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Frank Edelblut
Commissioner

Paul Leather
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

September 13, 2017

His Excellency, Governor Christopher T. Sununu
and The Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, Bureau of Adult Education, to enter into a contract with LiteracyPro Systems, Inc. (Vendor Code 279684) of Boulder, Colorado, in an amount not to exceed \$ 207,335.00, to provide a commercial-off-the-shelf, vendor-hosted, web-based, adult education data system that meets federal reporting requirements under the Workforce Innovation and Opportunities Act of 2014, effective upon Governor and Council approval through June 30, 2019, with an option to renew for two (2) additional two year terms. 100% General Funds.

Funds to support this request are available in the account entitled Adult Education:

		<u>FY18</u>	<u>FY19</u>
06-56-56-565010-2535-602-500932	State Fund Non Match	\$ 112,207.00	\$95,128.00

EXPLANATION

Approval of this request will allow the Department of Education, Bureau of Adult Education, to provide a user-friendly, efficient data system for its eighty-nine (89) adult education programs across the state to meet federal and state reporting requirements.

Due to the recent implementation of the Workforce Innovations and Opportunity Act of 2014, all adult education programs receiving federal funding are required to make significant changes to the student data collected and reported. The current data system was created in 2010 by the NH Department of Information Technology, has only received minimal updates and is not capable of meeting the new reporting requirements. Additionally, the Department of Education is in need of improved data tools to allow for analysis leading to program improvement.

LiteracyPro Systems, Inc. currently contracts with eighteen other states to provide adult education data systems. As a company, they are invested in making sure that their staff understands the intricacies of the National Reporting System, as well as developing efficiencies for local and state adult education program staff. Because they represent a large group of states, revisions to the system based on changing requirements are cost-effective and timely.

His Excellency, Governor Christopher T. Sununu
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September 13, 2017
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A Request for Proposals (RFP) was released May 17, 2017 on the NH Department of Education's website, distributed through the newsletter of the National Association of State Adult Education Directors and sent to vendors currently contracted for similar services in other states. Three proposals were received and reviewed using the proposal criteria in the RFP for evaluating the applications (See Attachment A). In addition to scoring, the evaluation team conducted phone interviews with vendor references and participated in a two-hour demonstration with each vendor. The contract was awarded to one vendor (See Attachment B).

Respectfully submitted,



Frank Edelblut
Commissioner of Education

DOE Share Data/Common/Adult Ed/2017 Adult Ed Proposals/One Year Contracts/

Attachment A

A request for adult education data system proposals for the term of two (2) years was released on May 17, 2017. The notice was published in the newsletter of the National Association of Adult Education State Directors on May 18, 2017 and posted on the NH Department of Administrative Services' website, and sent electronically to any party expressing an interest in submitting an application.

Proposal Criteria in RFP:

All proposals were required to meet the minimum standards as outlined in Exhibit B of the RFP which included the following elements:

- Meeting submission requirements
- Compliance with system requirements
- Current use of proposed software by at least one other government entity comparable in size and complexity to the State of New Hampshire
- Implementation service experience
- Propose project team that includes a project manager and a subject area specialist

Proposals that met the minimum requirements were evaluated on the following criteria:

	Maximum Points
Proposed Software Solution	500
Technical Services, Project Management	200
Vendor Company	50
Staffing Qualifications	50
Solution Cost	200
TOTAL	1000

Proposed Software Solution: Factors included, but were not limited to:

- Software architecture
- Application
- Features
- Compatibility with State Systems
- User Friendliness/Usability and Efficiency

Technical Services, Project Management: Factors included, but were not limited to:

- Protection of data
- Compatibility with State IT Expertise and Training Approach
- Project Execution
- Project Management Competence
- Ongoing Operations

Vendor Company: Factors included, but were not limited to:

- How long in business
- How many years of experience with this product
- Bench strength and support structures
- References
- Litigation
- Financial strength

Vendor Staffing Qualifications: Factors included, but were not limited to:

- Staff training
- Staff certifications
- Staff experience

- Size and composition of vendor team

Software Solution Cost: Scores were determined using the following formula:

Lowest proposal cost/Vendor's proposed cost multiplied by 200 points.

