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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES

Jeffrey A. Meyers
Commissioner

Maureen Ryan
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9546 1-800-852-3345 Ext. 9546
Fax: 603-271-4232 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

December 7, 2016

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Child Support Services to enter into an agreement with Xerox State & Local Solutions, Inc., (Vendor Code #174856) 8260 Willow Oaks Corporate Drive, Suite 600, Fairfax, VA 22031, for State Disbursement and Electronic Funds Transfer Services in an amount not to exceed \$6,429,776 effective January 1, 2017, or upon Governor and Executive Council approval, whichever is later, through December 31, 2021. 66% Federal Funds, 34% General Funds.

The proposed contract is for a five year term, with no extensions. At the end of the five year term, these services will be reprocured using a competitive bidding process.

Funds are available in the following accounts in State Fiscal Year 2017 and are anticipated to be available in State Fiscal Years 2018, through 2022, upon the availability and continued appropriation of funds in the future operating budgets, with the ability to adjust encumbrances between state fiscal years through the Budget Office without Governor and Executive Council approval.

05-095-042-427010-7931 DEPARTMENT OF HEALTH AND HUMAN SERVICES, HUMAN SERVICES, DIVISION OF CHILD SUPPORT SERVICES.

Fiscal Year	Class/Account	Class Title	Job Number	Amount
2017	102-500731	Contracts for Program Services	42707931	\$642,978
2018	102-500731	Contracts for Program Services	42707931	\$1,285,955
2019	102-500731	Contracts for Program Services	42707931	\$1,285,955
2020	102-500731	Contracts for Program Services	42707931	\$1,285,955
2021	102-500731	Contracts for Program Services	42707931	\$1,285,955
2022	102-500731	Contracts for Program Services	42707931	\$642,978
Total:				\$6,429,776

EXPLANATION

The purpose of this agreement is to continue to provide State Disbursement Unit and Electronic Funds Transfer Services in accordance with applicable federal and state requirements. The Division of Child Support Services, in compliance with federal and state requirements, assists families with children by offering services that help them to achieve financial self-sufficiency and minimize dependence on public assistance. These services include: establishing paternity orders; establishing

and enforcing financial and medical support orders issued by the courts; locating obligors; and collecting and disbursing child support. During the last federal fiscal year ending September 30, 2016, the state collected and disbursed \$82.2 million in child support on behalf of approximately 41,506 children. In addition to making payments to families, the Division of Child Support Services also disburses a portion of its collections to the State as reimbursement for public assistance provided to families.

In accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), each state is required to establish and have a State Disbursement Unit for the collection and distribution of all child support payments. New Hampshire has been utilizing State Disbursement Unit services since 1987, first contracting for lockbox services, and then for full State Disbursement Unit services. Since May 2002, the State Disbursement Unit services have operated in Manchester, New Hampshire. The State Disbursement Unit is responsible for printing and mailing billing notices to employers of obligors as well as to obligors to facilitate timely collections of court ordered child and medical support payments. The State Disbursement Unit also receives and processes payments from employers and obligors and distributes the payments to families. In some cases the payments are paid towards reimbursement of state aid that is currently being provided, or was previously provided, to families. The State Disbursement Unit will perform banking and check-writing functions as well as Electronic Funds Transfer services.

The current contract for State Disbursement Unit services expires on December 31, 2016, and was for a three year initial term with two one-year extensions and was awarded to Xerox State & Local Solutions, Inc. in 2012 after a competitive bidding process. Since that time, the Department has determined that a five year contract, with no extensions, is better able to achieve the State's goals by reducing costs, increasing efficiency, and improving services to payors and payees. The Department anticipates that a five year term will reduce costs to the State with respect to any future transition of vendors, including costs associated with disaster recovery services, and the integration, testing and implementation of new technology. New technology services in this proposed contract include web-based and mobile phone client applications as well as the implementation of a Tier 3 disaster recovery data center.

The Contractor for the proposed contract was selected utilizing a competitive bidding process. The Department published a Request for Proposals on February 4, 2016, on the Department's website. The Department received two (2) proposals in response to the request. The proposals were reviewed and scored by a team of subject matter experts. Xerox State & Local Solutions, Inc. received the highest score and was selected as the contractor. The bid summary is attached.

Should the Governor and Executive Council not approve this request, approximately \$7 million per month in total child support payments will not be received by families who currently rely on this income to remain self-sufficient. This will result in higher costs to TANF and other programs as more families will qualify for public assistance in the absence of child support income. There will also be a disruption and indeterminable expense for 2,241 NH employers who currently deduct \$4.9 million per month from their employees' wages which is sent to the SDU to comply with the state's income assignment law (RSA 458-B). The State risks being out of compliance with federal and state laws, including federal regulations that require the disbursement of all child support collections within two (2) business days of receipt of payment. This could result in federal sanctions of up to 5% of the TANF Block Grant plus immediate loss of federal program funding which totals more than \$15 million.

Since the proposed contract spans two biennia, language in the contract makes it clear that no services shall continue after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 and SFY 2020-2021 biennia and SFY 2022.

Area Served: Statewide

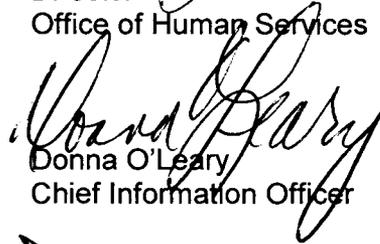
Source of Funds: 66% Federal Funds, 34% General Funds.

In the event federal funds become no longer available, no further general funds will be requested to support this contract.

Respectfully Submitted,

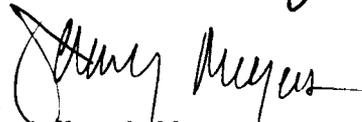


Maureen U. Ryan
Director
Office of Human Services



Donna O'Leary
Chief Information Officer

Approved by:



Jeffrey A. Meyers
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

Denis Goulet
Commissioner

December 14, 2016

Jeffrey A. Meyers
Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with Xerox State & Local Solutions, Inc. as described below and referenced as DoIT No. 2016-046.

This request is to enter into a contract with Xerox State & Local Solutions, Inc. to provide State Disbursement Unit (SDU) and Electronic Funds services. The State Disbursement Unit uses the Division of Child Support Services generated data to print and mail bills, identify collections received, perform banking and check-writing functions, as well as electronic funds transfer services. The State Disbursement Unit executes disbursement to the appropriate payee as directed by the Division of Child Support Services. Federal regulations require that the State Disbursement Unit meet mandated standards for data collection, privacy and physical security.

The contract amount is not to exceed \$6,429,776 effective upon Governor and Executive Council approval through December 31, 2021.

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 "Denis Goulet", with a stylized flourish at the end.

Denis Goulet

DG/ik
DoIT No. 2016-046

cc: Bruce Smith



New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet

State Disbursement Unit and Electronic Funds Transfer Services

RFP #DHHS 2016-046

RFP Name

RFP Number

1. Informatix
2. Xerox State & Local Solutions, Inc.
3. 0
4. 0
5. 0
6. 0
7. 0

Pass/Fail	Maximum Points	Actual Points
	300	260.55
	300	278
	300	0
	300	0
	300	0
	300	0
	300	0

- Reviewer Names**
1. Karen Hebert, Administrator IV, Tech
 2. Michael Lovely, Supervisor V, Tech
 3. Richard Ward, Info Tech Mgr IV, Tech
 4. Susan Brisson, Legal Dept, Supervisor VII, Tech
 5. Lori Anderson, Program Specialist IV, Cost
 6. Colin Premo, Administrator II, Cost
 7. Sarah Chappelow, Program Specialist IV, Cost
 8. Beth Kelly, Administrator II, Cost
 - 9.

Subject: State Disbursement and Electronic Funds Transfer Services (RFP#DHHS 2016-046)

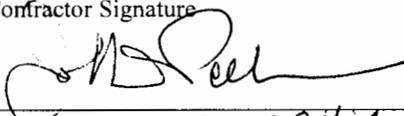
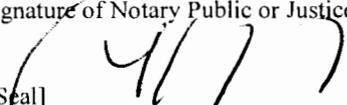
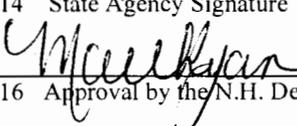
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Xerox State & Local Solutions, Inc.		1.4 Contractor Address 8260 Willow Oaks Corporate Drive, Suite 600 Fairfax, VA 22031	
1.5 Contractor Phone Number 614-775-1334	1.6 Account Number 05-095-042-427010-7931	1.7 Completion Date December 31, 2021	1.8 Price Limitation \$6,429,776
1.9 Contracting Officer for State Agency Eric D. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John D. Polk, Vice President	
1.13 Acknowledgement: State of <u>OHIO</u> , County of <u>FRANKLIN</u> On <u>DEC 4 2016</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <u>TRACY LEWIS</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <u>12/7/16</u> <u>Maureen Ryan, Director</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: _____ On: <u>12 7 16</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

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

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

7. PERSONNEL.

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

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

Agreement. This provision shall survive termination of this Agreement.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

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



Exhibit A

Scope of Services

1. Operation Site Requirements

1.1. Location

- 1.1.1. The Contractor shall ensure State Disbursement Unit (SDU) operations, staff and business operations are physically located at 50 Bridge Street, Manchester, New Hampshire.
- 1.1.2. The Contractor shall ensure a hosted technology solution that provides ease of maintenance and redundancy in the data center located in Blythewood, South Carolina. The Contractor shall ensure:
 - 1.1.2.1. A backup data center is located in Philadelphia, Pennsylvania.
 - 1.1.2.2. Both the Blythewood and Philadelphia locations are Tier 3 compliant.
- 1.1.3. The Contractor shall provide check and billing statement/coupon printing from its existing print center located in Harrisburg, Pennsylvania.

1.2. Security

- 1.2.1. The Contractor shall ensure the SDU operation site meets all aspects of Office of Child Support Enforcement (OCSE) physical and logistical security requirements, which shall include but are not limited to:
 - 1.2.1.1. Avoiding signage that designates the SDU building as a site related to child support payment processing.
 - 1.2.1.2. Using a Post Office Box rather than a street address as the return address for documents.
 - 1.2.1.3. Ensuring all identification badges for employees include a picture, employee name and company name, with no identifying information regarding the location of the SDU facility.
 - 1.2.1.4. Installing cipher locks on the entry door as well as doors to key functional areas in order to protect the site and functional areas by restricting access to only authorized personnel.
 - 1.2.1.5. Ensuring physical security also includes, but is not limited to measures in Table 1.2.1.5.1 below:

Handwritten initials in black ink, appearing to be 'JLP'.



Exhibit A

Table 1.2.1.5.1, The NH SDU Physical Security Measures

Type of Security	Control Measures	Protections and Benefits
Physical Security	<ul style="list-style-type: none"> • Alarm system • Building access controls • Functional work area segregation • Security cameras • Visitor access controls • Secure document storage • Document destruction • Servers backed up by two Uninterruptible Power Supply devices 	<ul style="list-style-type: none"> • Ensures 24/7/365 intrusion detection • Law enforcement notification • Prevents employee access to unauthorized work areas • Security camera deters any unauthorized behavior • Full control over visitor access and movement • Highly secure storage for financial instruments, cash, and documents containing personal data • Sensitive paper documents stored in secure bins and subsequently confidentially destroyed • Operational continuity

1.2.2. The Contractor shall make every effort to protect the SDU from damage by accident, theft, malicious intent, fire, loss of utilities, environmental hazards such as flood, tornadoes and hurricanes, vandalism, and unauthorized access. The Contractor shall ensure:

1.2.2.1. The SDU and supporting facilities are equipped with smoke detectors, fire extinguishers and security alarm systems.

1.2.2.2. Contingency Plan/Disaster Recovery Plan provisions are employed in the event of a natural or manmade disaster.

1.2.3. The Contractor shall maintain restricted access to the SDU, and that the SDU is located in a self-contained area that only performs SDU functions. The Contractor shall ensure:

1.2.3.1. Employees do not carry personal belongings into production areas where payments are processed or other confidential data are maintained.

1.2.3.2. Employees and/or visitors who are suspected of theft and or misuse or destruction of equipment and/or documentation are searched upon entering or leaving the facility.



Exhibit A

- 1.2.4. The Contractor shall ensure the SDU entrance and all key functional areas are secured by a cipher lock security system. The Contractor shall:
 - 1.2.4.1. Issue individual access codes to each employee.
 - 1.2.4.2. Ensure access to each area of the SDU is restricted by job function.
 - 1.2.4.3. Ensure visitors cannot gain access without an authorized escort.
 - 1.2.4.4. Additional restrictions are in place for sensitive areas within the facility including, but not limited to the server room.
 - 1.2.4.5. Only employees with a business have access to security areas.
 - 1.2.4.6. Security cameras are in place on the entrance door and in critical production areas.
- 1.2.5. The Contractor shall control a single access point to the SDU facility, which is the only entrance to the facility, that includes but is not limited to:
 - 1.2.5.1. Ensuring the main entrance protected by a secure door equipped with a cipher lock.
 - 1.2.5.2. Ensuring access only by use of individually-assigned employee access codes.
 - 1.2.5.3. Confirming identification and logging in of all visitors and assigning an authorized escort at the main entrance reception area who will accompany visitors during the entire visit after verifying identification of each individual.
- 1.2.6. The Contractor shall ensure segregated functions at the SDU are separated by floor to ceiling walls:
 - 1.2.6.1. At least eight (8) feet in height.
 - 1.2.6.2. Joined to the ceiling made of impenetrable steel, expanded steel mesh, or similar material.
- 1.2.7. The Contractor shall ensure the system's room is contained within the interior of the facility on the top floor of the building.
- 1.2.8. The Contractor shall limit access to the SDU processing center to the following:
 - 1.2.8.1. SDU processing center staff.



