.

6.2 CIPS Software Support and Maintenance

KALOS shall provide the State with CIPS Application Software support and maintenance Services Set forth in Exhibit J: *CIPS Application Software License and Related Terms*.

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7. WARRANTY

KALOS shall provide the Warranties and Warranty Services required under the Contract and as set forth in Exhibit K: *Warranty and Warranty Services*.

8. SERVICES

KALOS shall provide the Services required under the Contract. All Services shall meet and perform in accordance with the Specifications.

8.1 Administrative Services

KALOS shall provide the State with the Administrative Services set forth in Exhibit D: *Administrative Services*.

8.2 Implementation Services

KALOS shall provide the State with the Implementation Services set forth in Exhibit E: *Implementation Services*

8.3 Testing Services

KALOS shall perform Testing Services for the State as set forth in Exhibit F: *Testing Services*.

8.4 Training Services

KALOS shall provide the State with Training Services as set forth in Exhibit L: *Training Services*.

8.5 Maintenance and Support Services

KALOS shall provide the State with Maintenance and Support Services for the Software as set forth in Exhibit G: *System Maintenance and Support*.

9. WORK PLAN DELIVERABLE

KALOS shall provide the State with a Work Plan. The Work Plan 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 Exhibit I: *Work Plan*. KALOS shall update the Work Plan as necessary, but no less than weekly, 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 must be approved by the State, in writing, prior to final incorporation into Work Plan. The updated Work Plan, as approved by the State, is incorporated herein by reference.

Unless otherwise agreed in writing by the State, changes to the Work Plan shall not relieve KALOS from liability to the State for damages resulting from KALOS' failure to perform its obligations under the Contract, including, without limitation, performance in accordance with

603 271 3007 P.02

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10. CHANGE ORDERS  
The State may make changes or revisions at any time by written Change Order. Within five (5) business days of KALOS' receipt of a Change Order, KALOS shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or Work Plan.  
KALOS may request a change within the scope of the Contract by written Change Order, identifying any impact on the cost, the Schedule or the Work Plan. The State will attempt to respond to KALOS' requested Change Order within five (5) business days. The State will be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

11. INTELLECTUAL PROPERTY  
All Change Orders shall be subject to the Contract amendment process, as determined to apply by the State.

11.1 Deliverables  
The term "Deliverables" means information and the CPS Application Software Deliverables, including, but not limited to, the Deliverables identified in Exhibit A: Contract Deliverables.

11.2 State's License  
The State shall receive a perpetual, irrevocable, nonexclusive, and nontransferable license to use. KALOS retains all ownership and intellectual property right to the Deliverables.

11.3 State's Business  
The State's rights in the Deliverables shall be for purposes of the State's business only. All other intellectual property right in such Deliverables remain with KALOS. The State may not re-license, rent or lease the Software or use the Software for third-party training, commercial time-sharing, or service bureau use.

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11.4 KALOS's Materials  
Subject to the provisions of this Contract, KALOS 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, KALOS shall not distribute any products containing or disclose any State Confidential Information. KALOS 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 KALOS employees or third party consultants engaged by KALOS.

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.

11.5 Copyright  
11.5.1 WYW Copyright and Intellectual Property Rights  
All right, title and interest in the State WYW site, including copyright (to all data and information, shall remain with the State. The State shall also retain all right, title and interest in any user interfaces and computer instructions embedded within the WYW pages. All WYW pages and any other data or information shall, where applicable, display the State's copyright.

11.6 Survival  
This Section 11: Intellectual Property shall survive the termination of the Contract.

12. USE OF STATE'S INFORMATION, CONFIDENTIALITY  
12.1 Use of State's Information  
In performing its obligations under the Contract, KALOS 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). KALOS shall not use the State Confidential Information except as directly connected to and necessary for KALOS' performance under the Contract, unless otherwise permitted under the Contract.

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12.2 State Confidential Information  
KALOS shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential information that becomes available to KALOS in connection with its performance under the Contract, regardless of its form. Any disclosure of the State Confidential Information shall require the prior written approval of the State. KALOS shall immediately notify the State if any request, subpoena or other legal process is served upon KALOS regarding the State Confidential Information, and KALOS 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. In the event of the unauthorized release of the State Confidential Information, KALOS shall immediately notify the State, and the State may immediately pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

13.2 Compliance by the KALOS with Laws and Regulations: Equal Employment Opportunity  
13.2.1 In connection with the performance of the Contract, KALOS shall comply with all statutes, laws, regulations, orders of federal, State, county or municipal authorities which impose any obligation or duty upon KALOS, including, but not limited to, civil rights and equal opportunity laws. KALOS shall also comply with all applicable local, state and federal licensing requirements and standards necessary in the performance of the Contract.

13.2.2 During the term of the Contract, KALOS shall not discriminate against employees or applicants for employment in violation of applicable State or federal laws, including but not limited to non discrimination because of race, color, religion, creed, age, sex, handicap or national origin and will take affirmative action to prevent such discrimination.

13.2.3 If the Contract is funded in any part by monies of the United States, KALOS 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 issues to implement these regulations. KALOS further agrees to permit the State or United States, access to any of KALOS' pertinent books, records, and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and covenants and conditions of the Contract.

13.3 Regulatory/Government Approvals  
KALOS shall obtain all applicable regulatory or other governmental approvals necessary for it to perform its obligations under the Contract.

13.4 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 will provide KALOS access to program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware.

The State will use reasonable efforts to provide approvals, authorizations, and decisions necessary to allow KALOS to perform its obligations under the Contract.

13.5 Personnel

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12.2 State Confidential Information  
KALOS shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential information that becomes available to KALOS in connection with its performance under the Contract, regardless of its form. Any disclosure of the State Confidential Information shall require the prior written approval of the State. KALOS shall immediately notify the State if any request, subpoena or other legal process is served upon KALOS regarding the State Confidential Information, and KALOS 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. In the event of the unauthorized release of the State Confidential Information, KALOS shall immediately notify the State, and the State may immediately pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

12.3 KALOS's Confidential Information  
Insofar as KALOS seeks to maintain the confidentiality of its confidential information, KALOS must clearly identify in writing all information it claims to be confidential. Notwithstanding the foregoing, the State acknowledges that KALOS considers the Software and Documentation confidential information. KALOS acknowledges that the State is subject to applicable State and federal laws governing disclosure of information including, but not limited to, New Hampshire 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 KALOS as confidential, the State shall notify KALOS and specify the date the State will be releasing the requested information. At the request of the State, KALOS shall cooperate and assist the State with the collection and review of KALOS' information, at no additional expense to the State. Any effort to prohibit or enjoin the release of the information shall be KALOS' sole responsibility and at KALOS' sole expense. If KALOS 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 KALOS, without any liability to KALOS.

12.4 Survival  
This Section 12, Use of State's Information, Confidentiality, shall survive termination of the Contract.

13. GENERAL PROVISIONS

13.1 Conditional Nature of Contract  
Notwithstanding any provision of the Contract to the contrary, all obligations of the State, including, without limitation, the continuance of payments, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments in excess of such available appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment

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13.7 Termination

13.7.1 Termination for Default

Unless otherwise provided in the Contract, the State shall provide KALOS written notice of default, and KALOS must cure the default within thirty (30) days ("Cure Period") of its receipt of the notice of default. If KALOS fails to cure the default within the Cure Period, the State may, at its sole discretion, terminate the Contract, declare KALOS in default, and pursue its remedies at law or in equity, or both.

13.7.1.1 In the event the State declares KALOS in default under any provision of the Contract, the State may, at a minimum, take any or all of the following actions:

13.7.1.1.1 Set off against any other obligations the State may owe to KALOS under this Contract

13.7.1.1.2 Procure Services that are the subject of the Contract from another source, and KALOS shall be liable for reimbursing the State for the replacement services with a limitation of liability to one and one half (1.5) times the contract and if applicable all administrative costs directly related to procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; and.

13.7.1.1.3 Treat the Contract as breached and pursue its remedies at law or in equity, or both.

13.7.1.2 In the event of default by the State, KALOS shall provide the State with written notice of default, and the State shall cure the default within thirty (30) days of its receipt of the notice of default, unless otherwise extended by KALOS.

13.7.1.3 No remedy conferred under the Contract is intended to be exclusive of any other remedy, and each remedy is cumulative and in addition to every other remedy in the Contract. The State's election or non-election of any or more remedies shall not constitute a waiver of its right to pursue other legally available remedies.

13.7.2 Termination for Convenience

13.7.2.1 The State may, at its sole discretion, terminate the Contract for Convenience, in whole or in part, by thirty (30) days written notice to KALOS. In the event of a termination for convenience, the State shall pay KALOS the agreed upon price, if separately stated in this Contract, for Deliverables for which Acceptance has been given by the State. Amounts for Services provided prior to the date of termination for which no separate price is stated under the

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13.5.1 The performance of KALOS' obligations under the Contract shall be carried out by KALOS. KALOS shall, at its own expense, provide all personnel, materials, and resources required under the Contract and as necessary to perform KALOS' obligations under the Contract.

13.5.2 KALOS shall not hire, and shall permit no Subcontractors or other person, firm or corporation with whom it is engaged in a combined effort to perform its obligation under the Contract, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

13.5.3 The Chief Information Officer (CIO) of the Office of Information Technology, or his designee, shall be the State's representative. In the event of any dispute governing the interpretation of the Contract, the CIO's decision shall represent the final position of the State.

13.6 Dispute Resolution

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted under the Contract.

The parties shall use reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiations for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

Dispute Resolution Responsibility and Schedule Table

	James D. Springer, Jr. President	Judy LaForest State Project Manager	TIME 5 Business Days
Primary	James D. Springer, Jr. President	Robert Jackson State Project Management Team (PMT)	10 Business Days
First	James D. Springer, Jr. President	Richard C. Bailey State Chief Information Officer (CIO)	15 Business Days
Second			

The allotted time for the first level negotiations shall begin on the date the Invoking Party's notice is received by the other party.



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Contract will be paid, in whole or in part, generally in accordance with Exhibit B: *Price and Payment Schedule*, of the Contract.

13.7.2.2 During the thirty (30) day period, KALOS shall wind down and cease Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the State from such winding down and cessation of Services. KALOS shall pay the State a pro-rated refund of any current development, support, and maintenance for which the State has already paid.

13.7.2.3 In the event of early termination, the State shall cease to have access to KALOS Materials provided that the State has not fully paid applicable license fees at the time of such termination.

13.7.3 Termination for Conflict of Interest

13.7.3.1 The State may immediately declare KALOS in default and terminate the Contract by written notice, if the State determines that a conflict of interest exists and that KALOS knew or should have known of the conflict.

13.7.4 Termination Procedure

- 13.7.4.1 After receipt of a notice of termination, and except as otherwise directed by the State, KALOS 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 that is reasonable and customary under the circumstances, or as necessary to preserve and protect the property related to the Contract which is in the possession of KALOS and in which the State has an interest;
  - d. Transfer possession, as applicable, to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State; and
  - e. Provide written Certification to the State that KALOS has surrendered to the State all said property.

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f. Assist in transition services, as reasonable requested by the State at no additional cost.

13.8 Force Majeure

Neither KALOS 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 KALOS' inability to hire or provide personnel needed for KALOS' performance under the Contract.

13.9 KALOS' Relation to the State

In the performance of the Contract, KALOS is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither KALOS nor any of its officers, employees, agents, or members shall have authority to bind the State or receive any benefits, worker's compensation or other emoluments provided by the State to its employees.

13.10 Assignment, Delegation and Subcontracts

13.10.1 KALOS 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.

13.10.2 KALOS shall remain wholly responsible for performance of the entire Contract even if assigns, delegates, Subcontractors or other transferees are used, unless otherwise agreed to in writing by the State, and the Assigns ("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 not relieve KALOS of any of its obligations under the Contract; not affect any remedies available to the State against KALOS that may arise from any event of default; and the State may consider KALOS to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

13.10.3 Notwithstanding the foregoing, nothing herein shall prohibit KALOS from assigning the Contract to the successor of all or substantially all of the assets or business of KALOS provided that the successor fully assumes in writing all obligations and liabilities under the Contract. Any attempted transfer, assignment, 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.

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13.10.4 In the event that KALOS should change ownership as permitted under this section 13.10.3, the State shall have the option to continue under the Contract with KALOS, its successors or assigns for the full remaining term of the Contract; continue under the Contract with KALOS, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to the KALOS, its successors or assigns.

13.11 Indemnification

13.11.1 KALOS shall indemnify, defend 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 KALOS, its personnel or agents in connection with KALOS' performance of the Contract.

13.11.2 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.

13.11.3 Survival

This Section 13.11, *Indemnification*, shall survive termination of this Agreement.

13.12 Limitation of Liability

13.12.1 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 KALOS shall not exceed one and one-half times (1.5X) the total Contract price set forth in Section 1.8 of the General Provisions form (P-37).

13.12.2 KALOS

Subject to applicable laws and regulations, in no event shall KALOS be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and KALOS' liability to the State shall not exceed one and one half times (1.5 X) the total Contract price set forth in Section 1.8 of the General Provisions form (P-37). Notwithstanding the foregoing, the limitation of liability in this Section 12.12.2 shall not apply to KALOS' indemnification obligations set forth in Section 13.11. *Indemnification* and confidentiality obligations set

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forth in Section 12: *Use of State's Information, Confidentiality*, all of which shall be unlimited.

13.12.3 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.

13.12.4 Survive

This Section 13.12: *Limitation of Liability* shall survive termination.