Reviewers:

- Vaughn Coburn, Systems Development Specialist V with the Department of Information Technology embedded at the Department of Education, has more than forty years of computer programming experience including five years as the primary liaison for the Bureau of Adult Education providing support for the current adult education data system. Additionally, he attended a three-day National Reporting System training in March of 2017 on designing adult education data systems to meet federal-reporting requirements.
- Tammy Gluck, Adult Education Office Administrator for Exeter Adult Education, has seven years of experience in adult education and is responsible for inputting all data for the programs at her center.
- Rachelle Cox, Director of Eagle Academy, an adult diploma program, has eight years of experience in adult education and seven years of experience with the current adult education data system.
- Darci McCarthy, Adult Learner Services Coordinator and Program Director for the Pemi-Baker Literacy program, has six years of experience in adult education including five years of experience with the current adult education data system.
- Lauren Osowski, Program Director for the Adult Basic Education, English as a Second Language and the Postsecondary Transitions programs at the Nashua Adult Learning Center, has twelve years of experience in adult education and four years of experience using the current data system.
- Sarah Bennett, Education Consultant for the NH Department of Education, Bureau of Adult Education, has more than 20 years of experience in adult education and for two years has been the primary person responsible for training, monitoring and analyzing all State adult education data including all federal and state reporting. She has attended multiple training sessions on designing an adult education data system with the National Reporting System.

Attachment B

All proposals were evaluated for compliance with the minimum standards:

	LiteracyPro Systems, Inc.	Benchmark ITS	TelCloud Services, LLC
Met Minimum Standards	Yes	Yes	No

Each proposal that met the minimum standards was scored as follows:

	Maximum Points	LiteracyPro Systems, Inc. Average Scores	Benchmark ITS Average Scores
Proposed Software Solution	500	451.17	387.00
Technical Services, Project Management	200	182.17	155.83
Vendor Company	50	47.17	38.33
Staffing Qualifications	50	46.83	36.83
Solution Cost	200	126.00	200.00
TOTAL	1000	853.34	817.99



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

September 11, 2017

Frank Edelblut, Commissioner
Department of Education
State of New Hampshire
101 Pleasant Street
Concord, NH 03301

Dear Commissioner Edelblut:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with LiteracyPro Systems, Inc., of Boulder, Colorado VA as described below and referenced as DoIT No. 2017-047.

This is a request to enter into a contract to procure a commercial-off-the-shelf, vendor hosted, web-based adult education data system, which will collect data and produce reports to meet federal and state adult education requirements. This system will also allow the Department of Education to monitor the adult education program and performance, and maintain compliance with federal reporting requirements.

The funding amount is not to exceed \$207,335.00, and the contract shall become effective upon Governor and Council approval through June 30, 2019.

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

Sincerely,

Denis Goulet

DG/kaf
DoIT #2017-047

cc: Chris Hensel, IT Manager, DoIT

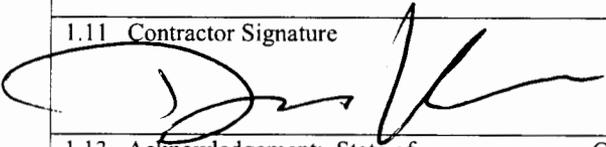
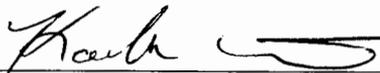
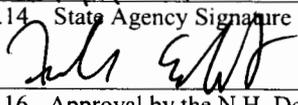
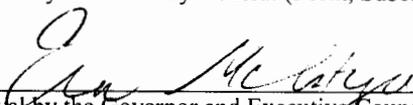
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Education Bureau of Adult Education		1.2 State Agency Address 21 South Fruit Street, Suite 20 Concord, NH 03301	
1.3 Contractor Name LiteracyPro System, Inc.		1.4 Contractor Address 2355 Canyon Blvd. Suite 204 Boulder, CO 80302	
1.5 Contractor Phone Number 303-440-6906	1.6 Account Number 06-56-565010-2535-602-500932	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$207,335
1.9 Contracting Officer for State Agency Arthur Ellison, Administrator		1.10 State Agency Telephone Number 603-271-6699	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory David Miller, CEO	
1.13 Acknowledgement: State of _____, County of _____ On <u>9-12-17</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 <div style="display: flex; justify-content: space-between; align-items: center;"> [Seal]  <div style="border: 2px solid black; padding: 5px; transform: rotate(-2deg); text-align: center;"> KARLA TATUM NOTARY PUBLIC STATE OF COLORADO NOTARY ID: 19974000541 MY COMMISSION EXPIRES JUNE 13, 2021 </div> </div>			
1.13.2 Name and Title of Notary or Justice of the Peace Karla Tatum - Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <u>9-13-17</u> <u>FRANK EDELBLUT, COMMISSIONER OF EDUCATION</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>9/14/17</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

Contractor Initials DM
Date 9/12/17

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:

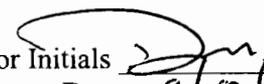
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate ; and

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.

Contractor Initials

Date


9/12/17

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.