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- 1.2.8.2. Appropriate and authorized accounting and management staff employed by the Contractor.
- 1.2.8.3. Authorized subcontractors.
- 1.2.8.4. Auditors designated by the Contractor.
- 1.2.8.5. Federal and state auditors.
- 1.2.8.6. DCSS staff.
- 1.2.8.7. Other individuals as authorized by the Director of DCSS.
- 1.2.9. The Contractor shall ensure all SDU employees who have access to or control over funds collected under the child support enforcement program:
 - 1.2.9.1. Are covered by a bond against loss resulting from employee dishonesty, as required by 45 CFR 302.19.
 - 1.2.9.2. Pass a background check prior to hiring.
 - 1.2.9.3. Participate in new hire and annual ethics and information security training.
- 1.2.10. The Contractor shall ensure mail transported from the post office to the SDU is transported by a courier who is bonded against loss resulting from dishonesty or theft.
- 1.2.11. The Contractor shall ensure all payment processing activities that involve financial instruments and all other payment processing activities including, but not limited to the opening of the mail, take place within the SDU processing center.
 - 1.2.11.1. At all times when work in accordance with this contract is being performed, there shall be no fewer than two (2) people in the SDU, one of whom shall be a supervisor. A security camera shall monitor all business operations within the SDU.
 - 1.2.11.2. The SDU processing center shall have a fireproof, immovable safe for safeguarding processed financial instruments until transported to the bank for deposit.
 - 1.2.11.3. All SDU employees shall work at desks without drawers and all personal belongings shall be kept outside the SDU.
- 1.2.12. The Contractor shall ensure Department authorized representatives have full access to the SDU operation site at any time for any reason including, but not limited to:
 - 1.2.12.1. During forensic investigations.



Exhibit A

1.2.12.2. During inspections of the physical property.

1.3. Post Office Box Location & Retrieval of Contents

1.3.1. The Contractor shall use the following Post Office Boxes located at 955 Goffs Falls Road, Manchester, NH:

1.3.1.1. PO Box 9501, which shall be designated for Employer Payments.

1.3.1.2. PO Box 9502, which shall be designated for Payor Payments and District Office Receipts.

1.3.1.3. PO Box 9503, which shall be designated for Out of State and International Payments.

1.3.1.4. PO Box 9504, which shall be designated for Child Support Payment Enrollment Forms.

1.3.2. The Contractor shall obtain additional Post Office boxes, as necessary, upon obtaining the Department's written authorization.

1.3.3. Upon termination or expiration of the contract, all Post Office boxes that receive SDU mail shall become the property of the Department.

1.3.4. The Contractor shall retrieve the contents of all Post Office boxes twice daily. The Contractor shall:

1.3.4.1. Deliver contents retrieved from post office boxes to the SDU on the same day of retrieval, except for Sundays and Federally recognized holidays.

1.3.4.2. Ensure the contents retrieved are maintained in a secure and confidential manner.

1.3.4.3. Ensure contents are immediately, safely, and wholly delivered to the SDU operation site for processing.

1.3.4.4. Ensure that any individuals retrieving and delivering such contents are bonded and insured for this purpose.

2. Child Support Billing Services

2.1. Direct Payment Cases

2.1.1. The Contractor shall develop, design and print monthly payment coupons (Form 684) for child support payors who choose to receive paper billing.

2.1.2. The Contractor shall develop and design an electronic version of monthly payment coupons (Form 684) for payors who choose to receive electronic billing.



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- 2.1.3. The Contractor shall ensure payment coupons are imprinted or electronically produced with a Magnetic Ink Character Recognition (MICR) line to enable automated processing by an Optical Character Recognition (OCR) device.
- 2.1.4. The Contractor shall ensure payment coupons include an option for the payor to indicate that the enclosed payment is something other than his/her regular payment.
- 2.1.5. The Contractor shall ensure payor information appearing on payment coupons is case specific and includes, but is not limited to:
 - 2.1.5.1. Payor Name;
 - 2.1.5.2. Payor member number;
 - 2.1.5.3. Case Identification Number;
 - 2.1.5.4. Payor Social Security Number;
 - 2.1.5.5. Payor Address;
 - 2.1.5.6. DCSS District Office;
 - 2.1.5.7. DCSS District Office Address;
 - 2.1.5.8. Child Support Worker Name and Phone Number;
 - 2.1.5.9. Amount Due for Current Support;
 - 2.1.5.10. Total Amount Due for Month;
 - 2.1.5.11. Amount Due for Arrears;
 - 2.1.5.12. Last Payment Processed;
 - 2.1.5.13. Payee Name;
 - 2.1.5.14. Past Due Payment/Arrearage as of Billing Date;
 - 2.1.5.15. Current Payment;
 - 2.1.5.16. Blank spaces to enter extra payment, check number, reason for payment, form number and its date;
 - 2.1.5.17. Billing Date;
 - 2.1.5.18. Policy Release (PR) Number (13 digits);
 - 2.1.5.19. Policy Release Date (up to 5 digits);
 - 2.1.5.20. OCR Line for Payor ID Number (8 digits);
 - 2.1.5.21. OCR Line for Amount Due (up to 12 digits); and

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2.1.5.22. Returned Check Information, including minimum payment due, amount of payment enclosed, payment due date, and check.

2.1.6. The Contractor shall ensure all payor coupons include the New Hampshire State Seal, as provided electronically by the Department.

2.1.7. The Contractor shall provide an electronic and hardcopy of Form 684 to the Department for review and approval.

2.1.8. Upon receiving Department approval of Form 684, the Contractor shall send payment coupons to payors upon receipt of monthly billing information from the Department. The Contractor shall:

2.1.8.1. Transmit electronic bills and coupons to payors who choose to receive bills electronically.

2.1.8.2. Mail hard copy bills and coupons to payors who choose to receive bills in paper form.

2.2. Wage Withholding Cases

2.2.1. The Contractor shall develop, design and print coupons (Form 693) for employers who choose to receive paper Income Withholding Coupons for employees who are payors subject to wage withholding.

2.2.2. The Contractor shall ensure Form 693 contains income withholding information for employees of the applicable employer who are payors in a wage withholding case.

2.2.3. The Contractor shall develop and design electronic coupons (Form 693) for employers who choose to receive electronic Income Withholding Coupons for employees who are payors subject to wage withholding.

2.2.4. The Contractor shall ensure Form 693 contains income withholding information for employees of the applicable employer who are payors in a wage withholding case.

2.2.5. The Contractor shall ensure all information appearing on coupons shall be individualized and shall include, but not be limited to:

2.2.5.1. New Hampshire State Seal;

2.2.5.2. Form Title (Income Withholding Coupon – Form 693);

2.2.5.3. Policy Release (PR) Number (13 digits);

2.2.5.4. Policy Release Date (up to 5 digits);

2.2.5.5. DCSS Form Designation Number (up to 10 digits);

2.2.5.6. Payor Social Security Number;



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- 2.2.5.7. Payor Name;
 - 2.2.5.8. Payor ID Number (8 digits);
 - 2.2.5.9. DO Code (2 digits);
 - 2.2.5.10. Employer Name;
 - 2.2.5.11. Employer NECSES ID (NEN);
 - 2.2.5.12. Employer Address;
 - 2.2.5.13. Employer Federal Employer Identification Number (EIN);
 - 2.2.5.14. Amount Due Weekly;
 - 2.2.5.15. State Disbursement Unit Address;
 - 2.2.5.16. OCR Line for Payor ID Number (8 digits); and
 - 2.2.5.17. OCR Line for Amount Due (up to 12 digits).
- 2.2.6. Upon receiving Department approval of Form 693, the Contractor shall send payment coupons to employers upon receipt of monthly billing information from the Department. The Contractor shall:
- 2.2.6.1. Transmit electronic bills and coupons to employers who choose to receive bills electronically.
 - 2.2.6.2. Mail hard copy bills and coupons to employers who choose to receive bills in paper form.

2.3. Arrearage Only Cases

- 2.3.1. The Contractor shall proceed with monthly billing as indicated in Section 2.1 for all direct pay cases in which only child support arrearages are owed.
- 2.3.2. The Contractor shall proceed with monthly billing as indicated in Section 2.2 for all wage withholding cases in which only child support arrearages are owed.

3. Processing Payments Received

3.1. Direct Pay Cases

- 3.1.1. The Contractor shall receive direct case payments in paper and electronic forms.
- 3.1.2. For payors that choose to remit payment in paper form, the payor returns the applicable payment coupon contained in Form 684 with the payment to the SDU. The Contractor shall record the date the payment is received at the SDU as the date of receipt.

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- 3.1.3. For payors that choose to remit payment in electronic form, the payor returns an electronic version of Form 684 with the payment to the SDU. The Contractor shall record the date the payment is electronically received at the SDU as the date of receipt.
- 3.1.4. The Contractor shall accept other types of money transfer cards to complete transactions for the payment of child support.
- 3.1.5. The Contractor shall use the Form 684 as an input document.

3.2. Wage Withholding Cases

- 3.2.1. The Contractor shall receive wage withholding payments, from employers of payors that are subject to wage withholding, in paper and electronic forms.
- 3.2.2. For employers that choose to remit payment in paper form, based on the employer's payroll frequency, the employer returns the Form 693 with the payment to the SDU. The Contractor shall record the date the payment is received at the SDU as the date of receipt.
- 3.2.3. For employers that choose to remit payment in electronic form, based on the employer's payroll frequency, the employer returns an electronic version of Form 693 with the payment to the SDU. The Contractor shall record the date the payment is electronically received at the SDU as the date of receipt.
- 3.2.4. The Contractor shall use the Form 693 as an input document.
- 3.2.5. Items received by the Contractor with wage withholding transactions may include payments and correspondence. The Contractor shall forward information from correspondence received from employers, such as returned wage withholding coupons that have the termination section completed to indicate termination of employment, to the Department on a daily basis.

3.3. Arrearage Only Cases

- 3.3.1. The Contractor shall process payments received in arrearage only cases in the same manner as specified in subsection 1.3.1. Direct Pay Cases or subsection 1.3.2. Wage Withholding Cases, as applicable to the case.

3.4. Out of State Cases

- 3.4.1. The Contractor shall process out-of-state case payments, regardless if received in paper or electronic form. There is no standardized format for such payments.
- 3.4.2. Items received by the Contractor with out-of-state transactions may include payments and correspondence. The Contractor shall forward



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information from correspondence received with out-of-state case payments, if any, to the Department on a daily basis.

3.5. Lien Cases

3.5.1. On a daily basis, the Contractor shall forward payments received in Lien Cases to the designated office within DHHS for processing.

3.6. Payment Processing Requirements for all Case Types

3.6.1. All mail (received in electronic or hard copy) shall be opened, imaged and processed by the Contractor on the day received. The Contractor shall:

3.6.1.1. Complete opening and imaging of the items received, including at minimum, all documents within the envelope and the envelope itself;

3.6.1.2. Examine each financial instrument to ensure that it has been made payable to "New Hampshire Department of Health and Human Services" or other payee acceptable to the Department;

3.6.1.3. Conduct an analysis and determine whether a payment can be processed, either through an automated or manual process, on the day the payment is received; and

3.6.1.4. Act according to the appropriate Department directions and data element requirements by payment/case type specified in Appendix J, Required Data Elements for Payment Processing.

3.6.1.5. NOTE: For any hard copy mail received by the Contractor that has been incorrectly delivered to the SDU, the Contractor shall return the mail piece to the US Postal Service.

3.6.2. The Contractor shall process unbalanced EFT transactions, cost recovery transactions, and post actual dollar amounts for all cases, and shall notify the Department of variances. The Contractor shall use a Department-approved code to designate such payments.

3.6.3. The Contractor shall accept and deposit payments denominated in foreign currency. Upon receiving payments denominated in foreign currency, the SDU shall immediately initiate conversion to United States dollars. The date that the payment, once converted to United States dollars, is received by the SDU shall be the date of receipt.

3.6.4. The Contractor shall retain all images for a period of not less than seven (7) years, and shall provide the Department with access to any



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- retained image upon request. This provision shall survive the life of the contract.
- 3.6.5. Direct payments, wage withholding payments, and payments received from out-of-state agencies processed by the Contractor shall conform to the standard record layout format for daily input to the New England Child Support Enforcement System (NECSSES) system. The Contractor shall have a Department approved method for handling exception transactions for direct payments, wage withholding payments, and payments received from out-of-state agencies. All National Automated Clearinghouse Association (NACHA) approved transactions shall be accepted by the Department.
- 3.6.6. The Contractor shall process payments utilizing a batching process in which all financial instruments, documents and receipts shall be batched separately in accordance with the type of Payment: Regular, Wage, Out-of-State, and out-of-State Tax Intercept. No batch shall exceed a maximum of one hundred (100) transactions.
- 3.6.7. The Contractor shall, at minimum, make daily deposits to the Department's account for all payments that can be deposited. The Contractor shall electronically forward to the Department an image of all deposited financial instruments and all supporting documentation, including all processable payment information and a written report. The documents and daily report shall be forwarded to the Department no later than the day following the processing of such payments. All original documents related to the processing of payments shall be retained by the Contractor for sixty (60) days and then destroyed by shredding or incineration.
- 3.6.8. The Contractor shall not process non-negotiable financial instruments including, but not limited to, financial instruments that are: made out to the wrong payee, postdated, unsigned, unreadable, damaged, stale dated (older than six (6) months) and financial instruments that have a legal line that does not match the courtesy line, except as otherwise directed by the Department. The Contractor shall forward daily via United Parcel Service (UPS) or comparable service, to the Department-designated office within DHHS, all payments that cannot be deposited because the payment is non-negotiable, with accompanying documentation.
- 3.6.9. The Contractor shall perform research processing on all child support payments received in the SDU that have incomplete or invalid payment information. Research processing shall be an "in-stream" activity occurring on the day the payment is received in the SDU. The Research function shall consist of examining validation data elements



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- to determine the appropriate identifying information for the payment to ensure that it is posted to the correct account.
- 3.6.10. The Department shall provide the following validation data elements, for each child support case, that include at minimum:
 - 3.6.10.1. Payor name;
 - 3.6.10.2. Payor case identification number;
 - 3.6.10.3. Payor member ID number;
 - 3.6.10.4. Payor Social Security Number;
 - 3.6.10.5. Payee name;
 - 3.6.10.6. Current employer name and telephone number;
 - 3.6.10.7. Wage assignment in effect, if applicable;
 - 3.6.10.8. Current weekly support amount, if wage assignment in effect;
 - 3.6.10.9. Current employer town, if any wage assignment in effect;
 - 3.6.11. The Department shall load validation data into the Contractor's cross-reference database to enable the Contractor's SDU staff to access the data for research purposes.
 - 3.6.12. The Contractor's research efforts shall result in one of two outcomes:
 - 3.6.12.1. Successful identification of a payment, in which case the correct payor/case ID shall be established, recorded, and the payment information shall be included in that evening's transmission to the Department, and the corresponding instrument shall be deposited in the bank; or,
 - 3.6.12.2. No identification of a payment, in which case a generic ID (AAA00000) shall be assigned to the payment, recorded, and the payment information shall be included in that evening's transmission to the Department, and the corresponding financial instrument shall be deposited in the bank.
 - 3.6.13. The Contractor shall monthly provide a separate monthly report that includes daily and weekly itemizations for Direct Payment, Wage Withholding, and Out-of-State (including Out-of-State Tax Intercept) payments received and processed, and the total number of processing services performed each day within those categories for the month.
 - 3.6.14. The Contractor shall be responsible for screening and tracking Non-Sufficient Fund (NSF) checks, once provided electronic notice from the



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Department of all payors for whom personal checks may no longer be accepted. After this notice is received, the Contractor shall indemnify and hold harmless the Department for any checks from the identified payors not honored by the bank. The amount of the indemnity shall include, but not be limited to, the amount of the check and all fees and associated costs. For all such checks, the Department will provide written notice to the Contractor. This notice shall specify the amount, date and check number, and payor name, routing transit number, bank account number and name(s) on the account.