13.13 Insurance

13.13.1 KALOS Insurance Requirement

KALOS shall, at its sole expense, obtain and maintain in force, and shall require any Subcontractor or assignee to obtain and maintain in force, including for the benefit of the State, the following insurance:

a. 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 incident; and

b. The policies shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than ten (10) days after written notice thereof has been received by the State.

13.14 Waiver of Event of Default

No failure by either party to enforce any provisions thereof after any event of default shall be deemed a waiver of its rights with regard to that event, or any subsequent event. No express failure of any 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 default on the part of KALOS.

13.15 Notice

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

TO KALOS:  
Kalos, Inc.  
3518 SE 21<sup>st</sup> Street, Suite B  
State of New Hampshire  
Office of Information Technology

STATE OF NEW HAMPSHIRE  
Office of Information Technology  
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Topoka, KS 66607  
27 Hazen Drive  
Concord, NH 03301

13.16 Amendment

The Contract 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.

13.17 Construction of Contract and Terms

The Contract 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 successor and assigns. Any action may only be brought in the State of New Hampshire, Merrimack County Superior Court.

13.18 Third Parties

The parties hereto do not intend to benefit any third parties and the Contract shall not be construed to confer any such benefit.

13.19 Headings

The headings in the Contract shall not be held to explain, modify, amplify, or aid in the construction or interpretation of the Contract provisions, and are for reference purposes only.

13.20 Exhibits

The Exhibits referred to in and attached to the Contract are incorporated by reference as if fully set forth herein.

13.21 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 Section 4.8: *Records Retention and Access Requirements*, Section 4.9: *Accounting Requirements*, and Section 12: *Use of State's Information, Confidentiality and Section 13.11: Indemnification* which shall all survive the termination of the Contract.

13.22 Entire Contract

The Contract, which may be executed in a number of counterparts, each of which shall be deemed an original, constitute the entire Contract and understanding between the parties, and supersede all prior contracts and understandings.

State of New Hampshire  
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Exhibit A  
Contract Deliverables

1. DELIVERABLES, MILESTONES AND ACTIVITIES

KALOS shall provide the State with Concessional Institution Pharmacy System ("CIPS") and associated Documentation which will meet and perform in accordance with the Specifications.

Prior to the commencement of work on Non-Software and Written Deliverables, KALOS shall provide the State a report template with a table of contents, and a meeting agenda for review and prior approval by the State.

The Deliverables are set forth in the Schedule described below in Section 2.

Pricing for Deliverables is 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	Delivery Date
1	State sends copy of current data from Viking System for trial conversion	Software	11/15/2006
2	KALOS completes Unit and System Testing	Non-Software	11/20/2006
3	Project Work Plan	Written	11/20/2006
4	Conduct Project Kickoff Meeting	Non-Software	12/1/2006
5	Conduct one day training	Non-Software	12/1/2006
6	State completes User Acceptance Testing	Non-Software	12/15/2006
7	State sends copy of current data for final conversion	Software	12/18/2006
8	All Operating System Software and Converted Data Loaded into Production Environment	Software	12/20/2006
9	Cutover to New Software	Software	12/26/2006
10	Conduct 10 Training Days	Non-Software	12/26/2006-1/9/2007
11	Warranty Period Begins	Software	12/26/2006
12	Weekly Project Status Reports	Written	Ongoing

State of New Hampshire  
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Central Pharmacy Software Delivery  
Exhibit B  
Price and Payment Schedule

I. DELIVERABLE PAYMENT SCHEDULE

1.1 Firm Fixed Price

This is a Firm Fixed Price Contract totaling \$61,124.00 for the period between the Effective Date through December 30, 2011. KALOS shall be responsible for performing its obligations in accordance with the Contract. This Contract will allow KALOS to invoice the State for the following Activities, Deliverables, or Milestones at fixed pricing/rates appearing in the Price and Payment Tables below:

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date	Payment Amount
1	Data Conversion from Viking Inmate Demographic Download	Software	Nov 16, 2006	\$ 6,000
2	Conduct Project Kickoff Meeting and One Day Training	Software	Nov 16, 2006	\$ 800
3	State completes User Acceptance Testing	Non-Software	Dec 1, 2006	\$ 1,100
4	Conduct Training - (10 Days)	Non-Software	Dec 15, 2006	\$ 6,608
5	Project Holdback - 120 Days after Software Development Deployment	Non-Software	Dec 26, 2006-Jan 9, 2007	\$11,000
6a	Final Payment	Non-Software	Apr 26, 2007	\$ 4,712
6b		Non-Software	December 30, 2011	\$1400
7	Maintenance and Support for Services thru June 30, 2007	Non-Software	Pay by Jan 1, 2007 for Services thru June 30, 2007	\$ 1,580
8	Maintenance and Support	Non-Software	Pay by June 30, 2007	\$ 2,280
9	Maintenance and Support	Non-Software	Pay by June 30, 2008	\$ 2,280
10	Maintenance and Support	Non-Software	Pay by June 30, 2009	\$ 2,394
11	Maintenance and Support	Non-Software	Pay by June 30, 2010	\$ 2,512
12	Maintenance and Support	Non-Software	Pay by June 30, 2011	\$ 2,638

COTS Exhibit B: Price and Payment Schedule v1.0 04042003  
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State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit A  
Contract Deliverables

13	Warranty Period Ends	Software	4/26/2007
14	Conduct Project Exit Meeting	Non-Software	Upon complete system documentation. Latest expected date: 6/1/2007
15	Maintenance and Support Ends	Non-Software	12/31/2011

3. TRAINING DELIVERABLES

Training will be in accordance with the requirements set forth in Exhibit L: Training Services and the Schedule established by Exhibit I: Work Plan.

4. SOFTWARE LICENSES

Software Licenses for COTS are set forth in Exhibit J: CIPS Software License and Related Terms.

2006-113 COTS Exhibit A  
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State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit B  
Price and Payment Schedule

Medspan and Warning Label	For December 30, 2011	
Total		\$61,124

Table 2 - Detailed License Deliverables and Pricing

Description	License Type	Quantity	Net Price-License
Test Products			
None		5	\$ 0
Application Products			
Correctional Institution Pharmacy System (CIPS)	Version 9	5	\$ 14,720
<b>Grand Sub Total</b>			<b>\$ 14,720</b>

The State may purchase any additional licenses of the COTS Software Solution at this pro-rated Contract discount rate of \$2,944, for a period of five (5) years from the Contract Effective Date.

**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 \$61,124.00 ("Total Contract Price"). The payment by the State of the total Contract price shall be the only and the complete reimbursement to KALOS for all fees and expenses, of whatever nature, incurred by KALOS in the performance hereof.

**3. INVOICING**

All invoices shall be subject to the State's prior written approval, which shall not be unreasonably withheld. Invoices shall contain detailed information, including without limitation, the following: identification of each Deliverable or Service for which payment is sought; date of delivery and/or installation; the Acceptance date triggering such payment; and any other Project costs. 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  
Office of Information Technology  
49 Donovan Street  
Concord, NH 03301

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit B  
Price and Payment Schedule

**4. PAYMENT ADDRESS**

All payments shall be sent to the following address:

Kalos, Inc.  
3518 SE 21<sup>st</sup> Street, Suite B  
Topeka, KS 66607

**5. OVERPAYMENTS TO KALOS**

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

**6. CREDITS**

The State may apply credits due to the State arising out of this Contract, against KALOS' invoices with appropriate information attached.

**7. PROJECT HOLDBACK**

The State shall withhold ten percent (10%) of the Project cost, (\$6,112.00) as set forth in the Payment Table above, until successful conclusion of the Warranty Period.

**8. RIGHT TO OFFSET**

The State reserves the right to offset from any amounts otherwise payable to KALOS under the Contract those liquidated amounts required or permitted under the Contract, by RSA 80:7 through 7, C, or any other provision of law.

State of New Hampshire  
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Central Pharmacy Software Delivery  
Exhibit C  
Special Provisions

Special Provisions

There are no special provisions for this Contract.

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Delivery Software  
Exhibit D  
Administrative Services

1. STATUS MEETINGS AND REPORTS

The State believes that effective communication and reporting, through meetings and written reports is essential to Project success. At a minimum, the State expects the following:

**Introductory Meetings:** Participants will include KALOS Key Project Staff and State Project Team from both KALOS and the Office of Information Technology. This meeting will enable leaders to become acquainted and establish any preliminary project procedures.

**Kickoff Meeting:** Participants will include the KALOS Key Project Staff, State Project Team and major stakeholders. This meeting is to establish a sound foundation for activities that will follow.

**Weekly status meetings:** This meeting will include the Information Technology Manager from NHDOC and the technical support staff.

**Status Meetings:** Participants will include KALOS Project Manager, the Information Technology Manager from NHDOC, the Technical Support Services Division Information Technology Manager, and NHDOC Men's Pharmacy Pharmacist. These meetings, which will be conducted at least weekly, will address overall project status, error report reviews and any additional topics needed to remain on schedule and within budget. A status and error report from KALOS will serve as the basis for discussion.

The Work Plan must be reviewed at each Status Meeting and updated, at minimum, on a weekly basis, in accordance with the Contract Statement of Work, Section 9: *Work Plan Deliverable*.

**Special Meetings:** Need may arise for a special meeting with State leaders or project stakeholders to address specific issues.

KALOS shall submit reports in accordance with the Schedule and terms of the Contract. All reports shall be prepared in formats approved by the State. KALOS' Project Manager shall assist the State Project Manager, or itself produce reports related to Project Management as reasonably requested by the State. KALOS must produce project status reports, which shall contain, at a minimum, the following:

- a. Project status as it relates to Work Plan
- b. Deliverables status
- c. Accomplishments during weeks being reported
- d. Planned activities for the upcoming two week period
- e. Staff time reporting
- f. Issues and concerns requiring resolution
- g. Financial Status to be updated once a month

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit E  
Implementation Services

KALOS shall provide the State with the following implementation services:

1. IMPLEMENTATION STRATEGY

1.1 Key Components

A. KALOS shall employ an implementation strategy set forth in Exhibit I. Work Plan.

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Delivery Date
1	Weekly Project Status Reports	Written	On-going
2	State (NH OIT) sends copy of current data from Yiking System for trial conversion	Software	11/16/2006
3	NH DOC provides label and MAR format to KALOS	Written	11/16/2006
4	Project Work Plan	Written	11/20/2006
5	KALOS completes Unit and System Testing	Non-Software	11/30/2006
6	Conduct Project Kickoff Meeting	Non-Software	12/1/2006
7	Conduct one day training	Non-Software	12/1/2006
8	KALOS provide conversion interface design/capability requirements for OIT installation	Software	12/1/2006
9	KALOS provides Deployment Plan	Written	12/1/2006
10	KALOS provides initial Operational Procedures Documentation	Written	12/1/2006
11	KALOS delivers CIPS System	Software	12/1/2006
12	NH DOC completes integration testing	Software	12/15/2006
13	NH DOC completes User Acceptance Testing	Software	12/15/2006
14	KALOS provides support and assistance for Backup and Recovery of Application	Software	12/15/2006
15	NH OIT sends copy of current data for final conversion	Software	12/18/2006

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit E  
Implementation Services

16	All Operating System Software and Converted Data Loaded into Production Environment	Software	12/20/2006
17	KALOS provides final Software Configuration and Design documentation, based on Label and MAR format	Written	12/20/2006
18	Conduct 10 Training Days	Non-Software	12/26/2006-1/9/2007
19	Cutover to New Software	Software	12/26/2006
20	Warranty Period Begins	Software	12/26/2006
21	Application modifications defined in Table 2, Modifications-KALOS Developed	Software	2/28/2007
22	KALOS provides final Operational Procedures Documentation	Written	6/1/2007
23	Conduct Project Exit Meeting	Non-Software	6/1/2007
24	Maintenance and Support Ends	Non-Software	12/31/2011

- B. KALOS and the State shall adopt a change management approach to identify and plan key strategies and communication initiatives. KALOS' team will provide training templates as defined in the Training Plan, customized to address the State's specific requirements.
- C. KALOS shall utilize an approach that fosters and requires the participation of State resources, uses the State resources' business expertise to assist with the configuration of the applications, and prepares them to assume responsibility for, and ownership of, the new system. A focus on technology transition shall be deemed a priority.
- D. KALOS shall manage project execution and provide the tools needed to create and manage the project's plan and tasks, schedule and manage project staff, track and manage issues, manage changing requirements, maintain communication within the project team, and report status.
- E. KALOS shall adopt an implementation time-line aligned with the State's required implementation of 12/30/2006.

1.1 Timeline

The timeline is set forth in the Work Plan. During the initial planning period project task and resource plans will be detailed, preliminary training plan established, the change management plan established, communication approaches established, project standards and procedures finalized, and team training initiated.

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit E  
Implementation Services

2. STATE-PROVIDED SERVER

KALOS will provide pre-production system administration services for the servers, reasonable assistance to State staff and scheduling of backup activities during the project. The State will be responsible to provide server resources for the project implementation and to ensure backup activities are performed.

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit F  
Testing Services

KALOS shall provide the following Services described in this Exhibit F: Testing Services, including but not limited to:

1. TESTING AND ACCEPTANCE

KALOS shall bear all responsibilities for the full suite of test planning and preparation throughout the Project. KALOS shall also provide training as necessary to the State staff responsible for test activities. KALOS will be responsible for all aspects of testing contained in the Test Plan including support, at no additional cost, during the User Acceptance Test conducted by the State and the testing of the training materials.