Contractor Initials DM
Date 9/12/17

STATE OF NEW HAMPSHIRE
NH Department of Education
Adult Education Data System
CONTRACT 2017-047
PART 2 - INFORMATION TECHNOLOGY PROVISIONS

New Hampshire Department of Information Technology
Contract Cover Sheet

Name of Agency/Division: NH Department of Education, Bureau of Adult Education	
Contract Number/Name: BAE-RFP-2017-047 Adult Education Data System	
Contract Purpose: To provide the Bureau of Adult Education an off-the-shelf-commercial data system to collect data on NH adult education students that meets both the National Reporting System and state reporting requirements.	
Name of Vendor: LiteracyPro Systems, Inc.	Who Negotiated the Contract: Sarah Ladd Bennett
Amount of Contract: \$207,335	Funding Source: Adult Education
Term of Contract: 9/27/2017 – 6/30/2019	Is this an amendment? No
Competitive Bid Process: (Explain if "No") Yes	
Background Information: The Bureau of Adult Education is currently using a state-created data system, significant changes to federal reporting requirements under the Workforce Innovation and Opportunities Act of 2014 and expanded state-funded local programming have resulted in the need for a more comprehensive and responsive system.	
Special Concerns: The proposed data system must be user-friendly, intuitive and comprehensive. Most local adult education staff is part-time and data entry cannot be a time-intensive task.	
Amendment History (if applicable): N/A	
Submitted By: Sarah Ladd Bennett Phone: 603-271-6701	Current Date: September 6, 2017 Email: Sarah.Bennett@doe.nh.gov

STATE OF NEW HAMPSHIRE
NH Department of Education
Adult Education Data System
CONTRACT 2017-047
PART 2 - INFORMATION TECHNOLOGY PROVISIONS

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STATE OF NEW HAMPSHIRE
NH Department of Education
Adult Education Data System
CONTRACT 2017-047
PART 2 - INFORMATION TECHNOLOGY PROVISIONS

TERMS AND DEFINITIONS

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

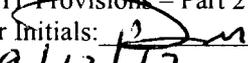
Acceptance	Notice from the State that a Deliverable has satisfied Acceptance Test or Review.
Acceptance Letter	An Acceptance Letter provides notice from the State that a Deliverable has satisfied Acceptance Tests or Review.
Acceptance Period	The timeframe during which the Acceptance Test is performed
Acceptance Test Plan	The Acceptance Test Plan provided by the Vendor and agreed to by the State that describes at a minimum, the specific Acceptance process, criteria, and Schedule for Deliverables.
Acceptance Test and Review	Tests performed to determine that no Defects exist in the application Software or the System.
Access Control	Supports the management of permissions for logging onto a computer or network.
Agreement	A contract duly executed and legally binding.
Appendix	Supplementary material that is collected and appended at the back of a document.
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system.
Authorized User	The Contractor's employees, contractors, subcontractors or other agents who need to access the State's personal data to enable the Contractor to perform the services required.
Certification	The Vendor's written declaration with full supporting and written Documentation (including without limitation test results as applicable) that the Vendor has completed development of the Deliverable and certified its readiness for applicable Acceptance Testing or Review.
Change Order	Formal documentation prepared for a proposed change in the Specifications.
Completion Date	End date for the Contract
Confidential Information	Information required to be kept Confidential from unauthorized disclosure <i>under the Contract</i> .
Contract	This Agreement between the State of New Hampshire and a Vendor, which creates binding obligations for each party to perform as specified in the Contract Documents.
Contract Agreement	Part 1, 2, and 3. The documentation consisting of both the General Provisions and the Exhibits which represents the

DM
 9/12/17

STATE OF NEW HAMPSHIRE
NH Department of Education
Adult Education Data System
CONTRACT 2017-047

PART 2 - INFORMATION TECHNOLOGY PROVISIONS

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

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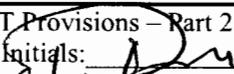
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	to increase, i.e., adjustment on the basis of the Vendor's cost experience in performing the Contract.
Fully Loaded	Rates are inclusive of all allowable expenses, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.
Governor and Executive Council	The New Hampshire Governor and Executive Council.
Identification and Authentication	Supports obtaining information about those parties attempting to log on to a system or application for security purposes and the validation of those users.
Implementation	The process for making the System fully operational for processing the Data.
Implementation Plan	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
Information Technology (IT)	Refers to the tools and processes used for the gathering, storing, manipulating, transmitting, sharing, and sensing of information including, but not limited to, Data processing, computing, information systems, telecommunications, and various audio and video technologies.
Input Validation	Ensure that the values entered by users or provided by other applications meets the size, type and format expected. Protecting the application from cross site scripting, SQL injection, buffer overflow, etc.
Intrusion Detection	Supports the detection of illegal entrance into a computer system.
Invoking Party	In a dispute, the party believing itself aggrieved.
Key Project Staff	Personnel identified by the State and by the Contractor as essential to work on the Project.
Licensee	The State of New Hampshire
Non Exclusive Contract	A contract executed by the State that does not restrict the State from seeking alternative sources for the Deliverables or Services provided under the Contract.
Non-Public Information	Data, other than personal data, that is not subject to distribution to the public as public information. It is deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance or administrative rule from access by the general public as public information.
Non-Software Deliverables	Deliverables that are not Software Deliverables or Written Deliverables, e.g., meetings, help support, services, other.
Normal Business Hours	Normal Business Hours – 8:00 a.m. to 5:00 p.m. EST, Monday through Friday excluding State of New Hampshire holidays.