3.7. Posting Errors

- 3.7.1. The Contractor shall be responsible for correctly analyzing, classifying, recording and posting all payments. Incorrectly recorded or posted payments can result in incorrect distribution of payments. The Contractor shall be held liable for these errors.

4. Disbursing Child Support Payments

4.1. The Department Authorization

- 4.1.1. Upon receipt of the information described in subsection 1.3.6 Payment Processing Requirements for all Case Types, the Department shall daily process the information through NECSES, to determine the amount of child support received by the SDU that is payable to the Department payee. The Department shall then electronically transmit this information to the Contractor as authorization for the Contractor to generate payment to the payee.

4.2. Disbursing Authorized Payments

- 4.2.1. The Contractor shall electronically receive payment information from the Department and initiate and process the appropriate payment to the appropriate payee within 24 hours.
- 4.2.2. The Contractor shall provide payees with a variety of methods and forms with which to receive such payment, such as direct deposit or a debit card. NOTE: Paper checks are used in special circumstances only, subject to the Department approval, and are not a general option.

5. Electronic Funds Transfer and Electronic Data Interchange Services (EFT/EDI)

- 5.1.1. The Contractor shall arrange for and provide, accept, and process EFT/EDI transactions for the collection and disbursement of child support payments, including offering a variety of low-cost (to the payor or employer) electronic payment channels, such as debit and money

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transfer cards, on-line processing, mobile applications, and through mobile devices.

5.2. Electronic Payments Provisions for Employers

5.2.1. The Contractor shall provide a method or methods to be used by employers in remitting child support payments by electronic means. The method or methods used shall permit the employer to convert the information to either CCD+ or CTX/820 format. The method or methods used shall be the means for the employer to prepare the EFT/EDI file to be sent to the bank in a format that conforms to the NACHA standard.

5.3. Cardholder Provisions for Child Support Payees

5.3.1. The Contractor shall make debit cards available to child support payees for the disbursement of child support and for account balance information. For those individuals who choose to participate in this method of EFT, the Contractor shall provide the initial debit card to the cardholder at no cost to the Department or the cardholder.

5.3.2. The Contractor shall provide a debit card program that is an industry standard application, primarily using existing commercial networks and retailer's Point of Service devices.

5.3.2.1. The debit card shall be a branded VISA or MasterCard card, shall operate via the VISA or MasterCard network and be accepted by any participating merchant.

5.3.2.2. The debit card shall require a Personal Account Number and/or signature for activation and purchases.

5.3.2.3. The Contractor shall provide a magnetic or chip debit card that: is fully compliant with all federal laws and regulations; meets industry standards, including current PCI standards, for quality and contains security features to activate the card and to prevent counterfeiting.

5.3.3. The Contractor shall be responsible for production and issuance of the initial and replacement debit cards. The Department shall have final approval of the design, content, and process of distribution of the card mailer.

5.3.4. The Contractor shall be responsible for the appropriate handling and resolution of debit cards that:

5.3.4.1. Are returned to the Contractor by the US Post Office, and providing the Department notification of such return;



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- 5.3.4.2. Are returned to the Contractor by the US Post Office with forwarding address information provided by the US Post Office, and providing the Department notification of such return;
- 5.3.4.3. Are expired. The Contractor shall specify the expiration timeframe of cards from the issue date and reissue cards in replacement of expired cards. The Contractor shall provide to active cardholders detailed procedures for the reissuance of cards due to expire, including at minimum: the timeframe for reissuance of the card; the procedure for the cardholder to activate the new card; the new account number and account activity balance; activation of the Personal Identification Number;
- 5.3.4.4. Are unpinned by the cardholder and have funds deposited on the card. The Contractor shall:
 - 5.3.4.4.1. Provide a weekly report to the Department of cards with funds deposited and not pinned/activated by the cardholder. The report shall include the name, address, telephone number, date of card issuance and first date of funds deposited to the card.
 - 5.3.4.4.2. Conduct an outreach to the cardholder. The outreach process and procedure shall be subject to the Department approval.
 - 5.3.4.4.3. Provide a detailed procedure for the Department to request retrieval of funds from the card. The procedure shall include but not be limited to the timeframe for the retrieval of funds, the method of payment of the funds, the notification to the Department of retrieval of the funds, and the method of forwarding the funds to the Department.
- 5.3.4.5. Are lost, stolen or require replacement other than for the reason of being expired. The Contractor shall provide to cardholders detailed terms and conditions for the replacement of debit cards that include at minimum:
 - 5.3.4.5.1. Defining what constitutes a replacement card;
 - 5.3.4.5.2. The procedure for requesting a replacement card;

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- 5.3.4.5.3. The timeframe within which a replacement card will be issued;
- 5.3.4.5.4. The procedures and conditions for expediting a replacement card.
- 5.3.5. The Contractor shall maintain the confidentiality of any and all cardholder information and cardholder account information. The Contractor shall provide assurances that cardholder information and cardholder account information is protected and kept confidential.
- 5.3.6. Cardholder information and cardholder account information shall not be sold or otherwise shared with any other entity not associated with this contract or for any purpose other than the execution of the contract, unless required by federal or state law.
- 5.3.7. The Contractor shall not use cardholder information or cardholder account information to solicit business.
- 5.3.8. The Contractor shall provide written notification to the Department of any changes affecting cardholders ninety (90) calendar days prior to the effective date of any change. Changes include but are not limited to, changes in debit card policies or procedures, program rules or adjustments to the cardholder's account balance. All such changes shall be subject to the Department's prior approval.
- 5.3.9. The Contractor shall provide written notification to cardholders of any changes affecting them thirty (30) calendar days prior to the effective date of any change. The Department shall have final approval of the content of any and all notifications to the cardholders.

5.4. ATM Access for Child Support Payee Cardholders

- 5.4.1. The Contractor shall provide debit card access through an operating ATM network allowing for national and international ATM access with withdrawal of cash through a normal ATM transaction.

5.5. Point of Service (POS) Access for Child Support Payees

- 5.5.1. The Contractor shall ensure the child support payee cardholder is able to use the debit card to purchase goods and services, anywhere the brand (Visa/MasterCard) is accepted, including Internet, mail order, and telephone order purchases, that are charged against the child support payee's available child support account balance.
- 5.5.2. The Contractor shall ensure the operating network shall query the cardholder's available balance at the time of any PIN-based POS transaction and disallow those transactions that would exceed the cardholder's balance.

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5.5.3. The Contractor shall ensure the cardholder will be able to receive cash back with a POS transaction based on either the store limit or the negotiated cash back withdrawal limit.

5.6. Bank Teller Access for Child Support Payees

5.6.1. The Contractor shall provide child support payee cardholders with access to cash withdrawals, utilizing debit cards, and through the use of bank tellers.

5.7. Payment Acceptance

5.7.1. Regardless of whether payors or employers choose to receive coupons in paper form, the Contractor shall accept payments made in electronic form in each occasion in which the payor or employer chooses to submit a payment in this form.

5.8. EFT/EDI Transaction Processing for Child Support Payee Cardholders

5.8.1. The Contractor shall accept transactions from an authorized transaction acquirer.

5.8.2. For child support payee cardholders, the Contractor shall ensure that, prior to processing a transaction regarding a cardholder's account, the cardholder number is validated and the PIN is correctly entered. The Contractor shall verify that the number of consecutive failed PIN tries has not been exceeded, verify that there are sufficient cardholder funds to complete the transaction, and ensure each transaction is properly posted based upon availability of funds. The Contractor shall ensure that the transaction shall be denied if any of the conditions listed are not met.

5.8.3. The Contractor shall appropriately authorize or deny EFT and EDI transactions regarding a cardholder's account, including denying any that may be disallowed or cause the cardholder to exceed the amount available in their account. The Contractor shall send response messages to the acquirer that authorize or reject the transaction.

5.8.4. The Contractor shall log authorized and denied transactions for subsequent settlement and reconciliation processing, and for inclusion in transaction reporting and viewing through transaction history.

6. Self-Service Web Portal

6.1. Accessibility

6.1.1. The Contractor shall provide child support payors, child support payees, and employers with a secure web-based site that is accessible 24 hours per day, seven days per week.



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6.2. Services Available

- 6.2.1. The Contractor shall ensure the Self-Service Web Portal can provide an array of services and information to users based on user type, including but not limited to the following services:
- 6.2.1.1. Enable the electronic payment of direct child support and wage withholding payments by child support payors and employers;
 - 6.2.1.2. Viewing of child support and wage withholding bills;
 - 6.2.1.3. Confirmation of payment receipts;
 - 6.2.1.4. On-line statements of detailed financial transactions posted to their account;
 - 6.2.1.5. Detailed deposit information;
 - 6.2.1.6. For child support payee cardholders, additional notification and information regarding use of cards;
 - 6.2.1.7. Frequently Asked Questions (FAQs) regarding the services delivered by the SDU Help Desk contact information for the SDU;
 - 6.2.1.8. Customer Services support and assistance for users of the Self-Service Portal; and
 - 6.2.1.9. Hyperlinks to the New Hampshire Division of Child Support website.
- 6.2.2. The Contractor shall provide a user-friendly and simple on-line registration process to access the Self-Service Portal.
- 6.2.3. The Department shall have final approval of the design and content of the web portal.
- 6.2.4. The Contractor may, at the Department discretion, also provide access to all of the information described in subsection 1.6.2.1, through a smartphone application.

7. Automated Response Unit (ARU) for Child Support Payees

7.1. ARU Accessibility

- 7.1.1. The Contractor shall provide child support payee cardholders with access to an Automated Response Unit (ARU) twenty-four (24) hours per day, seven (7) days per week.

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- 7.1.2. The ARU shall contain the functionality for cardholders to exit ARU and be transferred directly to a customer services representative in the Cardholder Help Desk at any time.
- 7.1.3. The Contractor shall have policies and standards in place for the ARU that addresses the number of rings prior to answer, and the average time a cardholder remains on hold, to ensure child support payee timely access to ARU services. These policies and standards shall be subject to the Department approval.
- 7.1.4. The Contractor shall provide the Department with monthly reports of ARU activity, including but not limited to the number of calls, the number of calls dropped, and the number of callers that opted to access Customer Service for further assistance.

7.2. Card Activation, PIN Setting and Changing

- 7.2.1. The ARU shall enable cardholders to activate their debit card. The Contractor shall provide cardholders with secure ARU PIN select procedures and instructions to activate their debit card through the ARU.
- 7.2.2. The ARU shall enable cardholders to change the PIN for their debit card. The Contractor shall provide cardholders with secure ARU PIN change procedures and instructions to change the PIN for their debit card through the ARU.

7.3. Other ARU Transactions

- 7.3.1. The ARU shall enable cardholders to report a lost, stolen or damaged debit card. The Contractor shall provide cardholders with a secure ARU process and detailed instructions to complete such reporting through the ARU.
- 7.3.2. The ARU shall enable cardholders to obtain the cardholder's real time account balance information. The Contractor shall provide real-time account balance information to cardholders, and shall state what is defined as real-time account balance.
- 7.3.3. The ARU shall enable cardholders to obtain the transaction history for their account. The Contractor shall provide the cardholder with the transaction history and clearly state the maximum number of transactions included in the history.
- 7.3.4. The Contractor shall clearly detail additional transaction information available to the cardholder and the method of obtaining that information.
- 7.3.5. The ARU shall enable cardholders to receive through the ARU information about:



Exhibit A

- 7.3.5.1. The methods to report unauthorized use of the debit card, one of which shall include reporting through the ARU;
- 7.3.5.2. How potential fraudulent transactions are identified and the procedures for handling and reporting any potential fraudulent transactions;
- 7.3.5.3. The Contractor's reporting process and capabilities, including how the Contractor shall provide the Department with reporting, to the extent permissible under 12 CFR 205 Regulation E and industry guidelines.
- 7.3.6. The Contractor shall ensure the ARU contains the functionality for cardholders to opt out to a customer services representative at any time.