All Testing and Acceptance shall include planning, test scenario and script development, data and System preparation for testing, and execution of unit, System Integration Testing, Conversion Testing, support of the State during User Acceptance Testing and Implementation.

In addition, the State Pharmacist will prepare and test scripts during the User Acceptance Test (UAT). These tests are based upon the State Pharmacist's knowledge, judgment, and training and overall pharmaceutical responsibility.

KALOS 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. KALOS shall correct Deficiencies and support required re-testing as described below.

1.1 Test Planning and Preparation

KALOS will provide the State with a Test Plan that will include identification, preparation, and documentation of planned testing, requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test data, test phases, unit tests, expected results, and "bug" tracking system.

As identified in the Test Plan and documented in accordance with the Project Work Plan, State testing will commence upon the KALOS' Project Manager's certification, in writing, that the KALOS' own staff has successfully executed all prerequisite KALOS 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 User Acceptance Test Plan, test scenarios, test cases, test scripts, test data, and expected results.

1.2 Unit Testing

In Unit Testing, KALOS will 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.



State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit F  
Testing Services

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.

The KALOS Key Project Staff person will be responsible for conducting the unit testing.

<b>Activity Description</b>	Develop the scripts needed to unit test individual application modules, interface(s) and conversion components.
<b>KALOS Team (Key Project Staff) Responsibilities</b>	For application modules, conversions and interfaces the KALOS team will identify applicable test scripts and installation instructions, adapt them to the project specifics, test the process, and compare with the documented expected results.
<b>Work Product Description</b>	Unit-Tested Modules that have been tested to verify that the inputs, outputs, and processing logic of each application module functions without errors. Individual detailed test scripts and installation guides list all the required actions and data to conduct the test, the process for test execution, and the expected results.

1.3 Conversion Validation Testing

In Conversion Validation Testing, target application functions are validated.

<b>Activity Description</b>	The conversion validation test should replicate the entire flow of the converted data through the CIPS Application. As the CIPS Application is interfaced to legacy or third-party applications, and interfaces, test the flow of the converted data through these interface points.
<b>KALOS Team (Key Project Staff) Responsibilities</b>	For conversions and interfaces, the KALOS 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 conversion.
<b>Work Product Description</b>	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 CIPS Application.

1.4 Installation Testing

In Installation Testing the application components are installed in the pre-production 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.

1.5 User Acceptance Testing (UAT)

UAT begins upon completion of the Software configuration as required and user training according to the Project Work Plan. Testing ends upon issuance of a letter of UAT Acceptance by the State.

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Exhibit F  
Testing Services

The State will be presented with all testing results, as well as written Certification that KALOS has successfully completed the prerequisite tests, meeting the defined Acceptance Criteria, and performance standards criteria. The State will commence testing within one (1) business day of receiving Certification from KALOS that the CIPS application is installed, configured, complete and ready for State testing.

User Acceptance Testing is a verification process that consists of performing the tests and verifying the results against the Acceptance Criteria specified, and in the requirements defined in the KALOS proposal response. The State will conduct testing utilizing scripts developed as identified in the Test Plan to validate the functionality of the CIPS Application and the interfaces, and verify implementation readiness. It is performed in a copy of the production environment and also serves as a performance and stress test of the System. The User Acceptance Test may cover any aspect of the new CIPS Application, including administrative procedures (such as backup and recovery).

The results of the User Acceptance Test provide evidence that the new System meets the Acceptance Criteria as defined in the Work Plan.

<b>Activity Description</b>	The System User Acceptance Testing verifies System functionality against predefined acceptance criteria that support the successful execution of the approved central pharmacy delivery process.
<b>KALOS Team (Key Project Staff) Responsibilities</b>	<ul style="list-style-type: none"> <li>Provide the State an acceptance test plan and a section of test scripts for the acceptance test.</li> <li>Monitor the execution of the test scripts and assist as needed during the User Acceptance Testing activities.</li> <li>Work jointly with the State in determining the required actions for problem resolution.</li> </ul>
<b>State Responsibility</b>	<ul style="list-style-type: none"> <li>Develop the User Acceptance Test Plan and the set of data for use during the User Acceptance Test.</li> <li>Validate the acceptance test environment.</li> <li>Execute the test scripts and conduct user acceptance testing activities.</li> <li>The State Pharmacy will evaluate test scripts for accuracy.</li> <li>Document and summarize acceptance test results.</li> <li>Work jointly with KALOS in determining the required actions for problem resolution.</li> <li>Provide Acceptance of the validated Systems.</li> </ul>
<b>Work Product Description</b>	The Deliverable for User Acceptance testing is the User Acceptance Test Results. These results provide evidence that the new CIPS Application meets the Acceptance Criteria defined in the Work Plan.

1.6 Regression Testing

KALOS will be responsible for developing the Test Plan and all test materials, and for executing all tests and certifying their completion prior to user testing. As a result of the user testing activities, problems will be identified that require correction. KALOS shall

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 Exhibit F  
 Testing Services

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 Exhibit F  
 Testing Services

perform additional testing activities in response to State and/or user problems identified from the testing results.

During this problem correction process, the State requires that appropriate regression testing occur. By regression testing, the State 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.

When a programming change is made in response to a problem identified during user testing, a Regression Test Plan must be developed by KALOS based on the understanding of the program and the change being made to the program. The Regression Test Plan has two objectives: first, to validate that the change/update has been properly incorporated into the program; and second, to validate that there has been no unintended change to the other portions of the program.

KALOS shall:

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.

KALOS shall 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, KALOS will be required to assess the risks inherent to the modification being implemented, identifying and assessing any unintended consequences, and weighing those risks against the time and effort required for conducting the regression tests.

The State will test KALOS regression tests for accuracy.

1.7 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 production-use of the CIPS application will be deployed. The respective Implementation Warranty period shall commence as further described in Exhibit K: *Warranty and Warranty Services*.

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit G  
System Maintenance and Support

1. SYSTEM MAINTENANCE

1.1 KALOS' Responsibility

KALOS shall perform remote technical support to maintain the CIPS Application in accordance with the Contract, KALOS will not be responsible for maintenance or support for any software developed or modified by the State.

1.1.1 Maintenance Releases

KALOS 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 cost.

2. SYSTEM SUPPORT

2.1 KALOS' Responsibility

- a) Maintain and support all Software used in the application;
- b) Provide security at the application and database levels;
- c) Support all necessary software upgrades and version control for distribution of application upgrades;
- d) Provide a technical support team that provides support for maintenance of application software;
- e) Conduct remote diagnostics with access privileges to servers;
- f) Assist the State with all operating systems and utilities;
- g) Provide a performance monitoring system;
- h) Provide the ability to receive and incorporate updates to the drug database from Medspan and the Warning Label Subscriptions;
- i) Provide immediate and constant attention for any software application failures until the State Pharmacist, or his/her designee, reports the system is again operational and functioning;
- j) Provide preventative maintenance;
- k) Provide training via telephone as needed;
- l) Provide manned telephone support Monday to Friday between the hours of 9:00 am to 5:30 pm, Eastern Standard Time, to record all trouble issues;
- m) Provide a telephone number for emergency off-hour assistance;
- n) Ensure a State caller will not be on hold for more than five (5) minutes;
- o) For Class A problems/issues, KALOS shall analyze and resolve the issue within sixty (60) minutes;
- p) For Class A problems/issues which can not be resolved in sixty (60) minutes, KALOS shall provide the State a problem resolution update at least every other business day;

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Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit G  
System Maintenance and Support

- q) For Class B problems/issues, KALOS shall analyze and resolve the issue within twenty-four (24) business hours of a request;
- r) For Class B problems/issues which can not be resolved within twenty-four (24) hours, KALOS shall provide the State a problem resolution at least a weekly update;
- s) For Class C problems/issues, KALOS shall analyze and resolve the issue within seven (7) calendar days; and
- t) For Class C problems/issues which can not be resolved within seven (7) days, KALOS shall provide the State a monthly problem resolution update.

All Class A, B, and C Deficiencies found shall be corrected by KALOS no later than thirty (30) business days, unless specifically extended by the State. Approval for any such extensions will not be unreasonably withheld. In the event that KALOS fails to correct a Deficiency or fails to do so within the allotted period of time, the State may exercise its rights under Termination for Default defined in the Statement of Work, Section 13.7.1 and terminate the Contract, declare the KALOS in default, and pursue its remedies at law or in equity or both.

2.2 Term

KALOS System support will commence upon the State's issuance of the User Acceptance Testing Letter of Acceptance and will remain in effect through the end of the Term, December 30, 2011, and any extensions thereof.

3. DATA COLLECTION

3.1 Records

KALOS shall maintain a record of the activities related to warranty repair or maintenance and support activities performed for the State. For all maintenance services calls, KALOS 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 times; and
- 5. Deficiency resolution information.

3.2 System Monitoring

KALOS shall 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 System;
- 2. Diagnosis of the root cause of the problem; and
- 3. Identification of repeat calls or repeat System problems.

State of New Hampshire  
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Exhibit H  
Priority Requirements- KALOS Response

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
7	KALOS will provide a drug file record that must contain Therapeutic class	M	Yes		
8	KALOS will provide a drug file record that must contain DEA class	M	Yes		
9	KALOS will provide a drug file record that must contain brand name	M	Yes		
10	KALOS will provide a drug file record that must contain vendor EPIC number	O	Yes		
11	KALOS will provide a drug file record that must contain maintenance drug indicators	M	Yes		
12	KALOS will provide a drug file record that must contain quantity dispense limits	M	Yes		This is a maximum amount that can be dispensed for that drug
13	KALOS will provide a drug file record that must contain daily dosages	M	Yes		
14	KALOS will provide a drug file record that must contain formulary indicators	M	Yes		Formulary indicator can be 'state wide' or for any selected facility.
15	KALOS will provide a drug file record that must contain dormant drug indicators	M	Yes		
16	KALOS will provide a drug file record that must contain night stock indicators	O	Yes		Currently in version 8, will be added to version 9. This flag controls the use of drug as night stock item
17	KALOS will provide a drug file record that must contain a choice list display option	M	Yes		Controls the display of drug item on selection screen of filing process.

State of New Hampshire  
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Exhibit H  
Priority Requirements- KALOS Response

1. SYSTEM MAINTENANCE

- 1.1 Mandatory Requirements Response  
KALOS shall provide a fully operational CIPS Application Software with the following functionalities:

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
1	The Software must support a minimum of five (5) workstations	M	Yes		
2	The Software will provide the ability to receive remote electronic order entry for up to 20 medical / dental providers	M	Yes		
3	The Software will provide the ability to receive remote profile screen look up for up to 20 medical / dental providers	M	Yes		
4	The Software will provide the ability to receive remote electronic medication record (MAR) for up to 20 medical/dental / psychiatric providers	M	Yes		This is the ability to print the MAR remotely by medical, dental or psychiatric providers

DOG-Business Products-Requirements and Solutions - Recare's Structure

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
5	KALOS will provide a drug file record that must contain drug name	M	Yes		
6	KALOS will provide a	M	Yes		

State of New Hampshire  
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Central Pharmacy Software Delivery  
Exhibit H

Priority Requirements- KALOS Response



	must contain status codes (incarcerated / released)	M	Yes	out.
31	KALOS will provide an inmate file record that must contain status code for allow/hot allow KOP meds	M	Yes	
32	KALOS will provide an inmate file record that must contain free comment field	M	Yes	There are four comment fields
33	KALOS will provide an abbreviation file record that must contain abbreviation code (10 alphanumeric)	M	Yes	
34	KALOS will provide an abbreviation file record that must contain definition (50 alphanumeric)	M	Yes	
35	KALOS will provide an abbreviation file record that must contain daily dose quantity (10 numeric with 6 significant digits)	M	Yes	
36	KALOS will link the inmate file record to the prescription file record.	M	Yes	
37	KALOS will link the drug file record to the prescription file record.	M	Yes	
38	KALOS will link the drug file record to the inmate file record.	M	Yes	Only for drug allergy conditions
39	KALOS will provide a history transaction file that must contain an original date field	M	Yes	
40	KALOS will provide a history transaction file that must contain a quantity field	M	Yes	
41	KALOS will provide a history transaction file	M	Yes	

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Priority Requirements- KALOS Response

	KALOS will provide a drug file record that must contain 24 months usage history	M	Yes	
18	KALOS will provide an inmate file record that must contain inmate name	M	Yes	
19	KALOS will provide an inmate file record that must contain inmate birth	M	Yes	
20	KALOS will provide an inmate file record that must contain date of birth	M	Yes	
21	KALOS will provide an inmate file record that must contain gender	M	Yes	
22	KALOS will provide an inmate file record that must contain race	M	Yes	
23	KALOS will provide an inmate file record that must contain facility	M	Yes	
24	KALOS will provide an inmate file record that must contain location	M	Yes	This contains the location within the facility. It is 40 characters large
25	KALOS will provide an inmate file record that must contain DOC number	M	Yes	
26	KALOS will provide an inmate file record that must contain unlimited allergy codes	M	Yes	
27	KALOS will provide an inmate file record that must contain unlimited medical condition codes	M	Yes	
28	KALOS will provide an inmate file record that must contain non-compliant codes	M	Yes	There is one check box for non-compliance in the inmate record.
29	KALOS will provide an inmate file record that must contain language codes	M	Yes	
30	KALOS will provide an inmate file record that	M	Yes	Status available are: not released, released, transferred

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Central Pharmacy Software Delivery  
Exhibit H