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	State holidays are: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, July 4 th , Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. Specific dates will be provided.
Notice to Proceed (NTP)	The State Contract Manager's written direction to the Vendor to begin work on the Contract on a given date and time.
Open Data Formats	A data format based on an underlying Open Standard.
Open Source Software	Software that guarantees the user unrestricted use of the Software as defined in RSA 21-R:10 and RSA 21-R:11.
Open Standards	Specifications for the encoding and transfer of computer data that is defined in RSA 21-R:10 and RSA 21-R:13.
Operating System	System is fully functional, all Data has been loaded into the System, is available for use by the State in its daily operations.
Operational	The System is operating and fully functional, all Data has been loaded; the System is available for use by the State in its daily operations, and the State has issued an Acceptance Letter.
Order of Precedence	The order in which Contract/Documents control in the event of a conflict or ambiguity. A term or condition in a document controls over a conflicting or ambiguous term or condition in a document that is lower in the Order of Precedence.
Personal Data	Data that includes information relating to a person that identifies the person by name and has any of the following personally identifiable information (PII): government-issued identification numbers (e.g., Social Security, driver's license, passport); financial account information, including account number, credit or debit card numbers; or protected health information (PHI) relating to a person.
Project	The planned undertaking regarding the entire subject matter of an RFP and Contract and the activities of the parties related hereto.
Project Team	The group of State employees and contracted Vendor's personnel responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Work Plan on time, on budget and to the required specifications and quality.
Project Management Plan	A document that describes the processes and methodology to be employed by the Vendor to ensure a successful Project.
Project Managers	The persons identified who shall function as the State's and the Vendor's representative with regard to Review and Acceptance of Contract Deliverables, invoice sign off, and review and approval of Change Requests (CR) utilizing the Change Control

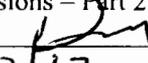
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	Procedures (CCP).
Project Staff	State personnel assigned to work with the Vendor on the Project
Proposal	The submission from a Vendor in response to the Request for a Proposal or Statement of Work.
Protected Health Information (PHI)	Individually identifiable health information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. PHI excludes education records covered by the Family Educational Rights and Privacy Act (FERPA), as amended, 20 U.S.C. 1232g, records described at 20 U.S.C. 1232g(a)(4)(B)(iv) and employment records held by a covered entity in its role as employer.
Regression Test Plan	A plan integrated into the Work Plan used to ascertain whether fixes to Defects have caused errors elsewhere in the application/process.
Review	The process of reviewing Deliverables for Acceptance.
Review Period	The period set for review of a Deliverable. If none is specified then the Review Period is five (5) business days.
RFP (Request for Proposal)	A Request For Proposal solicits Proposals to satisfy State functional requirements by supplying data processing product and/or Service resources according to specific terms and conditions.
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network.
Schedule	The dates described in the Work Plan for deadlines for performance of Services and other Project events and activities under the Contract.
Security Incident	The potentially unauthorized access by non-authorized persons to personal data or non-public data the Contractor believes could reasonably result in the use, disclosure or theft of a State's unencrypted personal data or non-public data within the possession or control of the Contractor. A security incident may or may not turn into a data breach.
Service Level Agreement (SLA)	A signed agreement between both the State and the Contractor that is subject to the terms and conditions in this document that unless otherwise agreed to includes (1) the technical service level performance promises, (i.e. metrics for performance and intervals for measure), (2) description of service quality, (3) identification of roles and responsibilities, (4) security responsibilities and notice requirements, (5) how disputes are discovered and addressed, and (6) any remedies for performance failures.