8. Customer Services for Child Support Payee Cardholders

8.1. Cardholder Help Desk Operation

- 8.1.1. The Contractor shall provide child support payee cardholders with telephone access to a Cardholder Help Desk twenty-four (24) hours per day, seven (7) days per week. The Contractor shall provide current debit card account, deposit, withdrawal and transaction history information via a toll-free, "1-800" number and shall provide a toll-free international number.
 - 8.1.1.1. The Contractor shall provide customer service representatives to resolve issues that cannot be resolved through the Automated Response Unit (ARU).
 - 8.1.1.2. The Contractor shall provide sufficient customer service representative capacity to ensure that the contractual service standards for cardholder calls referred to the Cardholder Help Desk is met.
- 8.1.2. The Contractor shall ensure the Cardholder Help Desk enables cardholders to process the same transactions, through telephone access to the Cardholder Help Desk, described in subsections 1.7.2 Card Activation, PIN Setting and Changing and 1.7.3 Other ARU Transactions.

8.2. Cardholder Help Desk Accessibility

- 8.2.1. Cardholder Help Desk services shall be provided in English and Spanish. The individuals providing customer service shall be proficient in written and spoken English and have a clear comprehension of the English language. Any individuals the Contractor designates for providing customer services in Spanish shall also be proficient in



Exhibit A

written and spoken Spanish and have a clear comprehension of the Spanish language, in addition to English.

- 8.2.2. The Contractor shall provide the services described in subsections 1.7 Automated Response Unit (ARU) for Child Support Payee Cardholders and 1.8 Customer Services for Child Support Payees to payees requiring use of Teletypewriter (TTY) services.

8.3. Additional Cardholder Help Desk Requirements

- 8.3.1. The Contractor shall have in place procedures to ensure and verify the identity of the cardholder using the Cardholder Help Desk or the Self-Service Portal.
- 8.3.2. The Contractor shall have a monitoring program in place to ensure quality customer services are delivered, through the ARU and Cardholder Help Desk.

9. Instructional Materials for Child Support Payee Cardholders

9.1. Reading Level Requirements

- 9.1.1. The Contractor shall provide instructional materials to child support payee cardholders that are written in English and Spanish at a reading level no higher than sixth (6th) grade.

9.2. Contents

- 9.2.1. The Contractor shall include training materials in the card issuance packet to ensure the cardholder understands how to activate the account, cardholder rights and responsibilities, how to use the card, identification of any and all associated fees, and where to call for questions and reporting issues.

9.3. The Department Approval

- 9.3.1. The Contractor shall describe and submit to the Department examples of all instructional materials that will be sent to the cardholder at the time of card issuance.
- 9.3.2. The Department shall have final approval of instructional materials provided with the debit card.

10. Banking Services

- 10.1.1. The Contractor shall provide, either directly or through a subcontractor, banking services to support and facilitate SDU service delivery.
- 10.1.2. Banking services to be provided shall include, at minimum:



Exhibit A

- 10.1.2.1. The provision of a dedicated SDU-Department bank account, which shall be held in a New Hampshire bank, for SDU transactions to be processed through.
- 10.1.2.2. The bank account will be the depository for the Department's payments.
- 10.1.3. The Contractor shall deposit all processable payments into the Department's account on the date of receipt of such payment.
- 10.1.4. Daily deposited funds that are available to the Department shall be transferred via ACH daily.
- 10.1.5. If any deposited funds are not available on the day of initial deposit, an earnings credit shall be given on any balance left on deposit and it shall be based on the average collection balance.
- 10.1.6. The earnings credit shall be used against SDU charges with the balance of the charges to be billed monthly.
- 10.1.7. Each child support payment received shall be endorsed with a stamp stating the following (see below), or as otherwise designed by the Department:
 - 10.1.7.1. FOR DEPOSIT ONLY
 - 10.1.7.2. Department of Health and Human Services
 - 10.1.7.3. The Department
 - 10.1.7.4. with the bank account number
 - 10.1.7.5. The Contractor shall record on the back of each payment the batch number, sequence number and the date of deposit. Also included shall be a MICR line for the check amount.
 - 10.1.7.6. Encoding of checks with check amount;
- 10.1.8. The Contractor shall provide documentation showing acceptance of deposits, and endorsement and imaging of all checks and other financial instruments deposited into the dedicated SDU-Department bank account;
- 10.1.9. The Contractor shall service dishonored and returned checks presented for deposit into the dedicated SDU-the Department bank account;
- 10.1.10. The Contractor shall maintain and reconcile the dedicated SDU-Department bank account;
- 10.1.11. The Contractor shall provide EFT services, CD-ROM, or other electronic medium for the dedicated SDU-Department bank account;



Exhibit A

- 10.1.12. The Contractor shall provide EDI translation;
- 10.1.13. The Contractor shall provide copies of paid checks, monthly statements, on-line access to accounts, and check safekeeping; and
- 10.1.14. The Contractor shall provide all banking facilities and services normally delivered to checking account customers, such as deposit slips and other instruments pertaining to this account and usual and generally accepted banking services associated with this kind of account.
- 10.1.15. The Contractor shall make available to the Department-designated staff/office a copy of the deposit slip for each day's activity no later than the day following the deposit.
- 10.1.16. The Contractor shall retain a copy of all payments deposited for a period of not less than seven (7) years. The copies shall be retained on an appropriate medium. The Contractor shall provide the Department with access to any retained image upon request. This provision shall survive the life of the Contract

10.2. Check Writing Services

- 10.2.1. The Contractor shall provide check writing services, utilizing the dedicated SDU-Department bank account described in subsection 1.10.1.2., to ensure the timely printing of child support checks.

11. Data Transfer

11.1. From Contractor to The Department

- 11.1.1. The Contractor shall transmit to the Department keyed information and EFT receipt file on the date of processing. The Contractor shall ensure that the Department receives the transmission for keyed information by 6:00 PM, and the EFT receipt file by 6:00 PM. Earlier transmissions shall be permissible but transmissions shall be received no later than 6:00 PM.
- 11.1.2. The Contractor shall transmit files between the Contractor and the Department through a secure and encrypted method.

11.2. From The Department to Contractor

- 11.2.1. The Department shall transmit an FTP file to the Contractor, each month for child support payors and each week for employers, that contains the billing information for child support payors and employers.
- 11.2.2. The Department shall daily transmit to the Contractor reconciled payment authorization information for the Contractor to generate child support payments to the appropriate payees.

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Exhibit A

11.2.3. NOTE: SDU Information Technology Provisions Statement of Work, Topic 2 – Data Exchange, addresses the mechanisms and tools included in the proposed SDU system to enable the specified data sharing between the Contractor and the Department for the transmission of customer and EBT data within the SDU to financial institutions and the Department.

12. Staffing

12.1. Minimum Staffing Requirements

- 12.1.1. The Contractor shall provide adequate numbers of professionally qualified staff for all required contracted services.
- 12.1.2. The Contractor shall guarantee that all personnel providing the services required by the contract are qualified to perform their assigned tasks. The Department shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's management, supervisory, and key professional personnel, who directly impact the contracted services, at least ten (10) days in advance of such change. The Department shall have ultimate approval of all employees assigned to this contract.

12.2. Criminal Background, Drug Screening and Disclosures

- 12.2.1. Prior to a prospective employee's first day of work, the Contractor shall conduct and receive a comprehensive drug screening and background check, including a criminal records check, on any employee who shall perform duties under this Contract. A copy of said background check shall be provided to the Department upon request. This background check process applies to temporary employees each time they start or re-start work with the Contractor. The background check shall include at a minimum, identity verification, including Social Security Number trace, and felony and misdemeanor records from county of current residence.
- 12.2.2. All Contractor employees, permanent and temporary, shall sign a disclosure form provided by the Department which discloses any relationship of their own, or of a member of their immediate family, to the process of receiving or paying child support. These disclosure forms shall immediately be shared with the Department. The Contractor's employees shall be strictly prohibited from accessing the system to check the status of cases to which they have a personal relationship. No employee shall process transactions or documents related to a child support case to which they have a personal relationship.

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Exhibit A

12.3. Education and Training

12.3.1. The Contractor shall have a plan for providing continuing education, training and technical assistance for the Department staff, as requested and approved by the Department, regarding SDU contracted services. The Contractor shall provide the name and telephone number of contact people to resolve questions and/or problems regarding training. Specifics including the date, time and location of training shall be arranged between the Contractor and the Department.

13. Delegation and Subcontractors

13.1. Identification and Approval

13.1.1. The Contractor shall identify any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

13.1.2. Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

13.1.2.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function;

13.1.2.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate; and

13.1.2.3. Monitor the subcontractor's performance on an ongoing basis.

13.1.3. All subcontractors' employees performing any services required by the contract are subject to the Criminal Background, Drug Screening and Disclosure provisions specified in subsection 1.12.2, the Conflict of Interest provisions specified in subsection 1.15.6, and all other applicable contractual conditions as the Contractor's employees.

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Exhibit A

14. Compliance

14.1. Policy and Procedural Changes

14.1.1. The Department shall be responsible for notifying the Contractor of any policy and procedural changes affecting the SDU services at least thirty (30) days prior to the implementation of such policy and procedure. The Contractor shall implement the changes on the date specified by the Department.

14.2. Fraud Detection

14.2.1. The Contractor shall have in place a fraud detection process and procedures that addresses, at minimum, how potential fraudulent transactions are identified and the procedures for handling and reporting any potential fraudulent transactions.

14.2.2. The Fraud detection process and procedures shall be subject to the Department's approval.

14.3. Federal Electronic Fund Transfers

14.3.1. The Contractor shall provide the Department with reporting to the extent permissible under 12 CFR 205 Regulation E and industry guidelines.

14.4. Confidentiality

14.4.1. The Contractor shall utilize detailed policies and procedures that ensure confidentiality for SDU contracted services is maintained. These policies and procedures shall be subject to the Department approval and shall remain in full force and effect during the Contract Period or as otherwise specified within the contract. The Department reserves the right to terminate the contract if confidentiality is breached.

14.5. Conflict of Interest

14.5.1. The Contractor shall represent and covenant that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with performance of its services hereunder.

14.6. The Department Disaster Recovery

14.6.1. Upon notice of or becoming aware of the DHHS Commissioner's, or his or her designee's, determination/declaration that there is a DHHS information technology related disaster, the Contractor shall immediately communicate with the Department's Business Recovery Services Contractor. The Contractor shall perform all its contractual duties in cooperation with the Business Recovery Services Contractor, and at the direction of the Department of Information Technology



Exhibit A

(DoIT), until such time as DoIT's mainframe is fully operational. Information regarding the Point-of-Contact for the Business Recovery Services Contractor shall be provided by the Department upon contract execution.

14.7. Preparation and Testing

14.7.1. The Contractor shall prepare, design, implement and test all requirements inclusive for the Department's review and acceptance.

15. Performance Standards

15.1. Disbursement

15.1.1. The Contractor shall ensure that collection and disbursement of support are made in compliance with all applicable federal and state laws concerning the collection and disbursement of support, including, but not limited to 42 U.S.C. §654b, 45 CFR §302.32 and N.H. Admin. Rule He-W 403.02. For purposes of this contract, the "Performance Standards" and/or "Service Levels" are defined as the statutory or regulatory requirements set forth in 42 U.S.C. §654b, 45 CFR §302.32 and N.H. Admin. Rule He-W 403.02.

16. Services after State Fiscal Year 2016

16.1. Funding

16.1.1. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 and SFY 2020-2021 biennia and SFY 2022.



EXHIBIT A-1 SDU Information Technology Provisions Statement of Work

1. TECHNOLOGY REQUIREMENTS

Appendix H Technical Requirements Checklist contains mandatory technical requirements for this technology solution and vendor services. Vendors shall complete the Technical Requirements Checklist in accordance with the instructions on the "Instructions" tab of Appendix H.

2. TESTING AND ACCEPTANCE

In its proposal, the Vendor is to include its proposed Test Plan methodology and any scheduling assumptions used regarding the customer resource efforts required during User Acceptance Testing. After Contract award, the Vendor will be required to customize its proposed Test Plan methodology to reflect the needs of the Project and include the details of its Test Plan methodology in the detailed Work Plan (the first Project Deliverable).

In addition, the Vendor will 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. The Vendor will also provide training as necessary to the State staff responsible for test activities.

2.1. Testing Requirements

All testing and acceptance addressed herein shall apply to testing the Technology Solution. This shall include planning, test scenario development, Data, and system preparation for testing, and support of State staff during execution of Acceptance Testing (UAT).

2.2. Test Planning and Preparation

The overall Test Plan will guide all testing. The Vendor provided, State approved, Test Plan will include, at a minimum, identification, preparation, and documentation of planned testing, a requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test data, test phases, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.

It is crucial that customer training and testing activities not be abbreviated in order to meet project implementation schedules. Therefore, the State requires that the testing activities be represented both in terms of effort and duration.

Vendors must disclose in their proposals the scheduling assumptions used in regard to the State resource efforts during testing.

State testing will commence upon the Vendor Project Manager's certification, in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results, prior to the start of any testing executed by State staff.

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The State will commence its testing within five (5) business days of receiving certification from the Vendor that the State's personnel have been trained and the Technology Solution is installed, configured, complete, and ready for State testing. The testing will be conducted by the State in an environment independent from the Vendor's development environment. The Vendor must assist the State with testing in accordance with the Test Plan and the Work Plan, utilizing test and live data to validate data and reports, at no additional cost.

2.3. Testing Schedule

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

2.4. User Acceptance Testing (UAT)

The User Acceptance Test verifies System functionality against predefined acceptance criteria that support the successful execution of approved business processes.

- 2.4.1. The Vendor's Project Manager must certify in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results prior to the start of any testing executed by State staff.
- 2.4.2. The State will be presented with a State approved Test Plan, test scenarios, test cases, test scripts, test data, and expected results, as well as written certification of the Vendor's having completed the prerequisite tests, prior to the State staff involvement in any testing activities.
- 2.4.3. UAT will also serve as a performance and stress test of the System. It may cover any aspect of the System, including administrative procedures such as backup and recovery. The results of the UAT provide evidence that the System meets the User Acceptance criteria as defined in the Work Plan.
- 2.4.4. Upon successful conclusion of UAT and successful System deployment, the State will issue a letter of UAT Acceptance.