Priority Requirements- KALOS Response

	M	Yes	
50	KALOS Drug Education monographs will contain medication description, how the medication is used, the medication cautions, and side effects	M	Yes
51	KALOS must provide monographs in English	M	Yes
52	KALOS must provide monographs in Spanish	M	Yes
53	KALOS will list all languages in which KALOS provides the inmate monographs to be written	M	Yes
54	KALOS will list all languages in which KALOS provides the prescription labels to be written	M	Yes
55	KALOS will provide screen-viewable drug education monographs	M	Yes
56	KALOS will provide drug education monographs which can be printed upon request	M	Yes
57	KALOS will provide a drug choice list, when selected, will not display drugs flagged as "not to be displayed"	M	Yes
58	KALOS will display all drugs, regardless of flag status upon request	M	Yes
59	KALOS will supply a system of prescription refills using a batch process	M	Yes
60	KALOS will supply a system of prescription refills using an auto refill process	M	Yes
61	KALOS will supply a system to sort batched	M	Yes

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Exhibit H

Priority Requirements- KALOS Response

	M	Yes	
42	KALOS will provide a history transaction file that must contain a sig field	M	Yes
43	KALOS will provide a history transaction file that must contain a quantity remaining field	M	Yes
44	KALOS will provide a history transaction file that must contain a refill history	M	Yes
45	KALOS will provide a history transaction file that must contain an inmate location at time of each refill	M	Yes

DOC Business Products Requirements and Solutions - General Pharmacy Functions

REQ#	Requirements	M or O	Include With or without Modification	Not Included	Comments
46	KALOS will provide a system specifically designed for a correctional pharmacy inmate medication profiles that must show or reflect all medications filled from all NHDOC pharmacies	M	Yes		
47	KALOS will provide a system of inmate allergy information which includes the definition of the allergic response	M	Yes		Responses include: rash, shock, asthma, nausea, anemia, other, (free text field)
49	KALOS will provide drug education monograph (See exhibit 1)	M	Yes		

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REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
72	prescription directions in English and/or Spanish on an ad hoc request basis	M	Yes		flagged as Spanish speaking, directions will print in Spanish if they exist.
73	KALOS will provide a function to allow extension of prescriptions for a selected number of days following physician review	M	Yes		
74	KALOS will supply a system that allows partial dispensing of medication for an order	M	Yes		Currently in version 8, will be added to version 9. Based upon days supply dispensed, will track when prescription needs to be refilled. Will alert by report (Refill due report) or auto-refill process.

DOC Business Products Requirements and Solutions - Inmate Release

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
75	KALOS will supply a function/process for inmate release from the correction facility	M	Yes		
76	KALOS's inmate release function will d/c all active medications	M	Yes		
77	KALOS's inmate release function will change the status flag to "released" in the person files	M	Yes		
78	Active medications must be displayed allowing the operator to select medications to be filled as a released supply.	M	Yes		Currently in version 8, will be added to version 9
79	The system must warn	M	Yes		

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Priority Requirements- KALOS Response

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
62	labels by drug if so desired.	M	Yes		
63	KALOS must provide a substitution medication option which allows an alternative medication to be dispensed.	M	Can be added with modification		
64	KALOS will provide a system that warns if a non-equivalent medication has been selected for substitution	M	Yes		
65	KALOS will provide a system that allows placement of selected medications on restrictive use to be based upon the number of fills	M	Yes		
66	KALOS will supply a floor/night stock inventory for a facility	M	Yes		
67	KALOS will allow medication to be transferred from the pharmacy to the floor stock inventory.	M	Yes		
68	KALOS will allow medications not appropriate for floor stock to be flagged	O	Yes		
69	KALOS will supply a list of all languages supported by the system	M	Yes		Signs and monographs can be English, Spanish, French Canadian (must be supplied by NHDCC)
70	KALOS Software's primary language is English	M	Yes		
71	KALOS will provide the ability to print	M	Yes		Spanish signs must be set up by NHDCC. If an inmate is

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Priority Requirements- KALOS Response

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80	the operator of filling a prescription for an inmate with a released status.	M	Yes		
81	KALOS will provide a system that automatically stops active medications when an inmate is discharged. The system must optionally allow inmate status to be changed to incarcerated.	M	Yes		
87	medication was returned to the pharmacy to be noted on the inmate profile.	M	Yes		
88	KALOS will provide the date a medication was returned to the pharmacy to be noted on the inmate profile.	M	Yes		Currently available in version 8, will be added to version 9
89	KALOS will provide a system that reflects the reason for early discontinuation of medication on the inmate profile.	M	Yes		
90	KALOS will provide a system that generates an audit log that reflects changes to selected data files and fields within that file.	M	Yes		
91	KALOS will provide a system that generates an audit log that records the date and time.	M	Yes		
92	KALOS will provide a system that generates an audit log that records previous value.	M	Yes		
93	KALOS will provide a system that generates an audit log that records the operator making changes to selected data files and fields.	M	Yes		
94	KALOS will provide a system that records the inmate facility and location at the time of each fill.	M	Yes		

DOC Business Products Requirements and Solutions - Prescription Processing  
REQ # | Requirements | M or O | Include | Not | Comments

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REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
80	the operator of filling a prescription for an inmate with a released status.	M	Yes		
81	KALOS will provide a system that automatically stops active medications when an inmate is discharged. The system must optionally allow inmate status to be changed to incarcerated.	M	Yes		

DOC Business Products Requirements and Solutions - Medication Returns

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
82	KALOS will provide a system that allows the return of medications to result in a credit to the inmate.	M	Yes		
83	KALOS will provide a system that allows the return of medications to result in a credit to the NH DOC.	M	Yes		There is a process for drug transactions to reduce or increase drug inventory. Reports are available for transactions.
84	KALOS will supply a system so expired prescriptions can be selectively re-activated with all the data transferred to a new prescription number.	M	Yes		
85	KALOS will provide a system that allows recording of the reason for returning medications to the pharmacy.	M	Yes		
86	KALOS will provide a system that allows the reason why a	M	Yes		

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	O	With or without Modification	Included
95	M	Yes	
96	M	Yes	
97	M	Yes	
98	M	Yes	
99	M	Yes	
100	M	Yes	
101	M	Yes	
102	M	Yes	
103	M	Yes	
104	M	Yes	This applies to the facility housing unit, not location within a facility
105	M	Not available without modification	
106	M	Yes	
107	M	Yes	
108	M	Yes	

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	M	Yes	
109	M	Yes	
110	M	Yes	
111	M	Yes	
112	M	In process	Some exist in version 8, will be adding to version 9
113	M	Yes	There are no find, replace features but it does have "go to" by using the "ALT" key and an underlined character
114	M	Yes	
115	M	Yes	
116	M	Yes	
117	M	Yes	
118	M	Yes	In version 8 it is highlighted, not bold. In version 9 it is both highlighted and bold
119	M	No	Not incl.

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	menu whereby the option or task not selected will have a draft font.			
120	KALOS will provide the ability for a user to return to the previous screen within a menu or previous menu	M	Yes	
121	KALOS will provide pop-up windows on data entry screens that display field values and permit selection of field values	M	Yes	
122	KALOS will allow logging among modules and applications through use of icon, keyboard, and/or menu options without exiting a current application module.	M	Yes	
123	KALOS will provide an extensive online error message facility capable of easy modification by system management	M	No	Error messages are displayed to the operator, they are not modified by system management.
124	KALOS will store customizable error message text in appropriate system tables	O	No	Not incl.
125	KALOS will include in the error message facility short error message descriptions (at least 10 characters)	M	No	Not incl
126	KALOS will include in the error message facility detailed error message descriptions	M	Yes	
127	KALOS will include in the error message facility highlighting of	M	Yes	Available in version 8, not in version 9 (displays an error message window)

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Priority Requirements- KALOS Response

	fields in error			
128	KALOS will provide Software that allows all prescriptions to be filled from a single screen window input	M	Yes	
129	KALOS will provide Software that allows inmaes to be selected by name, DOC number or date of birth	M	Allows name and DOC number--date of birth can be added	Date of birth is not available at the current time
130	KALOS will provide Software that allows drugs to be selected by NDC number, short code or drug name	M	Yes	
131	KALOS will provide Software that allows the pharmacist to enter medication directions using single or multiple abbreviations chained together	M	Yes	
132	KALOS will provide Software that allows the pharmacist to enter medication directions by typing out the directions	M	Yes	
133	KALOS will provide Software that allows the pharmacist to enter medication directions using a combination of typed text and abbreviations, and/or NDDOC custom sig codes	M	Yes	
134	KALOS Software will allow customized sig codes	M	Yes	
135	KALOS will provide the option to include the name of the brand for which a generic has been substituted.	M	Yes	
136	KALOS will provide a	M	Yes	

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	system that provides displays the days supply based upon quantity inputted			
137	KALOS will provide a prescription filling screen that displays the patient's prescription profile	M	Yes	
138	KALOS will provide a prescription filling screen that allows the operator to select a prescription to be refilled	M	Yes	
139	KALOS will provide a prescription filling screen that allows the operator to select a prescription to be discontinued	M	Yes	
140	KALOS will provide a prescription filling screen that allows the operator to select a prescription to be returned to stock	M	Yes	
141	KALOS will provide a prescription filling screen that allows the operator to move an inmate to a different facility or location without leaving the filling process	M	Yes	
142	KALOS will provide a system that will display an indicator stating medication is non-formulary when a non-formulary drug is selected	M	Yes	
143	KALOS will provide a system that allows the operator to select a formulary alternative	M	Yes	
144	KALOS will provide a	M	Yes	

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	system that allows the operator to indicate an approval of a non-formulary drug and fill the non-formulary drug			
145	KALOS will provide a system that allows the entry of a quantity and/or expiration date for the non-formulary approval	M	Yes	
146	KALOS will provide a system that must allow setup such that the DOC brand of choice of a medication is flagged on the screen	M	Not currently available	System will allow you to dormant or non display drugs which would only present the desired product to the user
147	KALOS will provide a system that allows the operator to select alternate or substitute drugs within the filling screen when processing prescriptions	M	Yes	
148	KALOS will provide a system that makes available automatic drug to drug interactions	M	Yes	
149	KALOS will provide a system that makes available automatic allergy alerts to drugs	M	Yes	
150	KALOS will provide a system that makes available automatic drug to disease contraindications	M	Yes	
151	KALOS will provide a system that makes available automatic dosage range checking	M	Yes	
152	KALOS will provide a system where warnings are supported by full-text monographs which can be viewed or	M	Yes	

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153	printed KALOS will provide a system that must require manual override for major interactions and allergies	M	Yes	
154	KALOS will provide a system that as a new prescription is filled, an automatic check will be conducted to find any other active prescriptions which are of the same therapeutic class	M	Yes	
155	KALOS will provide a system that allows the operator to abort the new prescription or d/c the old prescription and complete the new order	M	Yes	
156	KALOS will provide a system that allows the operator to enter either a selected days supply or quantity for both new and refill prescriptions	M	Yes	
157	KALOS will provide a system that allows at the time of filling, an indication of whether a prescription is "Keep On Person" (KOP)	M	Yes	
158	KALOS will provide a system that allows at the time of filling, an indication of whether a prescription is pill line	M	Yes	
159	KALOS will provide a system that allows at the time of filling, an indication of whether a prescription is med cart	M	Yes	
160	KALOS will provide a system that produces a med cart fill list for	M	Yes	

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161	refilling a medication cart KALOS will provide a system to stop the operator from selecting "Keep on Person" if the inmate or medication is flagged as no KOP	M	Yes	
162	KALOS will provide a system that must allow optional entry of a different quantity and days supply for refills than the amount used for the original fill	M	Yes	
163	KALOS will provide a system that must automatically display the inmate medication history after the desired inmate is selected	M	Yes	

Software Architecture and Releases

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
164	KALOS will update the pharmacy software within seven (7) days of a change from either MediSpan, and/or First Databank	M	No	Not incl	Updates from MediSpan will be supplied to MHDOC before the modules cease to function (which 45 days after the expiration date)
165	KALOS will provide comprehensive system documentation to include system flowcharts	M	No		No flow charts are available
166	KALOS will provide comprehensive system documentation to include system narrative	M	No		Documentation exists for version 8, not complete for version 9.
167	KALOS will provide comprehensive system documentation to include system program	M	No		No flow charts are available

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REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
168	flowcharts KALOS will provide comprehensive system documentation to include system program narratives	M	No		User documentation is available for version 8,
169	KALOS will provide comprehensive system documentation to include a functional flowchart	M	No		No flowchart is available
170	KALOS will provide comprehensive system documentation to include screen layouts	M	Yes		Available in version 8, in process for version 9
171	KALOS will provide comprehensive system documentation to include report layouts	M	Yes		Version 8 has report descriptions, in process for version 9
172	KALOS will provide comprehensive system documentation to include crosswalk of files and tables used to programs	M	No		
173	KALOS will provide comprehensive system documentation to include entity relationship diagrams	M	No		
174	KALOS will provide comprehensive system documentation to include data dictionary	M	Yes		
175	KALOS will provide comprehensive system documentation to include database layout	M	Yes		
176	KALOS will provide comprehensive system documentation to include database set-up procedures	M	No		Kalos will assist in the set-up of the database remotely by access to the data server
177	KALOS will provide comprehensive system documentation to include system	M	Yes		