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Service	The work or labor to be performed by the Vendor on the Project as described in the Contract.
the Contractor	The vendor and its employees, subcontractors, agents and affiliates who are providing the services agreed to under the contract.
Software	All custom Software and COTS Software provided by the Vendor under the Contract.
Software-as-a-Service (SaaS)	The capability provided to the State to use the Contractor's applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin-client interface such as a Web browser (e.g., Web-based email) or a program interface. The State does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.
Software Deliverables	Software and Enhancements
Software License	Licenses provided to the State under this Contract.
Solution	The Solution consists of the total Solution, which includes, without limitation, Software and Services, addressing the requirements and terms of the Contract Specifications. The off-the-shelf Software and configured Software customized for the State provided by the Vendor in response to this RFP.
Specifications	The written provisions that set forth the requirements which include, without limitation, this RFP, the Proposal, the Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth herein.
State	STATE is defined as: State of New Hampshire Department of Education Bureau of Adult Education 21 South Fruit Street, Suite 20 Concord, NH 03301 Reference to the term "State" shall include applicable agencies.
Statement of Work (SOW)	A Statement of Work clearly defines the basic requirements and objectives of a Project. The Statement of Work also defines a high level view of the architecture, performance and design

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	requirements, the roles and responsibilities of the State and the Vendor. The Contract Agreement SOW defines the results that the Vendor remains responsible and accountable for achieving.
State's Confidential Records	State's information regardless of its form that is not subject to public disclosure under applicable state and federal laws and regulations, including but not limited to <u>RSA Chapter 91-A</u> .
State Data	For SaaS applications means all data created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, the Contractor's hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Contractor.
State Fiscal Year (SFY)	The New Hampshire State Fiscal Year extends from July 1 st through June 30 th of the following calendar year.
State Identified Contact	The person or persons designated in writing by the State to receive security incident or breach notification.
State's Project Manager (PM)	State's representative with regard to Project management and technical matters. Agency Project Managers are responsible for review and Acceptance of specific Contract Deliverables, invoice sign off, and Review and approval of a Change Proposal (CP).
Subcontractor	A person, partnership, or company not in the employment of, or owned by, the Vendor, which is performing Services under this Contract under a separate Contract with or on behalf of the Vendor.
System	All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
TBD	To Be Determined
Technical Authorization	Direction to a Vendor, which fills in details, clarifies, interprets, or specifies technical requirements. It must be: (1) consistent with Statement of Work within statement of Services; (2) not constitute a new assignment; and (3) not change the terms, documents of specifications of the Contract Agreement.
Test Plan	A plan, integrated in the Work Plan, to verify the code (new or changed) works to fulfill the requirements of the Project. It may consist of a timeline, a series of tests and test data, test scripts and reports for the test results as well as a tracking mechanism.

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Exhibit M- Agency RFP with Addendums, by reference
Exhibit N- Vendor Proposal, by reference
Exhibit O- Certificates and Attachments

1.2 ORDER OF PRECEDENCE

In the event of conflict or ambiguity among any of the text of the Contract Documents, the following Order of Precedence shall govern:

- a. State of New Hampshire, Department of Education, Bureau of Adult Education Contract Agreement 2017-047, including Parts 1, 2, and 3.
- b. State of New Hampshire, Department of Education, Bureau of Adult Education RFP 2017-047.
- c. Vendor Proposal Response to RFP 2017-047 dated May 17, 2017.

2. CONTRACT TERM

The Contract and all obligations of the parties hereunder shall become effective after full execution by the parties, and the receipt of required governmental approvals, including, but not limited to, Governor and Executive Council of the State of New Hampshire approval ("Effective Date").

The Contract shall begin on the Effective Date and extend through the date indicated in Part 1, P-37 General Provisions Block 1.7: *Completion Date* with the option to be extended up to two time for two (2) year periods ("Extended Term") at the sole option of the State, with the applicable fees included in this contract.

The Contractor shall commence work upon issuance of a Notice to Proceed by the State.

3. COMPENSATION

3.1 CONTRACT PRICE

The Contract Price, Part 1, P37, Block 1.8: *Price Limitation*, method of payment, and terms of payment are identified and more particularly described in Part 1, P-37 Section 5: *Contract Price and /Price Limiation/Payment*, and Part 3 Exhibit B: *Price and Payment Schedule*.

3.2 NON-EXCLUSIVE CONTRACT

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The State reserves the right, at its discretion, to retain other vendors to provide any of the Services or Deliverables identified under this procurement or make an award by item, part or portion of an item, group of items, or total Proposal. the Contractor shall not be responsible for any delay, act, or omission of such other vendors, except that the Contractor shall be responsible for any delay, act, or omission of the other vendors if such delay, act, or omission is caused by or due to the fault of the Contractor.

4. CONTRACT MANAGEMENT

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

4.1 THE CONTRACTOR'S CONTRACT MANAGER

The Contractor shall assign a Contract Manager who shall be responsible for all Contract authorization and administration. The Contractor's Contract Manager is:

David H. Miller
CEO
2355 Canyon Blvd., Suite 204
Boulder, CO 80302
Tel: 303-440-6906
Email: dhmiller@literacypro.com

4.2 THE CONTRACTOR'S PROJECT MANAGER

4.2.1 Contract Project Manager

The Contractor shall assign a Project Manager who meets the requirements of the Contract. The Contractor's selection of the Contracted Vendor Project Manager shall be subject to the prior written approval of the State. The State's approval process may include, without limitation, at the State's discretion, review of the proposed Contractor's Project Manager's resume, qualifications, references, and background checks, and an interview. The State may require removal or reassignment of the Contractor's Project Manager who, in the reasonable judgment of the State, is found unacceptable or is not performing to the State's satisfaction.