2.5. Security Review and Testing

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

All components of the software shall be reviewed and tested to ensure they protect the State's data assets.

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users
Access Control	Supports the management of permissions for logging onto a computer or network
Encryption	Supports the encoding of data for security purposes
Intrusion Detection	Supports the detection of illegal entrance into a computer system
Verification	Supports the confirmation of authority to enter a computer system, application or network



Digital Signature	Guarantees the unaltered state of a file
User Management	Supports the administration of computer, application and network accounts within an organization
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server

In their proposal, the Vendors must acknowledge their responsibilities for IT security testing. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. The Vendor must provide verification that 3rd party Penetration Tests (pen test) and Vulnerability Scanning are performed on a regular basis.

The Vendor shall provide results of all IT security testing to the Department of Information Technology for review and acceptance.

3. TRANSITION PROJECT MANAGEMENT

3.1. Transition Work Plan

In the event that the State must transition operations to a new service provider, a Transition Phase will be required to establish the State as a new customer and implement the Technology Solution and operational procedures. Vendor shall submit a preliminary Work Plan in their Proposals. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. A final Work Plan may be incorporated into the resultant contract, at the State's discretion, prior to Governor and Executive Council approval, or at minimum, may be due five (5) business days after Contract award upon approval by Governor and Executive Council.

The Vendor shall update the Work Plan as necessary but no less than every two weeks to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. Any updates to the Work Plan shall require the written approval of the State prior to final incorporation into the Contract.

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

In the event of a delay in the Schedule, the Vendor must immediately notify the State in writing. The written notification will identify the nature of the delay, i.e., specific actions or inactions of the Vendor or State causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected Schedule affect the Project.



In the event the Vendor requires additional time to correct Deficiencies, the Schedule shall not change unless previously agreed in writing by the State, except that the Schedule shall automatically extend on a day-to-day basis to the extent that the delay does not result from Vendor's failure to fulfill its obligations under the Contract. To the extent that the State's execution of its major tasks takes longer than described in the Work Plan, the Schedule shall automatically extend on a day-to-day basis.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract for default, at its discretion, if it is dissatisfied with the Vendor's Work Plan or elements within the Work Plan.

3.2. Transition Meetings and Reports

During the Transition Phase, if applicable, the Vendor shall conduct several required meetings to facilitate communications.

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

Status Meetings: Participants will include, at the minimum, the Vendor Project Manager and the State Project Manager. These meetings will be conducted at least bi-weekly and address overall Project status and any additional topics needed to remain on schedule and within budget.

Status Reports: A status and issue report from the Vendor shall serve as the basis for discussion. The Work Plan must be reviewed at each status meeting and updated, at minimum, on a bi-weekly basis, in accordance with the Contract.

4. GENERAL TERMS

4.1. Licenses

If a license is included as a component of the Technology Solution, the Vendor must include a copy of the software license in the Proposal for the State's consideration.

4.2. Xerox License:

In providing the services in connection with this Agreement, Contractor will leverage certain software and hardware tools that are either owned or licensed by Contractor (collectively, the "Xerox Tools"). Contractor hereby grants the State a non-exclusive and non-transferable license to use and access the functions, reports, output and other materials derived from or otherwise produced by the Xerox Tools. Licensee may not modify, reverse engineer, decompile or otherwise disassemble the Xerox Tools. The State shall have no residual rights to the Xerox Tools beyond the term of the Contract.

4.2.1. Title

The Vendor must hold the right to allow the State to use the software or hold all title, right, and interest (including all ownership and intellectual property rights) in the software and its associated documentation.

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4.3. Warranty

4.3.1. System

The Vendor shall warrant that the Technology Solution must operate to conform to the specifications, terms, and requirements of the Contract.

4.3.2. Non-Infringement

The Vendor shall warrant that it has good title to, or the right to allow the State to use all Services, equipment, and software provided under this Contract, and that such services, equipment, 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.

4.3.3. Viruses, Destructive Programming

The Vendor shall warrant that the software will not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the software.

4.3.4. Compatibility

The Vendor shall warrant that all System components, including any replacement or upgraded System software components provided by the Vendor to correct deficiencies or as an enhancement, shall operate with the rest of the System without loss of any functionality.

4.3.5. Professional Services

The Vendor shall warrant that all services provided under the Contract will be provided in a professional manner in accordance with industry standards and that services will comply with performance standards.

4.3.6. Warranty Period

The warranty period shall extend for the duration of the Contract and any extensions, with the exception of the warranty for non-infringement, which shall extend indefinitely.

4.4. State-Owned Documents and Data

The Vendor shall provide the State access to all documents, State data, materials, reports, and other work in progress relating to the Contract ("State Owned Documents"). Upon expiration or termination of the Contract with the State, Vendor shall turn over all State-owned documents, State data, material, reports, and work in progress relating to this Contract to the State at no additional cost to the State. State-Owned Documents must be provided in their original format.

4.5. Intellectual Property

Upon successful completion and/or termination of the implementation of the Project, the Vendor shall own and hold all title, rights and interest in any software modifications (Custom Code) developed in connection with performance of obligations under the Contract, or modifications to the Vendor provided software, and their associated documentation, including any and all performance enhancing operational plans and the Vendor's special utilities. The Vendor shall license back to the State the right to produce, publish, or otherwise use such software, source code, object code, modifications, reports, and documentation developed under the Contract.

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

4.6. Data Breach

In the event of a data breach, the Vendor shall comply with provisions of NHRSA 359C:20.

4.7. Termination Procedure

Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require the Vendor to deliver to the State any property, including without limitation, State data and written Deliverables, for such part of the Contract as has been terminated.

After receipt of a notice of termination, and except as otherwise directed by the State, the Vendor shall:

- 4.7.1. Stop work under the Contract on the date, and to the extent specified, in the notice;
- 4.7.2. 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;
- 4.7.3. Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract, which is in the possession of Vendor and in which State has an interest;
- 4.7.4. Transfer title 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 State and which has been accepted or requested by the State; and
- 4.7.5. Provide written certification to the State that Vendor has surrendered to the State all said property.

4.8. Contingency Plan/Disaster Recovery Plan

It is critical to the smooth operation of the NH SDU that downtime be minimized. The Vendor must present a written disaster recovery plan. The disaster recovery plan must include a sample test scenario.

- 4.8.1. Current versions of any software associated with NH SDU operations must be running at all times.
- 4.8.2. A daily backup file of the NH SDU database must be stored at a secure site away from the NH SDU and specifically designed for this type of secure record storage. This site must be accessible to the State. The backup cycle must be a month in length.



- 4.8.3. Vendor must identify a "hot site" for payment processing in case of a disaster at the NH SDU location. Payment processing at the "hot site" must be described in detail.
- 4.8.4. The Vendor must conduct a disaster recovery exercise annually.
- 4.8.5. Payment processing must not be interrupted for more than 72 hours following any disaster.

4.9. End of Contract Transition Plan

- 4.9.1. The State will inform the Vendor thirty (30) calendar days in advance of the routine termination of the Contract. The Vendor agrees to participate in an orderly transition.
- 4.9.2. All data in the SDU Database is the property of the State of New Hampshire. The Vendor will transfer to the State all data contained in the SDU database and all records related to functions performed and payments processed during the term of their Contract. The current Vendor will supply the State with the images of all financial instruments received and processed during the term of their Contract. The State will make this information available to the new vendor.
- 4.9.3. If a contract extension for up to six (6) months is needed to affect an orderly transition, the Vendor must agree to do so. The terms and conditions of the Contract then in place shall prevail during this extension period.
- 4.9.4. The new vendor will have no responsibility for any unidentified payments posted by the previous contractor.
- 4.9.5. The SDU Vendor shall supply the following items to the State, except where the NH SDU Vendor does not have the right to transfer such items to a third party:
 - 4.9.5.1. The NH SDU database, including the structure, all data models, data dictionaries, drawings, graphic representations, specifications and file formats within the NH SDU System, excluding all hardware and software required to operate the NH SDU System.
 - 4.9.5.2. NH SDU network configuration diagrams, maintenance logs, and security provisions.
- 4.9.6. Below we describe those end-of-contract transfer provisions that are required regardless of which course of action is chosen by the State.
 - 4.9.6.1. In those instances where the Vendor does not have the right to transfer hardware or software to the State, the Vendor shall provide the State with the name and version of the software necessary to make the Vendor's technical solution fully functional.
 - 4.9.6.2. The Vendor shall supply to the State, on the next day following termination of services under this Contract, all data and information stored in the SDU database and in all other Vendor databases and information systems (including backup copies in any medium located at the SDU site and in off-site storage). The format and medium in which the data and information are supplied shall be specified by the State.

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New Hampshire Department of Health and Human Services
 State Disbursement Unit and Electronic Funds Transfer Services



Vendor Instructions	
<p>IMPORTANT: YOU MUST PROVIDE A RESPONSE IN BOTH THE "VENDOR RESPONSE" AND "DELIVERY METHOD" COLUMNS FOR ALL MANDATORY REQUIREMENTS. IF YOU ANSWER "NO" TO A MANDATORY REQUIREMENT WITHOUT PROVIDING ADDITIONAL INFORMATION ABOUT HOW THIS REQUIREMENT CAN BE MET WITH A "FUTURE" OR "CUSTOM" DELIVERY, YOUR PROPOSAL CANNOT BE CONSIDERED.</p>	Place a
<p>Vendor Response Column: "Yes" if the current release of the software can fully support ALL the functionality described in the row, without special customization. A "Yes" can only be used if the delivery method is Standard (see delivery method instructions below). Otherwise, enter an "No"; A "No" can only be used with delivery method Future, Custom, or Not Available/Not Proposing (see delivery method instructions below).</p>	
<p>Delivery Method Column: Complete the delivery method using a Standard, Future, Custom, or Not Available/Not Proposing (as defined below) that indicates how the requirement will be delivered.</p> <p>Standard - Feature/Function is included in the proposed system and available in the current software release. Future - Feature/Function will be available in a future release. (Provide anticipated delivery date, version, and service release in the comment area.) Custom - Feature/Function can be provided with custom modifications. (Respondent must provide estimated hours and average billing rate or flat cost for the software modification in the comment area. These cost estimates should add up to the total cost for software modifications found in the cost summary table in Section X of the RFP). Not Available/Not Proposing - Feature/Function has not been proposed by the Vendor. (Provide brief description of why this functionality was not proposed.)</p>	
<p>Comments Column: For all Delivery Method responses other than standard (Future, Custom, or Not Available/Not Proposing) vendors must provide a brief explanation. Free form text can be entered into this column.</p>	

Contractors Initials 

Exhibit A-2

APPLICATION REQUIREMENTS

State Requirements				
Req #	Requirement Description	Criticality		
GENERAL SPECIFICATIONS				
A1.1	Application has the ability to access data using open standards access drivers. Ability to access data using open standards access drivers (please specify supported versions in the comments field).	M	Y	Standard
A1.2	Data is available in commonly used format over which no entity has exclusive control, with the exception of National or International standards. Data is not subject to any copyright, patent, trademark or other trade secret regulation.	M	Y	Standard
A1.3	Any web portal must be in conformance with the following W3C standards: HTML5, CSS 2.1, XML 1.1	M	Y/N	Standard/ Future
A1.4	The Vendor and any subcontractors may be subject to forensic audit at the request of the State.	M	Y	Standard
APPLICATION SECURITY				
A2.1	Verify the identity or authenticate all of the system client applications before allowing use of the system to prevent access to inappropriate or confidential data or services.	M	Y	Standard
A2.2	Verify the identity and authenticate all of the system's human users before allowing them to use its capabilities to prevent access to inappropriate or confidential data or services.	M	Y	Standard
A2.3	Enforce unique user names.	M	Y	Standard
A2.4	Enforce complex passwords for Administrator Accounts in accordance with DoIT's statewide <i>User Account and Password Policy</i> .	M	Y	Standard
A2.5	Enforce the use of complex passwords for general users using capital letters, numbers and special characters in accordance with DoIT's statewide <i>User Account and Password Policy</i> .	M	Y	Standard
A2.6	Encrypt passwords in transmission and at rest within the database.	M	Y	Standard
A2.7	Establish ability to expire passwords after a definite period of time in accordance with DoIT's statewide <i>User Account and Password Policy</i> .	M	Y	Standard
ExpertPay, eChidsPay support HTML5; Debit Card will support HTML5 by a release planned for March, 2017				

Contractors Initials OLS

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	
A2.8	Provide the ability to limit the number of people that can grant or change authorizations	M	Y Standard
A2.9	Establish ability to enforce session timeouts during periods of inactivity.	M	Y Standard

Contractors Initials DS

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	
A2.10	The application shall not store authentication credentials or sensitive data in its code.	M	Y Standard
A2.11	Log all attempted accesses that fail identification, authentication and authorization requirements.	M	Y Standard
A2.12	The application shall log all activities to a central server to prevent parties to application transactions from denying that they have taken place.	M	Y Standard
A2.13	All logs must be kept for 12 months	M	Y Standard
A2.14	The application must allow a human user to explicitly terminate a session. No remnants of the prior session should then remain.	M	Y Standard
A2.15	Do not use Software and System Services for anything other than their designed for.	M	Y Standard
A2.16	The application Data shall be protected from unauthorized use when at rest	M	Y Standard
A2.17	The application shall keep any sensitive Data or communications private from unauthorized individuals and programs.	M	Y Standard
A2.18	Subsequent application enhancements or upgrades shall not remove or degrade security requirements	M	Y Standard
2.19	The applications used by the Vendor and all subcontractors to deliver these services must be PCI-DSS compliant in accordance with current PCI-DSS specifications.	M	Y Standard