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REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
178	implementation and update procedures KALOS will provide comprehensive system documentation to include system administration procedures	M	No		Once the databases are setup, the only system admin is backing up the tables - the methodology for this is the responsibility of NHDOC IT.
179	The Software will support any and all reports as required by New Hampshire Board of Pharmacy	M	Yes		
180	The Software will support any and all reports as required by DEA	M	Yes		
181	KALOS must provide the file and data structures	M	Yes		
182	KALOS will provide a system capable of generating maintenance drug refill notifications	M	Yes		
183	KALOS will produce prescription logs by DEA controlled drug substance.	M	Yes		
184	KALOS will provide a system that reports active meds taken by an inmate for any selected therapeutic class	M	Yes		
185	KALOS will provide a system that reports active meds taken by an inmate for any selected specific drug	M	Yes		
186	KALOS will provide a system that reports active meds taken by an	M	Yes		

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187	inmate for any time frame	M	Yes	
188	KALOS will provide a system that reports active meds taken by an inmate for any DOC facility	M	Yes	
189	KALOS will produce the MAR for inmates sorted by facility	M	Yes	
190	KALOS will produce a report listing the top/bottom drug usage system that reports dollar costs of medications for selected time periods / facilities	M	Yes	
191	KALOS will produce delivery sheets by facility or sub-facility listing medications, person, quantity, and prescription number	M	Yes	
192	KALOS must provide a sort option of meds delivered by location in facility that can be signed at the site documenting receipt of meds from the pharmacy	M	Yes	
193	KALOS must provide a sort option of meds delivered by inmate name that can be signed at the site documenting receipt of meds from the pharmacy	M	Yes	
194	KALOS will generate reports showing, by facility all therapeutic classes of drugs filled	M	Yes	
195	KALOS will generate reports showing, by housing unit all	M	Yes	

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196	therapeutic classes of drugs filled	M	Yes	
197	KALOS will generate reports showing, by housing subunits all therapeutic classes of drugs filled	M	Yes	
198	KALOS will produce reports showing, by prescriber all therapeutic classes of drugs filled	M	Yes	
199	KALOS will produce print sign-off sheets/receipts for Keep on Person meds	M	Yes	
200	KALOS will produce a report that generates daily sales / cost report	M	Yes	
201	KALOS will provide a system that must be able to generate a refill request form for the inmate to send back to the pharmacy to request his next refill	M	Yes	Available in version 8, yet to be added to version 9
202	KALOS will provide a system that must have the ability to track by therapeutic classification, medication regimen compliance by inmate	M	Yes	Available in version 8, yet to be added to version 9
203	KALOS will provide a system that must be able to print out orders needing new prescriptions	M	Yes	
204	KALOS will provide a	M	Yes	

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REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
205	report of medications ordered by individual provider time frame option of one day	O	Yes		
206	report of medications ordered by individual provider time frame option of one week	O	Yes		
207	report of medications ordered by individual provider time frame option of one month	O	Yes		
208	report of medications ordered by individual provider time frame option of quarterly	O	Yes		
209	report of medications ordered by individual provider time frame option of semi-annually	M	Yes		

Vendor's Technical, Service and Project Management

REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
210	The Software will be loaded on the hardware with the following minimum specifications Pentium 4-3.06 GHz 1GB RAM 80GB disk drives (2) 100mps Ethernet Card 17" monitor keyboard CD-Rom Windows 2003 server	M	Yes		

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REQ #	Requirements	M or O	Include With or without Modification	Not Included	Comments
211	Data backup system The Software will be loaded on the hardware with the following minimum specifications CPU-P4 2.8 GHz 768MB RAM 40GB disk drives Floppy CD-writer 19" Monitor or 17" LCD flat panel Monitor (resolution Must be 1024x768) Keyboard Mouse 100 mps Ethernet card Windows XP	M	Yes		
212	KALOS will provide each updated version of the project plan to the State electronically in the Microsoft Project File in addition to any other approved method of delivery	M	Currently do not have Microsoft Project - could provide in Excel file		
213	KALOS will provide an updated project work plan every two (2) weeks	M	Yes		
214	KALOS will create an implementation plan including training, transfer of knowledge, and close out meetings	M	Yes		
215	KALOS will provide and conduct project status meetings that cover the technical, schedule, and resource aspects of the project	M	Yes		
216	KALOS will install the Central Pharmacy Delivery Software at the NHDOC Mens Correctional Facility	M	Yes		

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217	KALOS will provide a copy of Software to be installed for functionality and performance testing by State technical personnel	M	Yes
218	KALOS will provide a document defining all hardware and Software requirements (including operating system)	M	Yes
219	KALOS will create documentation detailing all system administration functions and responsibilities, along with an estimate for required system administrative staff resources.	M	Yes
220	KALOS will provide a walk-through which will include all application features	M	Yes
221	KALOS will maintain a report log which includes installation activities	M	Yes
222	KALOS will maintain a log which includes user testing	M	Yes
223	KALOS will maintain a report log which includes user acceptance.	M	Yes
224	KALOS will maintain a report for wrap up	M	Yes
225	KALOS will conduct a system test with a log of issues and resolutions	M	Yes
226	KALOS will provide a review walk through which will include all application features just	M	Yes

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227	prior to the user acceptance sign off KALOS will develop test plans and documentation detailing compatibility with State infrastructure	M	Yes
228	KALOS will develop test plans and documentation which outlines training sessions, clarity of system functions, and operational features	M	Yes
229	KALOS will support the State UAT team in testing/conducting KALOS's product	M	Yes
230	KALOS will coordinate a UAT team that consists of representatives from KALOS and state program staff	M	Yes
231	KALOS will provide a UAT structured process that tests all functional areas of the Software	M	Yes
232	KALOS will conduct the UAT test using the prepared test script that detail each step in the test process for each function and expected results from each activity.	M	Yes
233	KALOS will provide a system for testing and appropriate staff support for UAT	M	Yes
234	KALOS will provide a five (5) business day period of UAT testing	M	Yes
235	KALOS will allow testing to proceed with non-critical errors	M	Yes
236	KALOS will provide	M	Yes

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237	UAT as structured testing based on predefined test scripts	M	Yes	
238	KALOS will provide UAT as structured testing based on expected outcomes, plus ad hoc, or "what if" testing scenarios	M	Yes	
239	KALOS must provide an error resolution plan prior to the contract approval which is acceptable to the State Project Manager	M	Yes	
240	KALOS will conduct a UAT test, with final report log of all issues and resolutions	M	Yes	
241	KALOS, during development period of the NHDOC pilot will provide to the NHDOC draft copies of technical support manuals	M	Yes	
242	KALOS, during development period of the NHDOC pilot will provide to the NHDOC draft copies of training manuals	M	Yes	
243	KALOS, during development period of the NHDOC pilot will provide to the NHDOC draft copies of Hands-on training module	M	Yes	
244	KALOS, during development period of the NHDOC pilot will provide to the NHDOC	M	Yes	

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245	draft copies of electronic copies of user, technical support, and training manuals	M	No	Not Incl.	It is the responsibility of NHDOC to determine the method of back up and recovery of data. Kalos will assist in informing IT staff the location of data within folders and tables. Kalos will also assist NHDOC in restoring data to the server - NHDOC is responsible for getting the data from the backup to the server
246	KALOS will provide a documented means of obtaining system dump/ log file in the event of an application crash	M	No	Not Incl.	This is the responsibility of NHDOC IT. Kalos will assist in informing NHDOC about all tables in the system
247	In case of server crash, natural disaster, physical destruction of computer hardware/ software, KALOS must be able to reconstruct the pharmacy system off the NHDOC's backup files	M	Yes		
248	KALOS will allow an option for the State to continue operation at a different site in the event that the NHDOC server is unavailable.	O	Yes		
249	KALOS will provide a system that allows for archiving and purge criteria options that can easily be changed by the Chief Pharmacist	M	Yes		There is no archive process, the purge criteria can be changed by the Pharmacist in version 8. purge is yet to be added in version 9
250	KALOS will provide capability for pre-scheduled data archiving and purging routines	M	No	Not Incl.	
251	KALOS will provide a	M	Yes		With most state DOC's we

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252	system that must be compatible with Corrections Information System (CORIS) used by the NHDOC.	M	Yes	exchange data through an ASCII flat file. Data could be exchanged through sockets. With the New York DOC we exchange data through system calls.
253	KALOS must provide Software that must execute under Windows 2003 operating system.	O	Yes	Version 9 uses SQL. We are still in the process of incorporating all the features of version 8 into 9. Version 8 uses a database call C-tree by Faircom Corp.
254	KALOS will provide a system capable of running pharmacies at multiple facilities using the same database tables.	M	Yes	
255	KALOS will provide a system that allows the NHDOC to open other pharmacies and all pharmacies must share central data tables.	M	Yes	
256	KALOS will provide a system that supports a centralized pharmacy function that must be able to access the inmate	M	Yes	
257	KALOS will provide a system that supports a centralized pharmacy function that must be able to access the abbreviations	M	Yes	
258	KALOS will provide a system that supports a centralized pharmacy function that must be able to access the prescriptions	M	Yes	
259	KALOS will provide a	M	Yes	

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260	system that supports a centralized pharmacy function that must be able to access the prescriber(s)	M	Yes	
261	KALOS will provide a system that supports a centralized pharmacy function that must be able to access drug files	M	Yes	
262	KALOS will provide a system that must produce separate prescription journals for each pharmacy	M	Yes	
263	KALOS will provide a system that must allow the operator to view prescriptions filled from another pharmacy	M	Yes	
264	KALOS must provide a system that must not allow the operator to refill medications filled from another pharmacy	M	Yes	With most state DOC's we exchange data through an ASCII flat file. Data could be exchanged through sockets. With the New York DOC we exchange data through system calls.
265	KALOS must provide a system that allows the importation of actual acquisition costs from the wholesaler	M	Yes	At this time we have an import of the Cardinal catalog
266	KALOS must provide a system that has the ability to interface with robotic dispensing systems such as Automated	M	Yes	We have built interfaces to many robotic systems. A price is not included in this proposal. It can be quoted to NHDOC when specifics are given as to which dispensing system is

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267	KALOS will provide a system that has the ability to print an image or description of the drug dispensed on the prescription label	M	Yes		being used.
268	KALOS will not place the caller on hold for more than five minutes	M	Yes		
269	KALOS will respond to Class A deficiencies with a telephone response within fifteen (15) minutes of request.	M	Yes		
270	KALOS shall resolve Class A problems within one hour	M	To the best of its ability. There may be cases that the problem cannot be analyzed and resolve within 60 minutes		
271	KALOS shall provide support on-site or with remote diagnostic services within four hours of a request when Class A problems are not resolved within one hour	M	Remote diagnostics will be conducted with access privileges to servers. Four hour on-site response is impossible due to the distance of KALOS from NHDOC		
272	KALOS will respond to Class B deficiencies with a telephone response within two business hours of a request	M	Yes		
273	KALOS will resolve the Class B problem within twenty-four business hours	M	To the best of our ability. There may be cases that the problem cannot		

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274	KALOS shall provide support on-site or with remote diagnostic services within forty-eight hours of a request when Class B problems are not resolved within twenty-four hours	M	Remote diagnostics will be conducted with access privileges to servers.		
275	KALOS will respond to Class C deficiencies with a telephone response within twenty-four business hours	M	Yes		
276	KALOS will resolve the Class C problem within seven calendar days	M	To the best of our ability. There may be cases that the problem cannot be analyzed and resolve within seven calendar days		
277	KALOS shall provide support on-site or with remote diagnostic services within fourteen calendar days when Class C problems are not resolved within seven calendar days	M	Remote diagnostics will be conducted with access privileges to servers.		
278	KALOS will be responsible for maintaining and supporting all Software used in the system	M	Yes. Software products developed by KALOS		
279	KALOS support will include terminal installation and on site terminal system test	M	We will assist NHDOC staff remotely from our office. NHDOC will be charged for time and travel expenses for on		

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		site assistance.	
280	KALOS support will include training and ongoing support	M	Yes
281	KALOS support will include preventative maintenance.	M	Yes
282	KALOS support will include necessary software upgrades and version control for distribution of system upgrades	M	Yes
283	KALOS will provide a technical support team that provides support for maintenance of application software	M	Yes
284	KALOS will provide a technical support team that provides support for operating system and utilities	M	Kalos will assist as much as possible, but NHDCC is responsible for the operating system and utilities.
285	KALOS will provide a technical support team that provides support for system performance monitoring.	M	Yes
286	KALOS will ensure the support services system is available and operational Monday-Friday during 0730-1700 EST.	M	Normal Kalos business hours are 0800 to 1600 CST. A number will be provided to NHDCC for contacting a support person via cell phone for non business hours.
287	KALOS will provide access to emergency support services outside the NHDCC's normal	M	NHDCC will have access to a cell phone number to

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	business hours.		reach a Kalos support person during non-business hours
288	KALOS will provide a live customer support center that allows unlimited access	M	The live customer support center is open 0800 to 1600 CST.
289	KALOS must provide periodic standard program updates	M	Yes
290	KALOS must maintain HIPPA compliance to pharmacy operations standards	M	Yes
291	KALOS must provide on-site training	M	Yes, it is quoted in the response.
292	KALOS will provide the availability of on-line tutorials to train pharmacists/operators.	M	Version 8 has on-line help, version 9 is under development
293	KALOS will provide a user's manual	M	A manual exists for version 8, it is under development for version 9
294	KALOS will provide a system that must have the ability to receive and incorporate updates to the drug database provided by Medispan or First Databank	M	Yes
295	KALOS will provide immediate and constant attention for any software system failure until the Chief Pharmacist or his/her designee reports the system is again operational and functioning.	M	Yes

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296	KALOS must provide conversion from the current UNIX-based Scripmaster Software system (by Viking Computer Services) to the new vendor system.	M	Yes	The completeness of a conversion is based upon the amount of data available. Therefore it is possible that only some tables can be converted.
297	KALOS will specify a project plan which will include all requirements and deliverables contained in the RFP	M	Yes	
298	KALOS will transfer all records of the current system for the past four years (from date of conversion) to KALOS's system (See Topic 15, Migration Strategy)	M	Yes	The inmate, drug, doctor tables can be converted. We will convert the past four years of prescriptions if enough data can be captured to re-construct the fill and rx tables.
299	KALOS will transfer all transactional records of the current system (approximately 20,000 inmate records and 150,000 prescription records for the past four years (from date of conversion) of incarcerated/released inmates to KALOS's system	M	Yes	Prescription records conversion will depend on the data that can be captured from the Viking system
300	KALOS will transfer all inmate data (approximately 20,000 records) incarcerated/released for the past year (from date of conversion) into KALOS's file structure	M	Yes	
301	KALOS will transfer all inmat data (less than 20,000) incarcerated/released for years 2-4 to a readily retrievable format.	M	Yes	If enough of the prescription data can be captured to re-construct the record.