4.2.2 The Contractor's Project Manager must be qualified to perform the obligations required of the position under the Contract, shall have full authority to make binding decisions under the Contract, and shall function as the Contractor's

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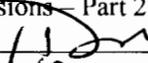
representative for all administrative and management matters. The Contractor's Project Manager shall perform the duties required under the Contract, including, but not limited to, those set forth in Part 3 Exhibit I - Section 2: *Contractor Roles and Responsibilities*. The Contractor's Project Manager must be available to promptly respond during Normal Business Hours to inquiries from the State, and be at the site as needed. The Contractor's Project Manager must work diligently and use his/ her commercially reasonable efforts on the Project.

4.2.3 The Contractor shall not change its assignment of the Contractor's Project Manager without providing the State written justification and obtaining the prior written approval of the State, except in the case of the Project Manager no longer being employed by Contractor. State approvals for replacement of the Contractor's Project Manager shall not be unreasonably withheld. The replacement Project Manager shall have comparable or greater skills than of the Contractor's Project Manager being replaced; meet the requirements of the Contract; and be subject to reference and background checks described above in Part 2, Section 4.2.1: *Contract Project Manager*, and in Contract Agreement Part 2, Section 4.6: *Reference and Background Checks*, below. The Contractor shall assign a replacement of the Contractor's Project Manager within ten (10) business days of the departure of the prior Contractor's Project Manager, and the Contractor shall continue during the ten (10) business day period to provide competent Project management Services through the assignment of a qualified interim Project Manager.

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

4.2.5 Contractor Project Manager is:
Shannon Stangis
Project Manager/Trainer
2355 Canyon Blvd., Suite 204
Boulder, CO 80302
Tel: 303-440-6906
Email: sstangis@literacypro.com

4.3 CONTRACTOR KEY PROJECT STAFF

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- 4.3.1** The Contractor shall assign Key Project Staff who meet the requirements of the Contract, and can implement the Software Solution meeting the requirements set forth in RFP Appendix C: *System Requirements and Deliverables*, Table C.3: *System Requirements and Deliverables-Vendor Response Checklist*. The State may conduct reference and background checks on the Contractor's Key Project Staff. The State reserves the right to require removal or reassignment of the Contractor's Key Project Staff who are found unacceptable to the State in the State's reasonable opinion. Any background checks shall be performed in accordance with Part 2 Section 4.6: *Background Checks*.
- 4.3.2** The Contractor shall not change any of the Contractor's Key Project Staff commitments without providing the State written justification and obtaining the prior written approval of the State, except in the case of Key Project Staff no longer being employed by Contractor. State approvals for replacement of the Contractor's Key Project Staff will not be unreasonably withheld. The replacement of the Contractor's Key Project Staff shall have comparable or greater skills than of the Contractor's Key Project Staff being replaced; meet the requirements of the Contract, including but not limited to the requirements set forth in RFP Appendix C: *System Requirements and Deliverables* and be subject to reference and background checks described in Contract Agreement- Part 2, Section 4.6: *Reference and Background Checks*,
- 4.3.3** Notwithstanding any other provision of the Contract to the contrary, the State shall have the option to terminate the Contract, declare the Contractor in default and to pursue its remedies at law and in equity, if the Contractor fails to assign Key Project Staff meeting the requirements and terms of the Contract or if it is dissatisfied with the Contractor's replacement Project staff.
- 4.3.3.1** The Contractor Key Project Staff shall consist of the following individuals in the roles identified below:

The Contractor's Key Project Staff:

<u>Key Member(s)</u>	<u>Title</u>
Frank Buran	Director of Software Development
Linda Watts	Quality Assurance Director
Kent Hurd	Senior Applications Developer
Amy Thamert	Technical Services Manager

4.4 STATE CONTRACT MANAGER

The State shall assign a Contract Manager who shall function as the State's representative with regard to Contract administration. The State Contract Manager is:

Arthur Ellison
Administrator
Bureau of Adult Education
21 South Fruit Street, Suite 20
Concord, NH 03301
Tel: 603-271-6699
Fax: 603-271-3454
Email: Arthur.Ellison@doe.nh.gov

4.5 STATE PROJECT MANAGER

The State shall assign a Project Manager. The State Project Manager's duties shall include the following:

- a. Leading the Project;
- b. Engaging and managing all Contractors;
- c. Managing significant issues and risks.
- d. Reviewing and accepting Contract Deliverables;
- e. Invoice sign-offs;
- f. Review and approval of change proposals; and
- g. Managing stakeholders' concerns.