Contractors Initials DS

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS

State Requirements				
Req #	Requirement Description	Criticality	Y	Standard
SERVICE LEVEL AGREEMENT				
A3.1	<p>The Vendor response time for support shall conform to the specific deficiency class as described below:</p> <ul style="list-style-type: none"> o Class A Deficiency - Software - Critical, does not allow System to operate, no work around, demands immediate action; Written Documentation - missing significant portions of information or unintelligible to State; Non Software - Services were inadequate and require re-performance of the Service. o Class B Deficiency - Software - important, does not stop operation and/or there is a work around and user can perform tasks; Written Documentation - portions of information are missing but not enough to make the document unintelligible; Non Software - Services were deficient, require reworking, but do not require re-performance of the Service. o Class C Deficiency - Software - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; Written Documentation - minimal changes required and of minor editing nature, Non Software - Services require only minor reworking and do not require re-performance of the Service. 	P	Y	

Contractors Initials 

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	Standard
A3.2	As part of the Software maintenance agreement, ongoing software maintenance and support issues, shall be responded to according to the following: a. Class A Deficiencies - The Vendor shall have available to the State on-call telephone assistance, with issue tracking available to the State eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Vendor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request; b. Class B & C Deficiencies –The State shall notify the Vendor of such Deficiencies during regular business hours and the Vendor shall respond back within four (4) hours of notification of planned corrective action; The Vendor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications, Terms and Requirements of the Contract; or as agreed between the parties	P	Standard
A3.3	The Vendor shall use a change management policy for notification and tracking of change requests as well as critical outages.	P	Standard
A3.4	A critical outage will be designated when a business function cannot be met by a nonperforming application and there is no work around to the problem.	P	Standard
A3.5	The Vendor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly or the following: All change requests implemented; All critical outages reported including actual issue and resolution; Number of deficiencies reported by class with initial response time as well as time to close.	P	Standard

Contractors Initials *JSR*

Date 12-06-2016

Exhibit A-2

TESTING			
Req #	State Requirements	Criticality	
APPLICATION SECURITY TESTING			
T1.1	All components of the Software shall be reviewed and tested to ensure they protect the State's web site and its related Data assets.	M	Y Standard
T1.2	The Vendor shall be responsible for security testing, as appropriate. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability.	M	Y Standard
T1.3	Test for Identification and Authentication; supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users	M	Y Standard
T1.4	Test for Access Control; supports the management of permissions for logging onto a computer or network	M	Y Standard
T1.5	Test for encryption; supports the encoding of data for security purposes, and for the ability to access the data in a decrypted format from required tools.	M	Y Standard
T1.6	Test the Intrusion Detection; supports the detection of illegal entrance into a computer system	M	Y Standard
T1.7	Test the Verification feature; supports the confirmation of authority to enter a computer system, application or network	M	Y Standard
T1.8	Test the User Management feature; supports the administration of computer, application and network accounts within an organization.	M	Y Standard
T1.9	Test Role/Privilege Management; supports the granting of abilities to users or groups of users of a computer, application or network	M	Y Standard
T1.10	Test Audit Trail Capture and Analysis; supports the identification and monitoring of activities within an application or system	M	Y Standard
T1.11	Test Input Validation; ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.	M	Y Standard
T1.12	For web applications; ensure the application has been tested and hardened to prevent critical application security flaws. (At a minimum, the application shall be tested against all flaws outlined in the Open Web Application Security Project (OWASP) Top Ten (http://www.owasp.org/index.php/OWASP_Top_Ten_Project))	M	Y Standard

Date 12-06-2016

Contractors Initials 

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	
T1.13	Provide the State with validation of 3rd party security reviews performed on the application and system environment. The review may include a combination of vulnerability scanning, penetration testing, static analysis of the source code, and expert code review (please specify proposed methodology in the comments field).	M	Y Standard
T1.14	Prior to the System being moved into production, the Vendor shall provide results of all security testing to the Department of Information Technology for review and acceptance.	M	Y Standard
T1.15	Vendor shall provide documented procedure for migrating application modifications from the User Acceptance Test Environment to the Production Environment.	M	Y Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

HOSTING-CLOUD REQUIREMENTS

State Requirements				
Req #	Requirement Description	Criticality		
OPERATIONS				
H1.1	Vendor shall maintain a secure hosting environment providing all necessary hardware, software, and Internet bandwidth to manage the application and support users with permission based logins.	M	Y	Standard
H1.2	The Vendor must provide a secure environment for the NH SDU. Access must be limited to persons with proper clearance.		Y	Standard
H1.3	The NH SDU System must contain a security hierarchy for restricting an individual's access only to information and processes important to their payment processing functions.		Y	Standard
H1.4	State access will be via internet browser or SFTP interface.	M	Y	Standard
H1.5	At the State's option, authorized third parties may be given limited access by the Vendor to certain levels of the System.	M	Y	Standard
H1.6	At a minimum, the System should support this client configuration; Pentium 4, 630/3.0GHz PC, Microsoft Windows XP Professional Version 2002, Internet Explorer 6, and 128 bit encryption.	M	Y	Standard Since Microsoft has stopped supporting XP on 4/8/14 and IE 6 on 1/12/16, Xerox would like to bring DCSS current to what Microsoft supports today. However, Microsoft has a way to deal with compatibility issues called Enterprise Mode, which would provide IE 6 compatibility.
H1.7	Vendor shall provide a secure Tier 3 or 4 Data Center providing equipment (including dedicated servers), an on-site 24/7 system operator, managed firewall services, and managed backup Services.	M	Y	Standard
H1.8	The Data Center must be physically secured – restricted access to the site to personnel with controls such as biometric, badge, and others security solutions. Policies for granting access must be in place and followed. Access shall only be granted to those with a need to perform tasks in the Data Center.	M	Y	Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

HOSTING-CLOUD REQUIREMENTS

State Requirements			
Req #	Requirement Description	Criticality	
H1.9	Vendor shall install and update all server patches, updates, and other utilities within 60 days of release from the manufacturer.	M	Y Standard
H1.10	Vendor shall monitor System, security, and application logs.	M	Y Standard
H1.11	Vendor shall manage daily backups, off-site data storage, and restore operations.	M	Y Standard
H1.12	The Vendor shall report any breach in security in conformance with State of NH 359-C:20. Any person engaged in trade or commerce that is subject to RSA 358-A:3, I shall also notify the regulator which has primary regulatory authority over such trade or commerce. All other persons shall notify the New Hampshire attorney general's office.	M	Y Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS				
State Requirements				
Req #	Requirement Description	Criticality		
DISASTER RECOVERY				
H2.1	Vendor shall have documented disaster recovery plans that address the recovery of lost State data as well as their own. Systems shall be architected to meet the defined recovery needs of the State.	M	Y	Standard
H2.2	The disaster recovery plan shall identify appropriate methods for procuring additional hardware in the event of a component failure. In most instances systems shall offer a level of redundancy so the loss of a drive or power supply will not be sufficient to terminate services however, these failed components will have to be replaced.	M	Y	Standard
H2.3	Vendor shall adhere to a defined and documented back-up schedule and procedure.	M	Y	Standard
H2.4	Back-up copies of data are made for the purpose of facilitating a restore of the data in the event of data loss or System failure.	M	Y	Standard
H2.5	Scheduled backups of all servers must be completed regularly. At a minimum host servers shall be backed up nightly, with one daily, one weekly, and one monthly backup stored in a secure location to assure data recovery in the event of disaster.	M	Y	Standard
H2.6	The minimum acceptable frequency is differential backup daily, and complete backup weekly.	M	Y	Standard
H2.7	Tapes or other back-up media tapes must be securely transferred from the site to another secure location to avoid complete data loss with the loss of a facility.	M	Y	Standard
H2.8	If State data is personally identifiable, data must be encrypted in the operation environment and on back up tapes.	M	Y	Standard
H2.9	Data recovery – In the event that recovery back to the last backup is not sufficient to recover State Data, the Vendor shall employ the use of database logs in addition to backup media in the restoration of the database(s) to afford a much closer to real-time recovery. To do this, logs must be moved off the volume containing the database with a frequency to match the business needs.	M	Y	Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	
NETWORK ARCHITECTURE			
H3.1	The Vendor must operate hosting Services on a network offering adequate performance to meet the business requirements for the State application. For the purpose of this RFP, adequate performance is defined as 99.9% uptime exclusive of the regularly scheduled maintenance window.	M	Y Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	
H3.2	The Vendor shall provide network redundancy deemed adequate by the State by assuring redundant connections provided by multiple Internet Vendors, so that a failure of one Internet connection will not interrupt access to the State application.	M	Y Standard
H3.3	Where redundant connections are not provided, then the Internet Vendor who provides the Internet service to the Vendor must have their service supplied by a provider(s) that has multiple feeds to ensure that a failure in one of the larger carriers will not cause a failure of the State's Service.	M	Y Standard
H3.4	The Vendor' network architecture must include redundancy of routers and switches in the Data Center.	M	Y Standard
HOSTING SECURITY			
H4.1	The Vendor shall employ security measures to ensure that the State's application and data is protected.	M	Y Standard
H4.2	The hosting environment, infrastructure, and employee business practices must be PCI-DSS compliant in accordance with most current PCI-DSS specification.	M	Y Standard
H4.3	If State data is hosted on multiple servers, data exchanges between and among servers must be encrypted.	M	Y Standard
H4.4	All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, shall have aggressive intrusion-detection and firewall protection.	M	Y Standard
H4.5	All components of the infrastructure shall be reviewed and tested to ensure they protect the State's hardware, software, and its related data assets. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide confidentiality, integrity and availability.	M	Y Standard
H4.5	The Vendor shall notify the State's Project Manager of any security breaches in accordance with NH RSA 359-C:20.	M	Y Standard
H4.6	The Vendor shall ensure its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the Vendor' hosting infrastructure and/or the application.	M	Y Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS

State Requirements			
Req #	Requirement Description	Criticality	
H4.7	The Vendor shall be solely liable for costs associated with any breach of State data housed at their location(s) including but not limited to notification and any damages assessed by the courts.	M	Y Standard

Contractors Initials 

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS			
State Requirements			
Req #	Requirement Description	Criticality	
H4.8	The Vendor shall authorize the State to perform scheduled and random security audits, including vulnerability assessments, of the Vendor' hosting infrastructure and/or the application upon request.	M	Y Standard
H4.9	Logging shall go to centralized logs server for security reasons. Logs should include System, Application, Web and Database logs.	M	Y Standard
H4.10	The operating system and the data base shall be built and hardened wherever possible to guidelines set forth by: CIS (Center Internet Security), NIST, or NSA (please specify whose guidelines are followed in the comments field)	M	Y Standard
H4.11	The Vendor must provide reports on a quarterly basis to validate that redundancy is in fact in place and backup/restores are functioning.	M	Y Standard
H4.12	The Vendor shall provide fire detection and suppression system, physical security of and infrastructure security of the proposed hosting facility. The environmental support equipment of the Vendor website hosting facility power conditioning; HVAC; UPS; generator must be acceptable to the State.	M	Y Standard
SERVICE LEVEL AGREEMENT			
H5.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	Y Standard
H5.2	Maintain the hardware and Software in accordance with the Specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required.	M	Y Standard
H5.3	Repair or replace the hardware or Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	Y Standard
H5.4	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff during regular State business hours.	M	Y Standard
H5.5	The hosting server for the State shall be available twenty-four (24) hours a day, 7 days a week except for during scheduled maintenance.	M	Y Standard

Contractors Initials *JSB*

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS

State Requirements			
Req #	Requirement Description	Criticality	
H5.6	A regularly scheduled maintenance window shall be identified (such as weekly, monthly, or quarterly) at which time all relevant server patches and application upgrades shall be applied.	M	Y Standard
H5.7	The Vendor response time for support shall conform to the specific deficiency class as described in A3.1 & A3.2.	M	Y Standard
H5.8	The Vendor will give two-business days prior notification to the State Project Manager of all changes/updates and provide the State with training due to the upgrades and changes.	M	Y Standard

Contractors Initials DB

Date 12-06-2016

Exhibit A-2

APPLICATION REQUIREMENTS				
State Requirements				
Req #	Requirement Description	Criticality		
H5.9	The Vendor shall guarantee 99.9% uptime, exclusive of the regularly scheduled maintenance window	M	Y	Standard
H5.10	If The Vendor is unable to meet the 99.9% uptime requirement, The Vendor shall credit State's account in an amount based upon the following formula (Total Contract Item Price/365) x Number of Days Contract Item No Provided. The State must request this credit in writing.	M	Y	Standard
H5.11	All hardware and software components of the Vendor hosting infrastructure shall be fully supported by their respective manufacturers at all times. All critical patches for operating systems, databases, web services, etc, shall be applied within thirty (30) days of release by their respective manufacturers.	M	Y	Standard
H5.12	If required, the Vendor shall provide the State with a personal secure FTP site to be used the State for uploading and downloading files.	M	Y	Standard

Contractors Initials DDP

Date 12-06-2016

Exhibit A-2

TRANSITION MANAGEMENT				
State Requirements				
Req #	Requirement Description	Criticality		
TRANSITION MANAGEMENT				
P1.1	Vendor shall participate in an initial kick-off meeting to initiate the Transition Phase.	M	Y	Standard
P1.2	Vendor shall submit a finalized Work Plan within five (5) days after Contract award and approval by Governor and Council. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, critical events, task dependencies, and payment Schedule. The plan shall be updated no less than every two weeks.	M	Y	Standard
P1.3	Vendor shall provide detailed <i>bi-weekly</i> or monthly status reports on the progress of the Project, which will include expenses incurred year to date.	M	Y	Standard
P1.4	All user, technical, and System Documentation as well as Project Schedules, plans, status reports, and correspondence must be maintained as project documentation in a common repository. (Define how- WORD format- on-Line, in a common library or on paper)	M	Y	Standard
P1.5	Vendor must specify document repository to be used. If maintained on vendor site, the documentation must be turned over to the State of NH at project termination.	M	Y	Standard
				SharePoint will be the document repository for all documents of any type—Word, Visio, Excel, MS Project, and PowerPoint.
				All documentation will be turned over to DHHS at project termination; during implementation and operations, all documents will be stored in the Xerox SharePoint site.