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302	KALOS will provide levels of security at the network, application and database levels.	M		We have security at the application and database levels, not the network - that would be the responsibility of NHDOC
303	KALOS must provide a log in security system that identifies the operator and the facility where they are located.	M		Yes
304	KALOS will provide a system where ID's can be added, changed or deleted by the authorized personnel in the pharmacy	M		Yes
305	KALOS will provide the ability to restrict access to the application database(s) from outside the application programs	M		Access can be through ODECC which normally is connected to a system log on.
306	KALOS will provide access restriction capability. This requires multi-level security controls to prevent unauthorized use of system and corruption of data, restrict access to Software and database, maintain database process controls and log all system/database transaction.	M		Yes
307	KALOS will provide access restriction capability to screens and tables	M		Yes
308	KALOS will provide access restriction capability to data	M		Yes

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elements	M	Yes
309 KALOS will provide access restriction capability to functions, ie add, change, delete, inquiry, etc	M	Yes
310 KALOS will provide access restriction capability to log-on functions	M	Yes
311 KALOS will provide access restriction capability to electronic documents	M	Yes
312 KALOS will provide an audit trail function of user access and unauthorized attempts to access the system	M	No, not currently available
313 KALOS will provide a method of establishing a time-out limit within the system security and terminate a user's session if the user's workstation is left unattended for the established time frame. Re-entering the password before continuing would be required.	M	This is not done within our application. We have some clients who control this through Microsoft Windows operating system
314 KALOS will provide the ability to suspend all user access when a user ID is terminated	M	Yes
315 KALOS will allow for the establishment of passwords such that an operator only has to log on once to access they system	M	This can potentially be setup by NHDOC
316 KALOS will ensure each password has a minimum length of eight (8) alphanumeric characters	M	Yes

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elements	M	Yes
317 KALOS will ensure to mask each password entry so the password cannot be viewed while being entered.	M	Yes
318 KALOS will establish a parameter-driven timeframe for expiration of passwords.	M	Yes
319 KALOS will provide a prompt to change/modify password at least five (5) days prior to expiration	M	No
320 KALOS will provide an operator whose password has expired a final warning and one more login attempt to change their password.	M	No
321 KALOS will provide compliance with Statement on Auditing standards (SAS) 70 Type II compliant.	M	No
322 KALOS will provide documentation illustrating KALOS's financial strength	M	Some general info can be provided if awarded contract
323 KALOS will provide descriptions of three (3) similar project Software installations that were completed in the last five (5) years	M	Yes
324 KALOS will provide a customer reference who is currently using the version of the Software application which will be installed at the NHDOC	O	Yes
325 KALOS must provide a reference that has fully	O	Yes

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	tested the correction-specific Software features if KALOS does not have the application installed at a customer site.			
326	KALOS application will be installed, tested and accepted by at least one customer by the due date of the State of NH RFP 2006-113 DOC Central Pharmacy Delivery System	M	Yes	
327	KALOS will provide the actual resume of KALOS's Program Manager assigned to this project	M	Yes	
328	KALOS will promptly notify the state should a member of the Project Staff become unavailable, and shall tender replacement candidate(s) for the State's approval as soon as practicable.	M	Yes	
329	KALOS must have three (3) customers who have utilized their pharmacy product within the past two (2) years	O	Yes	
330	KALOS must provide the name of their customer who beta-tested their product	O		
331	KALOS must have their application installed in a retail environment	O	CIPS (Correctional Institution Pharmacy System) is based and is not installed in a retail setting.	

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			We have another product that is used in a retail setting called Pro-Pharm One.	
332	KALOS must have their application installed in a hospital environment.	O	CIPS (Correctional Institution Pharmacy System) is based and is not installed in a hospital setting.	
333	KALOS must have their application installed in a Nursing Home/Long-term care environment.	O	Yes, it is installed for the Rhode Island Department of Mental Health to serve two long term care facilities.	
334	KALOS must have their application installed in a corrections environment	O	Yes	
335	KALOS will provide three (3) vendor references to include the pharmacist name, e-mail address, telephone number, how long KALOS has done business with such pharmacist	M	Yes	See section: Corporate Qualifications
336	KALOS will provide the business name, address, telephone number and e-mail address of each reference	M	Yes	
337	KALOS will provide for each reference, the duration of the	M	Yes	

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	relationship between KALOS and the reference.			
338	Each vendor's reference will include the name of the Pharmacy Director	M	Yes	
339	KALOS will provide pricing for project work plan	M	Yes	See section - cost proposal
340	KALOS will provide pricing for system set up and Software installation	M	Yes	See section - cost proposal
341	KALOS will provide pricing for conversion of data from current UNIX-based Scriptmaster (Viking Computer Services) system to vendor's systems	M	Yes	See section - cost proposal
342	KALOS will provide pricing for conducting unit and system testing	M	Yes	See section - cost proposal
343	KALOS will provide pricing for integration testing	M	Yes	See section - cost proposal
344	KALOS will provide pricing for system acceptance testing	M	Yes	See section - cost proposal
345	KALOS will provide pricing for implementation outover to new Software	M	Yes	See section - cost proposal
346	KALOS will provide pricing for all system Software documentation	M	Yes	See section - cost proposal
347	KALOS will provide pricing for the user's manual	M	Yes	See section - cost proposal
348	KALOS will provide pricing for a live customer support center that allows unlimited access	M	Yes	See section - cost proposal

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349	KALOS will provide pricing for on-line tutorials to train operators	M	Yes	See section - cost proposal
350	KALOS will provide pricing for emergency support services outside normal business hours	M	Yes	See section - cost proposal
351	KALOS will provide pricing for Software license for 1 CPU server, including 1 user	M	Yes	See section - cost proposal
352	KALOS will provide pricing for Software license for 4 additional users to the above license.	M	Yes	See section - cost proposal
353	KALOS will provide pricing for database license with one user	M	Yes	See section - cost proposal
354	KALOS will provide pricing for database license with 4 additional users	M	Yes	See section - cost proposal
355	KALOS will provide pricing for inmate demographic download program	M	Yes	See section - cost proposal
356	KALOS will provide pricing for on-site training	M	Yes	See section - cost proposal
357	KALOS will provide pricing for remote electronic order entry per workstation	M	Yes	See section - cost proposal
358	KALOS will provide pricing for remote profile screen	M	Yes	See section - cost proposal
359	KALOS will provide pricing for electronic MAR per workstation	M	Yes	See section - cost proposal
360	KALOS will provide annual (monthly x 12) pricing for Software maintenance to include unlimited phone support	M	Yes	See section - cost proposal



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Priority Requirements- KALOS Response	M	Yes	See section - cost proposal
361 KALOS will provide annual (monthly x 12) pricing for Software maintenance to include standard program updates		Yes	See section - cost proposal
362 KALOS will provide annual price (monthly x 12) for Medispan or First Databank subscription		Yes	See section - cost proposal
363 KALOS will provide pricing for warning label symbols and text.		Yes	See section - cost proposal
364 KALOS will provide pricing for remote electronic order entry with provider drug interaction display per workstation.		Yes	See section - cost proposal
365 KALOS will provide pricing for remote electronic order entry with provider drug interaction display FTE provider		Yes	See section - cost proposal
366 KALOS will provide pricing for remote profile screen per work station		Yes	See section - cost proposal

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Work Plan

The KALOS Project Manager and the State Project Manager will finalize the Work Plan within two (2) days of the Effective Date ("Revised Work Plan") and further refine the tasks required to implement the Project. The elements of the preliminary Work Plan are documented in accordance with KALOS' plan to implement the software application, CIPS. Continued development and management of the Work Plan is a joint effort on the part of the KALOS and State Project Managers. The preliminary Work Plan created by KALOS and the State is set forth at the end of this Exhibit.

1. ASSUMPTIONS

The following assumptions are the basis for the KALOS preliminary Work Plan and related cost proposal.

- A. General
  - The State must have a fully Operational System accepted no later than December 26, 2006.
  - The State will provide team members with decision-making authority to support the implementation efforts, at the level outlined in the State Staffing Matrix in the Request for Proposal and in the KALOS proposal response.
  - 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.
  - KALOS shall provide a separate escrow agreement for the CIPS application.
  - KALOS shall maintain an accounting system in accordance with Generally Accepted Accounting Principles (GAAP).

B. Logistics

- The KALOS Team will honor all holidays observed by KALOS or the State, although with permission, may choose to work on holidays and weekends.
- The KALOS Team will be performing this Project at State facilities.
- The State will provide adequate facilities for the KALOS Team, including PCs, phones, Virtual Private Network (VPN) access, and modem-based dial-out capability and access to any necessary internal State networks and/or software (within State standards).

C. Project-Management

- KALOS' shall use a project management methodology approved by the State.
- The State will provide the KALOS Team with reasonable access to the State personnel as needed to complete project tasks.

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- D. Technical Environment and Management**
- The State is responsible for providing the hardware, network, and communication facilities needed to support the Project.
  - The State will provide the hardware and operating system to host the Project's implementation and production instance. Hardware and operating system environments must be sized to support a minimum of one (1) instance of the application (instances include: configuration, development, system/integration testing, acceptance testing, training, and production). It is assumed that all instances are installed on similar hardware configuration and operating system.
  - The State's hardware operating environment and supporting software must meet KALOS certification requirements for the application deployment being installed.
  - The State is responsible for providing the Internet access.
  - The KALOS Team will implement CIPS Version 9 application.
  - All disk and memory requirements based on the KALOS written recommendation will be satisfied prior to the KALOS Team assisting with any installation activities on the State's platform.
  - Designated State systems personnel will be available for adjustments to operating systems, configurations and tuning.

**E. Conversions**

- The KALOS Team will lead the State with the mapping of the legacy data to the KALOS Application. Additionally, the KALOS Team will:
  - o Document the application data requirements and examples of data mappings, conversion scripts, and data loaders. The KALOS Team will identify the APIs used in the design and development of the conversion.
  - o Document the use of the Data Loaders and Conversion Scripts provided.
  - o Lead the review of functional and technical specifications.
  - o Lead the resolution of problems and issues associated with the development and implementation of the conversions.
  - o Report specific data fields that did not map from the State's Viking database to CIPS.

**F. Project Schedule**

Deployment is planned to begin in November 2006 with a planned go-live date of December 26, 2006.

**G. Reporting**

KALOS will conduct weekly status meetings and provide reports which include, but are not limited to, minutes, action items, User Acceptance Testing and results, and Documentation.

**H. User Training**

- KALOS will lead the development of the end-user training plan.
- KALOS will train NHHOC personnel on the CIPS application.

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- The State will schedule attendance for end-user training classes.

**2. ROLES AND RESPONSIBILITIES**

**A. KALOS Roles and Responsibilities**

**1.) KALOS Project Manager**

The KALOS Project Manager will have overall responsibility for the day-to-day management of the Project and will plan, track, and manage the activities of the KALOS implementation team. The KALOS Project Manager will have the following responsibilities:

- Maintain communications with the State Project Manager;
- Work with the State in planning and conducting a kick-off meeting;
- Create and maintain the Project Work Plan;
- Assign KALOS Team to tasks in the Implementation Project according to the scheduled staffing requirements;
- Define roles and responsibilities of all KALOS Team members;
- Provide weekly 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 to achieve progress;
- Review requirements and scheduling changes and identify the impact on the project to identify whether the changes require a change of scope;
- Implement scope and schedule changes as authorized by the State Project Manager and with appropriate change control approvals as identified in this Implementation Plan;
- Inform the State Project Manager and staff of any urgent issues, if and when they arise; and
- Provide the State completed Project Deliverables and obtain sign-off from the State Project Manager.

**2.) KALOS Team**

The KALOS Team will assume the following tasks:

- Develop and review functional and technical specification to determine that they are at an appropriate level of detail and quality;
- Develop and document conversion and interface programs in accordance with functional and technical specifications;
- Develop and document installation procedures; and
- Develop and execute unit test scripts;
- Test unit conversions and develop interfaces; and
- Test system integration of the CIPS application and State data.

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**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 Project Manager and the phase of the implementation.

- 1) **State Project Manager**  
The State Project Manager has the following responsibilities:
  - Plan and conduct a kick-off meeting with assistance from the KALOS team;
  - Assist the KALOS Project Manager in the development of a detailed Project Work Plan;
  - Identify and secure the State Project team members in accordance with the Project 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 KALOS Project Manager of any urgent issues, if and when they arise; and
  - Assist the KALOS Team staff to obtain requested information, if and when required to perform certain Project tasks.