The State Project Manager is:

Sarah Ladd Bennett
Education Consultant
Bureau of Adult Education
21 South Fruit Street, Suite 20
Concord, NH 03301
Tel: 603-271-6701
Fax: 603-271-3454
Email: Sarah.Bennett@doe.nh.gov

4.6 REFERENCE AND BACKGROUND CHECKS

The Contractor shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the contract who have been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Contractor shall promote and maintain an awareness of the importance of securing the State's information among the Contractor's employees and agents.

The State may, at its sole expense, conduct reference and background screening of the Contracted Vendor Project Manager and the Contractor Key Project Staff. The State shall

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maintain the confidentiality of background screening results in accordance with the Contract Agreement – Part 2, IT Provisions-Section 11: *Use of State's Information, Confidentiality*.

5. DELIVERABLES

5.1 CONTRACTOR RESPONSIBILITIES

The Contractor shall be solely responsible for meeting all requirements, and terms and conditions specified in this Contract, regardless of whether or not a subcontractor is used.

The Contractor may subcontract Services subject to the provisions of the Contract, including but not limited to, the terms and conditions in the Contract Agreement. . The Contractor must submit all information and documentation relating to the Subcontractor, including terms and conditions consistent with this Contract. The State will consider the Contractor to be wholly responsible for the performance of the Contract and the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

5.2 DELIVERABLES AND SERVICES

The Contractor shall provide the State with the Deliverables and Services in accordance with the time frames in the Work Plan for this Contract, and as more particularly described in Contract Exhibit A: *Contract Deliverables*.

5.3 NON-SOFTWARE AND WRITTEN DELIVERABLES REVIEW AND ACCEPTANCE

After receiving written Certification from the Contractor that a Non-Software or Written Deliverable is final, complete, and ready for Review, the State will Review the Deliverable to determine whether it meets the Requirements outlined in Contract Exhibit A: *Contract Deliverables*. The State will notify the Contractor in writing of its Acceptance or rejection of the Deliverable within five (5) business days of the State's receipt of the Contractor's written Certification. If the State rejects the Deliverable, the State shall notify the Contractor of the nature and class of the Deficiency and the Contractor shall correct the Deficiency within the period identified in the Work Plan. If no period for the Contractor's correction of the Deliverable is identified, the Contractor shall correct the Deficiency in the Deliverable within five (5) business days. Upon receipt of the corrected Deliverable, the State shall have five (5) business days to review the Deliverable and notify the Contractor of its Acceptance or rejection thereof, with the option to extend the Review Period up to five (5) additional business days. If the Contractor fails to correct the Deficiency within the allotted period of time, the State may, at its option, continue reviewing the Deliverable and require the Contractor to continue until the Deficiency is corrected, or immediately terminate the Contract, declare the Contractor in default, and pursue its remedies at law and in equity.

5.4 SOFTWARE REVIEW AND ACCEPTANCE

System/Software Testing and Acceptance shall be performed as set forth in the Test Plan and more particularly described in Exhibit F: *Testing Services*.

6. SOFTWARE

The Contractor shall provide the State with access to the Software and Documentation set forth in the Contract, and particularly described in Exhibit J: *Software Agreement*.

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7. SERVICES

The Contractor shall provide the Services required under the Contract Documents. All Services shall meet, and be performed, in accordance with the Specifications.

7.1 ADMINISTRATIVE SERVICES

The Contractor shall provide the State with the administrative Services set forth in the Contract, and particularly described in Exhibit D: Administrative Services.

7.2 IMPLEMENTATION SERVICES

The Contractor shall provide the State with the Implementation Services set forth in the Contract, and particularly described in Exhibit E: Implementation Services.

7.3 TESTING SERVICES

The Contractor shall perform testing Services for the State set forth in the Contract, and particularly described in Exhibit F: Testing Services.

7.4 TRAINING SERVICES

The Contractor shall provide the State with training Services set forth in the Contract, and particularly described in Exhibit L: Training Services.

7.5 MAINTENANCE AND SUPPORT SERVICES

The Contractor shall provide the State with Maintenance and support Services for the Software set forth in the Contract, and particularly described in Exhibit G: System Maintenance and Support.

7.6 WARRANTY SERVICES

The Contractor shall provide the State with warranty Services set forth in the Contract, and particularly described in Exhibit K: Warranty & Warranty Services.

8. WORK PLAN DELIVERABLE

The Contractor shall provide the State with a Work Plan that shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment Schedule.