Date 12-06-2016

Contractors Initials JDS



Exhibit A-3

Statement on Standards for Attestation Engagements (SSAE 16)

No later than forty (40) working days after the end of each NH State Fiscal Year on June 30, the Contractor shall provide the Department of Health and Human Services a "SOC 1" Type 2 report in accordance with the American Institute of Certified Public Accountants, Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization. The report shall assess the design of internal controls and their operating effectiveness. The reporting period shall cover the previous twelve (12) months or the entire period since the previous reporting period. The Department will share the entire report with internal and external auditors of the State of New Hampshire and federal oversight agencies.

1. The Contractor shall provide assurances to the State that the service auditor shall be selected through a competitive procurement process to perform audit services for the Contractor on contractual engagements where SSAE No.16, Statement on Standards for Attestation Engagements, type audits are either required or appropriate.
2. The Contractor shall retain the services of a certified public accounting firm, to perform annual SSAE No. 16, Statement on Standards for Attestation Engagements, audits of the New Hampshire State Disbursement Unit. On-site portions of the annual service audit shall be scheduled, performed and completed prior to the end of a State Fiscal Year ending June 30. A final Service Auditor's Report shall be delivered to DCSS no later than forty (40) working days after the end of the applicable State Fiscal Year on June 30.
3. The Contractor shall require the service auditor to perform an audit that conforms to SSAE-No.16, (Statement on Standards for Attestation Engagements) in strict compliance to the methods and standards for a Type II review based on criteria established by the American Institute of Certified Public Accountants.
4. DCSS shall make available to the service auditor data and information pertaining to State Disbursement Unit operations and/or controls that are necessary for the completion of the Service Auditor's Report.
5. The Contractor shall supervise, coordinate, and facilitate the service auditor's conduct of the SSAE-No.16 audit.
6. The service auditor shall bear final responsibility for the content and findings of the Service Auditor's Report.
7. Service Auditor's Report. The SSAE No.16 Type 2 Service Auditor's Report shall include:
 - 7.1. Description by the service organization's management of its system of policies and procedures for providing services to user entities, including control objectives and related controls as they relate to the services provided, throughout the specified period of time.
 - 7.2. Written assertion by the service organization's management about whether:
 - 7.2.1. The aforementioned description fairly presents the system in all material respects;
 - 7.2.2. The controls were suitably designed to achieve the control objectives stated in that description; and

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- 7.2.3. The controls operated effectively throughout the specified period to achieve those control objectives.
- 7.3. Report of the service organization's auditor, which:
 - 7.3.1. Expresses an opinion on the matters covered in management's written assertion; and
 - 7.3.2. Includes a description of the auditor's tests of operating effectiveness of controls and the results of those tests.
- 8. The service auditor's procedure shall include, but is not necessarily limited to, the following:
 - 8.1. Obtaining information on the description of controls for the report through discussions with appropriate Contractor personnel, through reference to various forms of documentation, such as system flow charts and narratives and through the performance of tests of controls.
 - 8.2. Determining whether the description provides sufficient information for user auditors to obtain an understanding of those aspects of the Contractor's controls that may be relevant to DHHS' and DCSS' internal controls, including:
 - 8.2.1. The control environment, such as hiring practices, and key areas of authority;
 - 8.2.2. Risk assessment, such as those associated with processing specific transactions;
 - 8.2.3. Control activities, such as procedures on modifications to software;
 - 8.2.4. Communications, such as the way user transactions are initiated; and
 - 8.2.5. Control monitoring, such as involvement of internal auditors.
 - 8.3. Examining evidence of whether controls have been placed in operation by:
 - 8.3.1. Inquiry of appropriate Contractor management and staff; and
 - 8.3.2. Inspection of Contractor documents and records; and
 - 8.3.3. Observation of Contractor activities and operations.
 - 8.4. Performing appropriate tests of control to determine that they were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the State Fiscal Year audited.
 - 8.5. Determining that significant changes, in the Contractor's controls, which were implemented before the start of the service auditor's fieldwork, are included in the Contractor's description of the controls.

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Method and Conditions Precedent to Payment

1. The Department shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Contract is funded by the Catalogue of Federal and Domestic Assistance (CFDA) #93.563, United States Department of Health and Human Services, Administration for Children and Families.
3. Payments shall be processed as follows:
 - 3.1. The Contractor shall invoice the Department monthly for services performed in accordance with Exhibit A, Scope of Services.
 - 3.2. The Contractor shall ensure the Department receives, within thirty (30) days following the end of the month in which services were provided, the applicable invoice.
 - 3.3. The Contractor shall ensure the applicable invoice includes information identified in Exhibit B-1, Price Schedule, which includes amounts directly charged to cardholders.
 - 3.4. The invoices shall be submitted to:

Supervisor, Bureau of Finance
Department of Health & Human Services
Division of Child Support Services
129 Pleasant Street
Concord, NH 03301
 - 3.5. The Department shall make payment to the Contractor on a net thirty (30) day basis from receipt of a timely and accurate invoice.
4. DCSS may withhold ten percent (10%) of a monthly payment for services performed under the contract if, in the sole judgment of DCSS, the Contractor is non-compliant with the terms and conditions of the contract and/or the Scope of Work, including but not limited to:
 - 4.1. Quality of SDU and EFT services;
 - 4.2. Quantity of SDU and EFT services;
 - 4.3. Accuracy of service delivery and transaction processing;
 - 4.4. Timeliness of service delivery and transaction processing; and
 - 4.5. Security requirements.
 - 4.6. DCSS shall provide the Contractor with a written list of specific services, transactions or conditions requiring correction or remediation.
 - 4.7. Payments withheld by DCSS shall be released upon determination by DCSS that the conditions causing noncompliance have been corrected and remedied to the satisfaction of DCSS.
5. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services.
6. A final payment request shall be submitted no later than forty (40) days after the end of the contract. Failure to submit the Financial Report, and accompanying documentation, could result in non-payment.
7. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or



Federal law, rule, or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.

8. Liquidated Damages

8.1. The Department and the Contractor agree that:

- 8.1.1. It will be extremely impracticable and difficult to determine actual damages that the Department will sustain in the event that the Contractor breaches this agreement by failing to comply with the performance standards in Exhibit A, Scope of Services, Performance Standards.
- 8.1.2. Any breach by the Contractor will delay and disrupt the Department's operations and impact its ability to meet its obligations and lead to significant damages of an uncertain amount as well as a reduction of services;
- 8.1.3. The Contractor's failure to comply with the Performance Standards in Exhibit A – Section 2.16 shall result in the assessment of liquidated damages as specified in this Exhibit B;
- 8.1.4. The liquidated damages as specified in this Exhibit B are reasonable and fair and not intended as a penalty; and
- 8.1.5. Assessment and recovery of liquidated damages by the Department shall be in addition to, and not exclusive of, any other remedies, including actual damages, as may be available to the Department for breach of contract, both at law and in equity, and shall not preclude the Department from recovering damages related to other acts or omissions by the Contractor under this Agreement. Imposition of liquidated damages shall not limit the right of the Department to terminate the Contract for default as provided in Paragraph 8 of the General Provisions (P-37). Any recovery of actual damages by the Department will be reduced by the amounts of liquidated damages received for the same events causing the actual damages.
- 8.1.6. If the failure to perform by the Contractor is not resolved within the cure period identified by the Department, liquidated damages may be imposed retroactively to the date of failure to perform and will continue until the failure is cured or any resulting dispute is resolved in the Contractor's favor.
- 8.1.7. The Contractor's dispute of liquidated damages or remedies shall not stay the effective date of the proposed liquidated damages or remedies.

8.2. **Notification:** The Department shall make all assessments of liquidated damages.

- 8.2.1. Prior to the imposition of liquidated damages, as described herein, the Department shall issue a written notice of remedies that will include, as applicable, the following:
 - 8.2.1.1. A citation of the contract provision violated;
 - 8.2.1.2. The remedies to be applied, and the date the remedies shall be imposed (cure period);
 - 8.2.1.3. The basis for the Department's determination that the remedies shall be imposed;
 - 8.2.1.4. A request for a Corrective Action Plan from the Contractor; and
 - 8.2.1.5. The timeframe and procedure for the Contractor to dispute the Department's determination.

8.3. **Corrective Action Plan:** The Contractor shall submit a written Corrective Action Plan to the Department within five (5) business days of receiving notification as specified in subsection

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Notification, for Department review. The Corrective Action Plan shall be subject to Department approval prior to its implementation.

8.4. Liquidated Damages Amount

8.4.1. Liquidated damages, if assessed, shall be in the amount of \$1,000 per day Contractor fails to meet the Performance Standard(s) identified in Exhibit A, Section 15.1.1 – Performance Standards, not-to-exceed \$15,000 per month.

8.4.2. Liquidated damages, if assessed, shall apply until the Contractor cures the failure cited in the Notification described in Subsection 8.2 above, or until the resulting dispute is resolved in the Contractor's favor.

8.5. Assessment

8.5.1. The Department shall be entitled to assess and recover liquidated damages cumulatively under each section applicable to any given incident. Assessment and recovery of liquidated damages by the Department shall be in addition to, and not exclusive of, any other remedies, including actual damages, as may be available to the Department for breach of contract, both at law and in equity, and shall not preclude the Department from recovering damages related to other acts or omissions by the Contractor under this Agreement. Imposition of liquidated damages shall not limit the right of the Department to terminate the Contract for default as provided in Paragraph 8 of the General Provisions (P-37).

8.6. Damages to Department for Violation of Federal Law

8.6.1. The Contractor shall be liable to the Department for any losses incurred by the Department which arise out of the failure of Contractor staff to meet the Performance Standards identified in Exhibit A – Section 15.1.1.

8.7. Excused Events

8.7.1. Service level failures (and the assessment of liquidated damages) will be excused in the following circumstances: (i) when force majeure events occur; or (ii) when a failure is due to the acts or omissions of the Department or third parties outside of Contractor's reasonable control.



Exhibit B-1

Price Schedule	
New Hampshire Department of Health and Human Services	
Bidder Name:	<u>Xerox State & Local Solutions, Inc.</u>
Services:	<u>State Disbursement Unit - Electronic Funds Transfer Services</u>

PRICE PER ITEM

Deliverable		Qty.	1/1/17 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 12/31/21
1.	Remittance Processing Services						
	a. EFT payments						
	i. Regular	Per item	\$0.541	\$0.546	\$0.551	\$0.557	\$0.563
	ii. Research	Per item	\$0.995	\$1.005	\$1.015	\$1.025	\$1.035
	iii. Suspense	Per item	\$2.321	\$2.344	\$2.367	\$2.391	\$2.415
	b. Coupon Payments						
	i. All	Per item	\$0.541	\$0.546	\$0.551	\$0.557	\$0.563
	c. Data-Entered Payments						
	i. Other than research and suspense	Per item	\$0.917	\$0.926	\$0.935	\$0.944	\$0.953
	ii. Research	Per item	\$0.995	\$1.005	\$1.015	\$1.025	\$1.035
	iii. Suspense	Per item	\$2.321	\$2.344	\$2.367	\$2.391	\$2.415
2.	Disbursement Processing Services						
	a. Check Writing	Per item	\$0.094	\$0.095	\$0.096	\$0.097	\$0.098
	b. Provision for Deliveries (Check Pulls)	Per delivery	\$23.870	\$24.110	\$24.350	\$24.590	\$24.840
3.	Banking Service						
	a. Monthly Cost	Actual cost	Pass through				
	b. NSF Tracking	Per item	\$2.321	\$2.344	\$2.367	\$2.391	\$2.415
	c. NSF Check Handling	Per item	\$2.763	\$2.791	\$2.819	\$2.847	\$2.875
4.	Printing and Mailing Services						
	a. Monthly Obligor Coupons	Per item	\$0.411	\$0.415	\$0.419	\$0.423	\$0.427

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New Hampshire Department of Health and Human Services
 State Disbursement Unit and Electronic Funds Transfer Services



Deliverable		Qty.	1/1/17 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 12/31/21
b.	Labels	Per item	\$0.133	\$0.134	\$0.135	\$0.136	\$0.137
c.	Weekly Employer Coupons	Per item	\$0.411	\$0.415	\$0.419	\$0.423	\$0.427
d.	Postage (pass through actual cost)	Actual cost	Pass through				
5. Other Costs and Services							
a.	Provision for Daily Reporting	Per report	\$16.580	\$16.750	\$16.920	\$17.090	\$17.260
b.	Provision for Post Office Box Rental	Actual cost	Pass through				
c.	Employer Terminations	TBD	\$-	\$-	\$-	\$-	\$-
d.	Imaging	Per image	\$0.077	\$0.078	\$0.079	\$0.080	\$0.081
e.	Imaging (EFT)	Per image	\$0.077	\$0.078	\$0.079	\$0.080	\$0.081
f.	Provision for Deliveries (non-processable)	Per delivery	\$23.870	\$24.110	\$24.350	\$24.590	\$24.840
6. Debit Card - Costs to DCSS							
a.	Deposit Notification	n/a	\$-	\$-	\$-	\$-	\$-
b.	ATM Withdrawal Fee	n/a	\$-	\$-	\$-	\$-	\$-
c.	Cash Withdrawal @Teller	n/a	\$-	\$-	\$-	\$-	\$-
d.	Cash-back with Purchase	n/a	\$-	\$-	\$-	\$-	\$-
e.	ATM Cash Withdrawal International	n/a	\$-	\$-	\$-	\$-	\$-
f.	ATM Balance Inquiry	n/a	\$-	\$-	\$-	\$-	\$-
g.	ATM Denial	n/a	\$-	\$-	\$-	\$-	\$-
h.	Teller Withdrawal	n/a	\$-	\$-	\$-	\$-	\$-
i.	POS Signature Transaction	n/a	\$-	\$-	\$-	\$-	\$-
j.	POS PIN Based Transaction	n/a	\$-	\$-	\$-	\$-	\$-
k.	Card Replacement	n/a	\$-	\$-	\$-	\$-	\$-
l.	Expedited Card Replacement	n/a	\$-	\$-	\$-	\$-	\$-
m.	Interactive Voice Response	n/a	\$-	\$-	\$-	\$-	\$-
n.	Renewal Card Issuance	n/a	\$-	\$-	\$-	\$-	\$-
o.	Monthly Statement	n/a	\$-	\$-	\$-	\$-	\$-
p.	Overdraft Fee	n/a	\$-	\$-	\$-	\$-	\$-
q.	Web Account	n/a	\$-	\$-	\$-	\$-	\$-