2) **State Technical Lead and Architect**  
The State Technical Lead and Architect reports to the State Project Manager and is responsible for leading and managing the State technical tasks. Responsibilities include:

- Attend technical training as necessary to support the Project;
- Assist the State and KALOS Project Manager to establish the Project's detailed Work Plan;
- Manage the day-to-day activities of the State technical resources assigned to the Project;
- Work with State IT management to obtain State technical resources in accordance with the Project Work Plan;
- Work with the KALOS 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;

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- Work in partnership with the KALOS and lead the State technical staff efforts in documenting the technical operational procedures and processes for the Project. (Note: This is a Project Deliverable and KALOS will lead the overall effort with support and assistance from the State); and
- Represent the technical efforts of the State at weekly project meetings.

3) **State Network Administrator**  
The State Network Administrator will provide technical support regarding networking requirements administration. The responsibilities will include:
 

- Assess the ability of the State's overall network architecture and capacity to adequately support implemented applications;
- Establish connections among the database and application servers; and
- Establish connections among the desktop devices and the application and database servers.

4) **State Testing Lead**  
The State Testing Lead will lead and coordinate the State's testing efforts. Responsibilities include:
 

- Development of system, integration, performance, and acceptance testing plans in conjunction with KALOS;
- Lead system, integration, performance, and acceptance testing;
- Chair test review meetings;
- Coordinate the State team and external third parties involvement in testing;
- Ensure that proposed process changes are considered by process owners;
- Establish priorities of deficiencies requiring resolution; and
- Track deficiencies through resolution.

3. **SOFTWARE APPLICATION**  
The software application provided is the Correctional Institution Pharmacy System (CIPS).

4. **CONVERSIONS**  
The planned conversions within the scope of this Contract are identified in Table 1: Planned Conversions.

Table 1: Planned Conversions

Conversion	Components if Applicable	Lead Responsibility	Description
November 2006	CIPS	LaForest	Fully loaded application with State of New Hampshire Data
December 2006	CIPS - Final Version	LaForest	Go-Live

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5	NH DOC hosts and KALOS conducts Project Kickoff Meeting and initial training	Non-Software	12/1/2006
6	KALOS provides conversion interface design/capability requirements based upon Viking System data	Software	12/1/2006
7	KALOS provides Deployment Plan	Written	12/1/2006
8	KALOS provides Operational Procedures Initial Documentation	Written	12/1/2006
9	KALOS delivers fully tested Correctional Institution Pharmacy System (CIPS) Application Software to the Site	Software	12/1/2006
10	NH DOC completes Integration Testing	Software	12/15/2006
11	NH DOC completes User Acceptance Testing	Non-Software	12/15/2006
12	KALOS provide tools for Backup and Recovery of Applications	Software	12/15/2006
13	NH OIT sends copy of current data for final conversion	Software	12/18/2006
14	All Operating System Software and Converted Data Loaded into Production Environment	Software	12/20/2006
15	KALOS provides final Software Configuration and Design Documentation; based upon the Label and MAR format	Written	12/20/2006
16	Conduct Training	Non-Software	12/28/2006 - 1/9/2007
17	Cutover to New Software	Software	12/28/2006
18	Conversion Exit Meeting	Non-Software	1/15/2007
19	Application Modifications defined in Table 2 - Modifications - KALOS Developed	Software	2/28/2007
20	KALOS provides Operational Procedures final Documentation	Written	6/1/2007
21	Final Operational Procedures Documentation delivered and Conduct Project Exit Meeting	Non-Software	June 1, 2007

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- A. Conversion Testing Responsibilities
- The KALOS Team and the State, based on their assigned conversion responsibilities, as set forth in 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.
  - execute the applicable test scripts that complete the conversion and compare execution results with the documented expected results.
  - develop and unit test conversions.
  - jointly conduct system and integration testing, verifying and validating the accuracy and completeness of the conversions.
  - jointly verify and validate the accuracy and completeness of the conversions for acceptance testing and production.

The State shall document the technical specifications of all programs that extract and format data from the legacy systems for use by the conversion processes.

5. APPLICATION MODIFICATION

The KALOS Team will implement the following application modifications identified in Table 2: Modifications - KALOS Developed by February 28, 2007.

Table 2: Modifications - KALOS Developed

Requirement	Enhancement Description
59	KALOS will supply a system of prescription refills using a batch process.
60	KALOS will supply a system of prescription refills using an auto-refill process.
61	KALOS will supply a system to sort batched labels by drug on request.

6. PRELIMINARY WORK PLAN

High Level Preliminary NH Project Plan detailing the preliminary Work Plan.

Table 3: High Level Preliminary NH Project Plan

Weekly Project Status Reports	Written	On-going
NH OIT sends KALOS a copy of current data from Viking System for trial conversion	Software	11/16/2006
NH DOC provides Label and MAR format	Written	11/16/2006
KALOS provides Project Work Plan	Written	11/20/2006

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Exhibit J  
CIPS Application Software License and Related Terms

1. LICENSE GRANT

Subject to the payment of applicable license fees set forth in Exhibit B: Price and Payment Schedule, KALOS hereby grants to the State a perpetual, irrevocable, nonexclusive, and nontransferable license to use the CIPS Software, subject to the terms of the Contract. The State may allow its agents and contractors to access and use the CIPS Application 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. DOCUMENTATION

KALOS shall provide the State with CIPS Application Software Documentation with the CIPS Application Software. The State shall have the right to make a sufficient number of copies of the CIPS Software for its licensed use and one copy of each program media.

KALOS shall provide the State with five (5) user licenses and hard copy versions of the Software's associated Documentation and one (1) electronic version of the Documentation in Microsoft WORD and PDF format. The State agrees to include copyright and proprietary notices provided to the State by KALOS on such copies.

3. RESTRICTIONS

The State shall not:  
a. Remove or modify any program markings or any notice of KALOS' 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 decompilation of the programs.

4. TITLE

Title, right, and interest (including all ownership and intellectual property rights) in the CIPS Application Software shall remain with KALOS.

5. WARRANTY

KALOS warrants that its CIPS Application Software licensed to the State will operate according to Specifications, as described in the CIPS Application Software documentation, for five (5) years after delivery. The State must notify KALOS of any CIPS Application Software warranty Deficiency within ninety (90) days after deployment. The Software provided by KALOS is an aid or tool and does not replace the training, knowledge, judgment and responsibility of the pharmacist and his/her staff.

For any Deficiency in the above warranties, the State's remedy shall be: (a) the correction of program errors that caused the deficiency of the warranty, or (b) in the event KALOS fails to correct the Deficiency within the allotted period of time, the State may, at its option: 1) declare KALOS in default, terminate the contract, in whole or in part, without penalty or liability to the State; 2) return KALOS' CIPS Application Software and receive a full refund within ninety (90)

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit J  
CIPS Application Software License and Related Terms

days, for all amounts paid to KALOS under the Contract, including but not limited to, any applicable license fees; and 3) pursue its remedies available at law and in equity.

6. CIPS SOFTWARE ESCROW

6.1 KALOS represents and warrants that the currently existing source code for the CIPS Application Software licensed to the State under the Contract, as well as the Documentation for such CIPS Application Software, and developer comments to the source code for the CIPS Application Software (the "Deposit Materials") have been deposited, in an escrow account maintained at the escrow agent as required by this Contract. Future Deposit Materials for major version releases of the CIPS Software not otherwise delivered to the State as source code shall be deposited in the escrow account (normally within six (6) months after the first commercial shipment of each such release). KALOS shall promptly pay to the Escrow Agent all escrow fees that become due under the Escrow Agreement to maintain the CIPS Application Software in escrow.

6.2 KALOS agrees that, upon execution of this Contract, the State will be added to the Escrow Agreement as a beneficiary. The Escrow Agent will notify the State that it has been added as a subscriber within a commercially reasonable time. Thereafter, upon the request of the State, to be made no more frequently than annually, KALOS shall provide the State with written verification that the CIPS Application Software has been deposited with the Escrow Agent.

6.3 The Escrow Agent shall make and release a copy of the applicable Deposit Materials to the State upon the occurrence of any of the following events ("Release Events"):

- (a) KALOS institutes or becomes subject to a liquidation or bankruptcy proceeding of any kind;
- (b) KALOS has made an assignment for the benefit of creditors;
- (c) A receiver or similar officer has been appointed to take charge of all or part of KALOS' assets;
- (d) KALOS terminates its maintenance and support services for the CIPS application software or has ceased supporting and maintaining the CIPS Application Software for the State whether due to its ceasing to conduct business generally or otherwise, except in cases where the termination or cessation is a result of the non-payment or other fault of the State; or
- (e) KALOS defaults under the Contract; or
- (f) KALOS ceases its on-going business operations or that portion of its business operations relating to the licensing and maintenance of the CIPS Application Software.

6.4 In the event that Deposit Materials are released from escrow to the State, KALOS hereby grants the State the right to use, copy, modify, display, distribute, and prepare derivative works of the Deposit Materials, and to authorize others to do the same on behalf of the State (contractors, agents, etc.), solely for the purpose of completing the performance of

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 Exhibit J  
 CIPS Application Software License and Related Terms

KALOS' obligations under the Contract, including, but not limited to, providing maintenance and support for the CIPS Application Software and subject to the rights granted in this Contract.

6.5 KALOS agrees to pay all costs associated with the escrow covered by this Contract, except for nominal fees to cover the cost of reproduction and distribution of release of the Deposit Materials to the State, including all related reasonable administrative expenses.

7. VIRUSES

As a part of its internal development process, KALOS shall use reasonable efforts to test the CIPS Application Software for viruses. KALOS shall maintain a master copy of the appropriate versions of the CIPS Application Software, free of viruses. If the State believes a virus may be present in the delivered CIPS Application Software, then upon its request, KALOS shall provide a master copy for comparison with and correction of the State's copy of the CIPS Application Software.

8. AUDIT

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

9. NON-INFRINGEMENT

KALOS warrants that it has good title to, or the right to allow the State to use, all Services and Deliverables, and including but not limited to, all Software provided under this Contract, and that such Services and Deliverables, and Software ("Material") 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 infringes their intellectual property rights, KALOS shall defend and indemnify the State against the claim provided that the State:

- a. Promptly notify KALOS, in writing, not later than 30 days after the State receives actual written notice of such claim;
- b. Gives KALOS control of the defense and any settlement negotiations; and,
- c. Gives KALOS 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.

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 Exhibit J  
 CIPS Application Software License and Related Terms

If KALOS believes or it is determined that any of the Material may have violated someone else's intellectual property rights, KALOS may choose to either modify the Material to be non-infringing or obtain a license to allow for continued use, or it these alternatives are not commercially reasonable, KALOS may end the license for, and require return of the applicable Material and refund all fees the State has paid KALOS under the Contract.

KALOS will not indemnify the State if the State alters the Material without KALOS' consent, or uses it outside the scope of use identified in KALOS' 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. KALOS 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 KALOS. KALOS 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 KALOS, without KALOS' consent.

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 Exhibit K  
 Warranties and Warranty Services

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 Exhibit K  
 Warranties and Warranty Services

1. WARRANTIES

1.1 Software

KALOS warrants that the Software furnished under the Contract is properly functioning within the System, compliant with Exhibit J: CIPS Application Software License and Related Terms, and will operate in accordance with the Specifications and terms of the Contract.

1.2 Services

KALOS warrants that all Services 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, and Specifications and terms of the Contract.

1.3 Non-Infringement

KALOS warrants that it has good title to, or the right to allow the State to use, all Services and Deliverables, and including but not limited to, all Software provided under this Contract, and that such Services and Deliverables, and Software ("Material") 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, KALOS shall defend and indemnify the State against the claim provided that the State:

- a. Promptly notify KALOS, in writing, not later than 30 days after the State receives actual written notice of such claim;
- b. Gives KALOS control of the defense and any settlement negotiations; and,
- c. Gives KALOS 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.

If KALOS believes or it is determined that any of the Material may have violated someone else's intellectual property rights, KALOS may choose to either modify the Material to be non-infringing or obtain a license to allow for continued use, or it these alternatives are not commercially reasonable, KALOS may end the license for, and require return of the applicable Material and refund all fees the State has paid KALOS under the Contract. KALOS will not indemnify the State if the State alters the Material without KALOS' consent, or uses it outside the scope of use identified in KALOS' 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. KALOS 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 KALOS. KALOS 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 KALOS, without KALOS' consent.

1.4 Viruses; Destructive Programming

KALOS warrants that the Software provided shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

KALOS shall maintain a master copy of the appropriate versions of the CIPS Application Software, free of viruses. If the State believes a virus may be present in the delivered CIPS Application Software, then upon its request, KALOS shall provide a master copy for comparison with and correction of the State's copy of the CIPS Application Software.

1.5 Compatibility

KALOS warrants that all Application Software System components, including any replacement or upgraded Software components, provided by KALOS to correct Deficiencies or as an Enhancement, shall operate with the rest of the System, including, but not limited to components provided, without loss of any functionality.

1.6 Personnel

KALOS 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.

2. WARRANTY SERVICES

KALOS agrees to maintain, repair, and correct Deficiencies in the Application Software during the Warranty Period, at no additional cost to the State, in accordance with the Specifications and 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.