New Hampshire Department of Health and Human Services
 State Disbursement Unit and Electronic Funds Transfer Services



Deliverable		Qty.	1/1/17 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 12/31/21
r.	90 Days Funds Returned to State if card not delivered or card is not activated	n/a	\$-	\$-	\$-	\$-	\$-
7. Debit Card - Costs to Cardholder							
a.	Deposit Notification	Per Item	\$-	\$-	\$-	\$-	\$-
b.	ATM Withdrawal Fee	Per item after 2 free transactions each month at Citizens Bank	\$1.750	\$1.750	\$1.750	\$1.750	\$1.750
c.	Cash Withdrawal @Teller	Per item	\$2.000	\$2.000	\$2.000	\$2.000	\$2.000
d.	Cash-back with Purchase	Per item	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300
e.	ATM Cash Withdrawal International	Per item	\$1.75 + 3% of the amount of the transaction	\$1.75 + 3% of the amount of the transaction	\$1.75 + 3% of the amount of the transaction	\$1.75 + 3% of the amount of the transaction	\$1.75 + 3% of the amount of the transaction
f.	ATM Balance Inquiry	Per item	\$0.750	\$0.750	\$0.750	\$0.750	\$0.750
g.	ATM Denial	Per item	\$0.750	\$0.750	\$0.750	\$0.750	\$0.750
h.	Teller Withdrawal	Per item	\$2.000	\$2.000	\$2.000	\$2.000	\$2.000
i.	POS Signature Transaction	Per item	\$-	\$-	\$-	\$-	\$-
j.	POS PIN Based Transaction	Per item	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300
k.	Card Replacement	Per item after One free Card Replacement each 12-month period	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
l.	Expedited Card Replacement	Per item	\$15.000	\$15.000	\$15.000	\$15.000	\$15.000
m.	Interactive Voice Response	Per item after 2 free IVR calls each month	\$0.350	\$0.350	\$0.350	\$0.350	\$0.350
n.	Renewal Card Issuance	Per item	\$-	\$-	\$-	\$-	\$-

New Hampshire Department of Health and Human Services
 State Disbursement Unit and Electronic Funds Transfer Services



Deliverable		Qty.	1/1/17 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 12/31/21
o.	Monthly Statement	Per Item	\$-	\$-	\$-	\$-	\$-
p.	Overdraft Fee	Per Item	\$-	\$-	\$-	\$-	\$-
q.	Web Account	Per Item	\$-	\$-	\$-	\$-	\$-
r.	90 Days Funds Returned to State if card not delivered or card is not activated	-	\$-	\$-	\$-	\$-	\$-
8.	SSAE No. 16	Per audit	\$49,000.00	\$49,980.00	\$50,979.60	\$51,999.19	\$53,039.17
9.	Other Costs (please specify)						
	Tier 3 Data Center Services ¹	Monthly fee	\$23,783.00	\$23,307.34	\$22,841.19	\$22,384.37	\$21,936.68
	Transition Fee for Data Center	Fixed fee	\$-	\$-	\$-	\$-	\$-
	Postage (pass through actual cost) for checks 2.c.	Actual cost	Pass through				

¹ This monthly fee shall not be assessed and the Department shall not pay the monthly fee before the center is fully operational. There shall be no payment due and owing representing any month for which the data center is not fully operational.



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
 - 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
 - 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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New Hampshire Department of Health and Human Services
Exhibit C



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

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- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, sixty (60) days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement. In the event of a termination for convenience, the State shall pay Contractor only the agreed upon price, if separately stated in this Contract, for Deliverables for which Acceptance has been given by the State. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated under the Contract shall be paid, in whole or in part, generally in accordance with Contract Exhibit B, Price and Payment Schedule, of the Contract. Under no circumstances shall the State be responsible for, and the State shall not pay contractor for, any amount owed on the unexpired term of any lease; any hosting services; any unamortized or unrecoverable start-up or fixed/recurring costs, including any remaining hardware costs; transition assistance activities; or wind-down expenses once the Agreement is terminated.
 - 10.1.1 During the sixty (60) day period, Contractor 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.
 - 10.2 In the event of early termination, the Contractor shall, within fifteen (15) days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity

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including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

10.6 The Contractor shall ensure the transition timing to the new State Disbursement Unit Solution shall be one hundred-twenty (120) days from the date of the approved contract.

3. The General Provisions of this contract are amended by adding the following language:

25. LIMITATION OF LIABILITY

25.1 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 Contractor shall not exceed the total Contract price set forth in Contract Agreement – General Provisions, Block 1.8.

25.2 Subject to applicable laws and regulations, in no event shall Contractor be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and Contractor's liability to the State shall not exceed two times (2X) the total Contract price set forth in Contract Agreement – P-37, General Provisions, Block 1.8.

25.3 Notwithstanding the foregoing, this limitation of liability shall not apply to Contractor's indemnification obligations set forth in the Contract Agreement-General Provisions Section 13: Indemnification and confidentiality obligations in Contract Agreement-General Provisions Section 11: Use of State's Information, Confidentiality, which shall be unlimited.

25.4 Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive termination or Contract conclusion.

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

New Hampshire Department of Health and Human Services
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Xerox State & Local Solutions, Inc.
50 Bridge Street, Suite 309
Manchester, NH 03101

Check if there are workplaces on file that are not identified here.

Contractor Name: Xerox State & Local Solutions, Inc.

Name: John D. Polk
Title: Vice President

Dec. 6, 2016
Date

Contractor Initials JDP
Date 12-06-2016



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: Xerox State & Local Solutions, Inc.

Name: John D. Polk
Title: Vice President

Dec. 6, 2016
Date



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Xerox State & Local Solutions, Inc.

Name: John D. Polk
Title: Vice President

Dec. 6, 2016
Date



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Contractor Initials

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Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

New Hampshire Department of Health and Human Services
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name: Xerox State & Local Solutions, Inc.

Dec. 6, 2016
Date

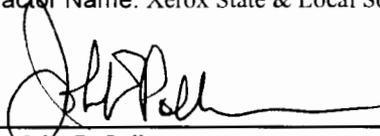

Name: John D. Polk
Title: Vice President

Exhibit G

Contractor Initials



Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Xerox State & Local Solutions, Inc.

Name: John D. Polk
Title: Vice President

Dec. 6, 2016
Date



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



Exhibit I

- I. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Handwritten initials, possibly "JL" or "JD", in black ink.



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
 - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
 - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
 - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
 - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
 - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
 - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

A handwritten signature in black ink, appearing to be "JDR", written over the "Contractor Initials" label.



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

Handwritten initials, possibly "JBL", in black ink.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

_____	_____Xerox State & Local Solutions, Inc._____
The State	Name of the Contractor
<u>Maureen Ryan</u>	<u>John D. Polk</u>
Signature of Authorized Representative	Signature of Authorized Representative
<u>Maureen Ryan</u>	_____John D. Polk_____
Name of Authorized Representative	Name of Authorized Representative
<u>Director, OHS</u>	_____Vice President_____
Title of Authorized Representative	Title of Authorized Representative
<u>12/7/16</u>	_____Dec. 6, 2016_____
Date	Date

Contractor Initials JD

Date 12-06-2016



CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Xerox State & Local Solutions, Inc.

Name: John D. Polk
Title: Vice President

Dec. 6, 2016
Date

Contractor Initials
Date 12-06-2016

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 04-959-1852
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

N/A NO N/A YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

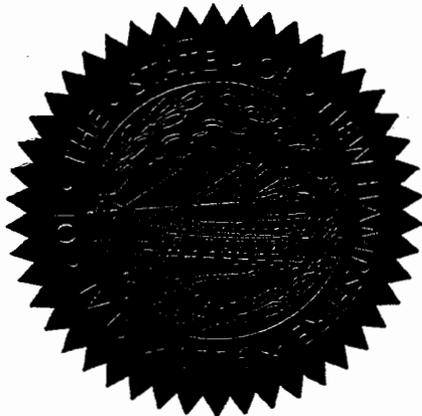
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: <u>N/A</u>	Amount: <u>N/A</u>
Name: _____	Amount: _____

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 XEROX STATE & LOCAL SOLUTIONS, INC. a(n) New York corporation, is authorized to transact business in New Hampshire and qualified on January 28, 1991. 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 13th day of April, A.D. 2016

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

William M. Gardner
Secretary of State

CERTIFICATE OF ASSISTANT SECRETARY

I, **Paul R. Webber, IV**, in my capacity as **Assistant Secretary of Xerox State & Local Solutions, Inc.**, a New York corporation (the "Corporation"), am delivering this Certificate of Assistant Secretary to the **State of New Hampshire Department of Health and Human Services, Division of Child Support Services**. I do hereby certify that **John D. Polk** is a duly appointed, qualified and acting **Senior Vice President** of the Corporation and in such capacity is legally authorized to negotiate and sign any and all proposals, contracts, amendments, assignments, consents and other documents on behalf of Xerox State & Local Solutions, Inc., in connection with any and all projects and/or contracts issued by the **State of New Hampshire Department of Health and Human Services, Division of Child Support Services**. Mr. Polk was given the aforementioned signature authority on April 11, 2010 and his signature authority shall not be revoked unless done so by the Corporate Secretary or Corporate Assistant Secretary of the Corporations in their official capacity. I hereby certify that the signature authority of John D. Polk has not been revoked and remains in effect as of the date of execution of this Certificate of Assistant Secretary.

IN WITNESS WHEREOF, I have set my hand to this Certificate as of this 6th day of December, 2016.

XEROX STATE & LOCAL SOLUTIONS, INC.,
a New York corporation

SEAL: _____

By: Paul R. Webber, IV
Paul R. Webber, IV
Assistant Secretary

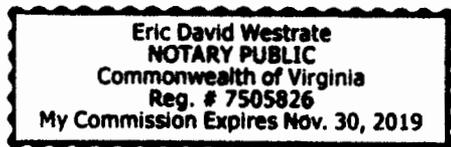
COMMONWEALTH
State of VIRGINIA
County of FAIRFAX

§
§

This instrument was acknowledged before me on this 6th day of DECEMBER, 2016, by Paul R. Webber, IV, Assistant Secretary of Xerox State & Local Solutions, Inc., a New York corporation, on behalf of said Corporation

Eric David Westrate
Notary Public

My commission expires: Nov. 30, 2019





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/28/2016

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).

PRODUCER MARSH USA, INC. 1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036 Attn: ACS.CertRequest@marsh.com	CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____														
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : ACE American Insurance Company</td> <td>22667</td> </tr> <tr> <td>INSURER B : N/A</td> <td>N/A</td> </tr> <tr> <td>INSURER C : Indemnity Ins Co Of North America</td> <td>43575</td> </tr> <tr> <td>INSURER D : ACE Fire Underwriters Ins. Co.</td> <td>20702</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : ACE American Insurance Company	22667	INSURER B : N/A	N/A	INSURER C : Indemnity Ins Co Of North America	43575	INSURER D : ACE Fire Underwriters Ins. Co.	20702	INSURER E :		INSURER F :
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INSURER E :															
INSURER F :															
INSURED Xerox State & Local Solutions, Inc 2828 N Haskell Ave Dallas, TX 75204															

COVERAGES **CERTIFICATE NUMBER:** NYC-008588627-01 **REVISION NUMBER:** 1

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____			HDO G27403359	01/01/2016	01/01/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COM/OP AGG \$ INCLUDED \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____						EACH OCCURRENCE \$ AGGREGATE \$ \$
C A D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WLR C48597208 (AOS) WLR C48597166 (AZ, CA and MA) SCF C48597245 (WI)	01/01/2016 01/01/2016 01/01/2016	01/01/2017 01/01/2017 01/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 RE: STATE DISBURSEMENT AND ELECTRONIC FUNDS TRANSFER SERVICES (RFP#DHHS 2016-046)

CERTIFICATE HOLDER

NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES
 129 PLEASANT STREET
 CONCORD, NH 03301-3857

CANCELLATION

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 of Marsh USA Inc.
 Daniel Rivera *Daniel D. Rivera*

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Factory Mutual Insurance Company
 301 Merritt 7
 3rd Floor
 P.O. Box 5414
 Norwalk, Connecticut
 06856-5414
 United States of America
 Tel: (1) 203 849-0010
 Fax: (1) 203 845-7675

POLICY INFORMATION FORM

This document is issued as a matter of information only and confers no rights upon the document holder. This Policy Information Form does not amend, extend, or alter the coverage, terms, exclusions, conditions, or other provisions afforded by the policy. We hereby certify that insurance coverage is now in force with our Company as outlined below.

Policy No.: 1011385 **Policy Term**
Account No.: 1-86031 **Effective Date:** 31 March 2016
Expiration Date: 01 January 2017

NAMED INSURED:
 Xerox Business Services LLC

DESCRIPTION AND LOCATION OF PROPERTY COVERED:

Real and Personal Property

 XBS
 8260 Willow Oaks Corporate Drive
 Fairfax, Virginia 22031-4513, USA

Location No.: **INDEX No.:**
 VA05 000960.14
Division:
 XBS

COVERAGE IN FORCE: (subject to limits of liability, deductibles and conditions in the Policy)

Insurance Provided: **Peril:** **Limit Of Liability:**
 Property Damage All Risk USD 3,043,158

CERTIFICATE TERM: **Effective:** 31 October 2016
Expires: 01 January 2017

New Hampshire Department of Health and Human Services
 129 Pleasant Street
 Concord, New Hampshire 03301-3857, USA

Certificate No: 00040-001

Authorized Signature / Issue Date
 Carl Solly / 31 October 2016

For questions, contact: Lori Fern