Warranty Services shall include, without limitation, the following:

- a. Maintain the Software in accordance with the Specifications, terms, and requirements of the Contract;
- b. Repair or replace the Software or any portion thereof so that the System operates in accordance with the Specifications, terms, and requirements of the Contract;
- c. KALOS shall have available to the State on-call telephone assistance, from 9:00 AM to 5:30 PM EST Monday through Friday.
- d. KALOS will provide issue tracking to the State during normal business hours with an email / telephone acknowledgement response within two (2) hours of

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit K  
Warranties and Warranty Services

- d. KALOS will provide issue tracking to the State during normal business hours with an email/ telephone acknowledgement response within two (2) hours of request, with assistance response dependent upon the severity of the Deficiency.
- e. Maintain a record of the activities related to warranty repair or maintenance activities performed for the State.
- f. For all Warranty Services calls, KALOS 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.
- g. KALOS shall 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
- h. All Deficiencies found during the Warranty Period and all Deficiencies found with the Warranty Releases shall be corrected by KALOS within thirty (30) business days of discovery, unless extended in writing by the State, and all at no additional cost to the State.

In the event KALOS fails to correct a Deficiency within the allotted period of time, the State may, at its option: 1) declare KALOS in default, terminate the contract, in whole or in part, without penalty or liability to the State; 2) return KALOS' CIPS Application Software and receive a full refund within ninety (90) days for all amounts paid to KALOS under the Contract, including but not limited to, any applicable license fees; and 3) pursue its remedies available at law and in equity.

Notwithstanding any provision of the Contract, the State's option to declare KALOS in default, terminate the Contract, and pursue its remedies above shall remain in effect until satisfactory completion of the full Warranty Period.

3. WARRANTY PERIOD

The Warranty Period shall commence upon the State's issuance of a Letter of Acceptance for the UAT and extend for one hundred and twenty (120) days.

If, after the first ninety (90) days after the Software is deployed, the Software fails to operate in accordance with its Specifications, the Warranty Period will cease. KALOS shall correct the Deficiency, and a new one hundred and twenty (120) day Warranty Period shall begin. Any further Deficiencies with the Software must be corrected and run fault free for one hundred and twenty (120) consecutive calendar days.

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit L  
Training Services

KALOS shall provide the following training services. All courses are to be offered on-site at the New Hampshire Department of Corrections (NHDOC) and will be available for up to five (5) students.

- 1. Instructor-Led Class Training  
KALOS will provide instructor-led CIPS training on-site at NHDOC. This method will provide NHDOC personnel with the in-depth knowledge and hands-on experience needed in their working with the CIPS application.

KALOS shall provide on-site training for one (1) day at the Introduction/ Kick off meeting, seven (7) days of on-site training during the cut-over from the State Vixing database to the CIPS application system and (3) days on-site for order entry and profile training.

- 2. Approach

The KALOS Team will:

- 1. Lead the development and implementation of the Training Plan.
- 2. Provide guidance, coaching, materials, and tools.
- 3. Analyze skill requirements.
- 4. Detail roles, course content, and estimated course length.
- 5. Lead the development of materials and documentation to include: KALOS providing baseline documentation in electronic format that can be modified and reproduced.

- 3. Training Plan

The KALOS Team will act as the training lead and will 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.

- 4. Produce Training Materials and End-User Documentation

The KALOS Team will lead the efforts to produce the training materials and end-user Documentation.

2. TRAINING

Training shall occur at the New Hampshire men's prison pharmacy located at 281 North State Street, Concord, NH. Training is provided as one (1) day during the kick off meeting and ten (10) days during system cut-over.



State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit M

NH DOC RFP 2006-113 with Addendums Incorporated

STATE OF NEW HAMPSHIRE  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit N  
Contractor Proposal by Reference

NH DOC RFP 2006-113 (with Addendums 1 and 2)

Incorporated is attached herewith.

Kalos, Inc. Proposal to the Office of Information Technology DOC RFP 2006-113 is incorporated herein by reference.

2006-113 COTS Exhibit  
Initial All Pages:  
Contractor Initials *JK*

11/2/2006

Page 1 of 1

2006-113 Exhibit N-Contractor Proposal by Reference  
Initial All Pages:  
Contractor Initials *JK*

11/2/2006

Page 1 of 1



State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit P  
Contractor Certificate of Authority

Insert Contractor Certificate of Authority here.

New Hampshire Certificate of Authority or Certificate of Good Standing  
(VENDORS NEED TO SUBMIT)

As a condition of contract award, the Vendor must furnish a Certificate of Authority/Good Standing dated after April 1, 2006, from the Office of the Secretary of State of New Hampshire. If your company is not registered, an application form may be obtained from:

Secretary of State  
State House Annex  
25 Capitol Street  
Concord, New Hampshire 03301  
603-271-3244

If your company is registered, a Certification thereof may be obtained from the Secretary of State.

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit O  
Certificate of Vote

(7) the corporation has no seal.

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the Corporation  
this 3 day of NOVEMBER, 2006

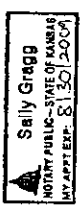
Martha P. Sprungel  
Clerk/Secretary

STATE OF Kansas  
COUNTY OF Shawnee

On this the 3rd day of November, 2006, before me,  
Sally Gragg, the undersigned Officer, personally appeared  
Martha P. Sprungel, of Kansas, a corporation, and that  
she/he, as such Secretary, being authorized to do so, executed the foregoing  
instrument for the purposes therein contained, by signing the name of the corporation by herself/himself as  
Secretary.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Sally Gragg  
Notary Public/Title of the State



My Commission Expires: 8/30/2009

Sep 14, 2006 - 4:04PM - Brier Payne Made ins. No. 1070 P. 10/03/2006  
**ACORD CERTIFICATE OF LIABILITY INSURANCE**  
 THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY. YOUR POLICIES CONTAIN THE TERMS, CONDITIONS, COVERAGES, EXCLUSIONS AND LIMITS. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.  
 PRODUCER: 7852323-1717 FAX: 7852323-2879  
Brier Payne Made Insurance, Inc.  
5835 S. W. 29th St., Ste. 101  
P. O. Box 5637  
Topoka, KS 66605-0637  
 INSURED: Kalos, Inc.  
3518 S E 21st Street  
Topoka, KS 66607  
 INSURERS AFFORDING COVERAGE: Cincinnati Insurance NAIC # 10677  
Phildelphia Indemnity # 23280  
 INSURER'S: Phildelphia Insurance Co.  
 INSURER'S:

State of New Hampshire  
 Office of Information Technology  
 Central Pharmacy Software Delivery  
 Exhibit R  
 KALOS Performance Bond

A performance bond is not required.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	COVERAGE	LIMITS
GENERAL LIABILITY	80P20510184	10/03/2003	10/03/2006	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> PRODUCTS - CUMULATIVE AGGREGATE LIMIT APPLIES PER POLICY <input type="checkbox"/> AUTO ONLY <input type="checkbox"/> BOOBY INJURY (Per person) <input type="checkbox"/> BOOBY INJURY (Per accident) <input type="checkbox"/> PROPERTY DAMAGE (Per person) <input type="checkbox"/> AUTO ONLY - EA ACCIDENT <input type="checkbox"/> OTHER THAN EA ACC <input type="checkbox"/> AUTO ONLY <input type="checkbox"/> EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> PROFESSIONAL LIABILITY <input type="checkbox"/> OTHER	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 MED EXP (per one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - CUMULATIVE AGGREGATE \$ 2,000,000 EXCESS/UMBRELLA SINGLE LIMIT (Ex. medical) \$ 500,000 BOOBY INJURY (Per person) \$ BOOBY INJURY (Per accident) \$ PROPERTY DAMAGE (Per person) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY \$ EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 LIMITS: \$1,000,000 Occurrence \$2,000,000 Aggregate Deductible - \$5,000
AUTOMOBILE LIABILITY	CAAT688712	10/03/2006	10/03/2007	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	
EXCESS/UMBRELLA LIABILITY	CCC4487344	10/03/2004	10/03/2007	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC184024801	10/03/2005	10/03/2006	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> PROFESSIONAL LIABILITY <input type="checkbox"/> OTHER	EL EACH ACCIDENT \$ 100,000 EL DISEASE - EA EMPLOYEE \$ 100,000 EL DISEASE - POLICY LIMIT \$ 500,000 Limit: \$1,000,000 Occurrence \$2,000,000 Aggregate Deductible - \$5,000
PROFESSIONAL LIABILITY	PHSD148113	09/10/2005	09/10/2006	<input type="checkbox"/> PROFESSIONAL LIABILITY <input type="checkbox"/> OTHER	Limit: \$1,000,000 Occurrence \$2,000,000 Aggregate Deductible - \$5,000

CANCELLATION  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER WILL ENDEAVOR TO MAIL \_\_\_\_\_ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE: Melanie Smith  
 STATE OF NEW HAMPSHIRE  
 27 Hagen Drive  
 Concord, NH 03301  
 ACCORD 26 (2001/06) 232-4917  
 ACCORD 26 (2001/06) 232-4917  
 COT  
 2005-113 Exhibit R-Contractor Performance Bond  
 Initial All Pages: 11/2/2006  
 Contractor Initials: JSJ

State of New Hampshire  
Office of Information Technology  
Central Pharmacy Software Delivery  
Exhibit T

Required IT Work Procedures

1. All work done must conform to standards and procedures established by the Office of Information Technology and the State.
2. All products developed (requirements, Specifications, Documentation, program code, other) are work for hire and ownership is in accordance with the New Hampshire Contract Terms and Conditions.
3. Any technical education needed by the Vendor to successfully complete the assumed assignment will be at the sole expense of the Vendor and provided by the Vendor.
4. Vendor must agree to provide an "equal or better" replacement for any personnel who leave employment of the Vendor during the course of the Contract.
5. Vendor must make the individuals available to be interviewed by the State prior to the Project assignment.
6. Vendor and its employees assigned to this Project must sign a "Computer Access and Use Agreement."
7. The State may require a detailed background check on any individual assigned to the Project, as this Project may involve confidential or sensitive information.
8. Personnel assigned to the State must be available to work within ten (10) business days of the contract signing.

STATE OF NEW HAMPSHIRE  
OFFICE OF INFORMATION TECHNOLOGY  
CENTRAL PHARMACY DELIVERY SOFTWARE  
DOC RFP 2006-113

State of New Hampshire Proposal Transmittal Form Letter

Company Name: Kalos, Inc.  
Address: 3518 SE 21st Street Suite 8  
Tampa, FL 33611

To: NH Department of Corrections  
Point of Contact: Judith LaForest  
Telephone (603) 271-6480  
Email: jlaforest@nhdoc.state.nh.us

RE: Proposal Invitation Name: CENTRAL PHARMACY DELIVERY SOFTWARE  
Proposal Number: DOC 2006-113  
Proposal Opening Date and Time: Wednesday July 5, 2006 at 2:30 P.M.

Dear Sir:

Company Name: \_\_\_\_\_ hereby offers to sell to the State of New Hampshire the services indicated in RFP NHDOC 2006-113 Central Pharmacy Software Delivery, at the price(s) quoted in Vendor Response Section VII: Cost Proposal, and Appendix F: Pricing Worksheet, in complete accordance with all conditions of this RFP and all Specifications set forth in the RFP and in the State of New Hampshire Terms and Conditions outlined in RFP Section 6: General Contract Requirements and Appendix G-4: State of New Hampshire Terms and Conditions.

Company Signor: James Sparhawk is authorized to legally obligate  
Company Name: Kalos, Inc.

We attest to the fact that:

The company has reviewed and agreed to be bound by all RFP terms and conditions including but not limited to the State of New Hampshire Terms and Conditions in Appendix G-4 and Contract Requirements in Section 6, which shall form the basis of any Contract resulting from this RFP; No new terms and conditions have been added and no existing terms and conditions have been deleted in this RFP Proposal.

The proposal is effective for a period of 180 days or until the Effective Date of any resulting contract, whichever is later;

That the prices quoted in the proposal were established without collusion with other eligible vendors and without effort to preclude the State of New Hampshire from obtaining the best possible competitive price; and

The Vendor has read, signed, and included this RFP and any subsequent addendum(a).

Our official point of contact is: Jim Sparhawk  
Title: Director  
Telephone: 800-242-0688 Email: Jim.R.Kalos@ns.com  
Authorized Signature Printed: James Sparhawk  
Authorized Signature: James Sparhawk



**STATE OF NEW HAMPSHIRE**  
**OFFICE OF INFORMATION TECHNOLOGY**  
 Office of the Governor  
 27 Hazen Dr., Concord, NH 03301  
 603-271-4208 1-800-852-3345 x4208  
 Fax: 603-271-1516 TDD Access: 1-800-735-2964

Richard C. Bailey, Jr.  
 Chief Information Officer

September 29, 2006

Director Peter Croteau  
 State of New Hampshire  
 Office of Information Technology  
 33 Hazen Drive  
 Concord, NH 03305-002

Dear Director Croteau:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to enter into a \$61,124.00 contract effective upon Governor and Council approval to expire December 30, 2011 with Kalos Inc., (VC# To Be Determined), 3518 SE 21<sup>st</sup> Street, Suite B, Topeka, KS 66607, as described below and referenced as OIT No. 2006-113.

To enter into a contract to provide a commercial off the shelf (COTS) software package that will be used to fill prescriptions, keep a record/history of those prescriptions, track controlled substances, monitor costs, screen for drug interactions and allergies, and provide the records and histories as required by accreditation agencies and the court system. This project is set forth in the Department of Corrections Strategic Information Technology Plan: 2005-2009 dated October 18, 2005, Project # 58 titled Medical Component to CORIS.

A copy of this letter must accompany the submission to Governor and Council for approval.

Sincerely,

Richard C. Bailey, Jr.

RCB/mec

cc: Leslie Mason, Contract Manager, OIT Logistics  
 Robert Jackson, IT Manager