The initial Work Plan shall be a separate Deliverable and is set forth in Contract Exhibit I: *Work Plan*. The Contractor shall update the Work Plan as necessary, but no less than every two weeks, to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment Schedule. Any such updates to the Work Plan must be approved by the State, in writing, prior to final incorporation into Contract Exhibit I: *Work Plan*. The updated Contract Exhibit I: *Work Plan*, as approved by the State, is incorporated herein by reference.

Unless otherwise agreed in writing by the State, changes to the Contract Exhibit I: *Work Plan* shall not relieve the Contractor from liability to the State for damages resulting from the Contractor's

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failure to perform its obligations under the Contract, including, without limitation, performance in accordance with the Schedule.

In the event of any delay in the Schedule, the Contractor must promptly notify the State in writing, identifying the nature of the delay, i.e., specific actions or inactions of the Contractor or the State causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected Schedule impact on the Project.

In the event additional time is required by the Contractor 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 the Contractor'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.

9. CHANGE ORDERS

The State may make changes or revisions at any time by written Change Order. The State originated changes or revisions shall be approved by the Department of Information Technology. Within five (5) business days of the Contractor's receipt of a Change Order, the Contractor shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or the Work Plan.

The Contractor may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, or the Work Plan. The State shall attempt to respond to the Contractor's requested Change Order within five (5) business days. The State Agency, as well as the Department of Information Technology, must approve all Change Orders in writing. The State shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

All Change Order requests from the Contractor to the State, and the State acceptance of the Contractor's estimate for a State requested change, will be acknowledged and responded to, either acceptance or rejection, in writing. If accepted, the Change Order(s) shall be subject to the Contract amendment process, as determined to apply by the State.

10. INTELLECTUAL PROPERTY

10.1 SOFTWARE TITLE

Title, right, and interest (including all ownership and intellectual property rights) in the Software, any enhancements or modifications thereto, and its associated Documentation, shall remain with the Contractor.

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, modifications developed in connection with performance of obligations under the Contract. In addition,

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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 agreement.

10.2 STATE'S DATA AND PROPERTY

All rights, title and interest in State Data shall remain with the State. All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason. The Contractor shall not access State user accounts or State data, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of this contract or (4) at the State's written request.

10.3 CONTRACTOR'S MATERIALS

Subject to the provisions of this Contract, the Contractor may develop for itself, or for others, materials that are competitive with, or similar to, the Deliverables. In accordance with the provision of this Contract, the Contractor shall not distribute any products containing or disclose any State Confidential Information. The Contractor shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this Contract, provided that such is not obtained as the result of the deliberate memorization of the State Confidential Information by the Contractor employees or third party consultants engaged by the Contractor.

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

10.4 STATE WEBSITE COPYRIGHT

WWW Copyright and Intellectual Property Rights

All right, title and interest in the State WWW site <NH.GOV, etc.>, including copyright to all Data and information, shall remain with the State. The State shall also retain all right, title and interest in any user interfaces and computer instructions embedded within the WWW pages. All WWW pages and any other Data or information shall, where applicable, display the State's copyright.

10.5 SURVIVAL

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

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11 USE OF STATE'S INFORMATION, CONFIDENTIALITY

11.1 USE OF STATE'S INFORMATION

In performing its obligations under the Contract, the Contractor may gain access to information of the State, including State Confidential Information. "State Confidential Information" shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: *Access to Public Records and Meetings* (see e.g. RSA Chapter 91-A: 5 *Exemptions*). The Contractor shall not use the State Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Contract, except as directly connected to and necessary for the Contractor's performance under the Contract.

11.2 STATE CONFIDENTIAL INFORMATION

The Contractor shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential Information that becomes available to the Contractor in connection with its performance under the Contract, regardless of its form.

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

Any disclosure of the State Confidential Information shall require the prior written approval of the State. The Contractor shall immediately notify the State if any request, subpoena or other legal process is served upon the Contractor regarding the State Confidential Information, and the Contractor shall cooperate with the State in any effort the State undertakes to contest the request, subpoena or other legal process, at no additional cost to the State.

In the event of the unauthorized release of State Confidential Information, the Contractor shall immediately notify the State, and the State may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

11.3 CONTRACTOR CONFIDENTIAL INFORMATION

Insofar as the Contractor seeks to maintain the confidentiality of its confidential or proprietary information, the Contractor must clearly identify in writing all information it claims to be confidential or proprietary. Notwithstanding the foregoing, the State acknowledges that the Contractor considers the Software and Documentation to be Confidential Information. The Contractor acknowledges that the State is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A. The State shall maintain the confidentiality of the identified Confidential Information insofar as it is consistent with applicable State and federal laws or regulations,

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including but not limited to, RSA Chapter 91-A. In the event the State receives a request for the information identified by the Contractor as confidential, the State shall notify the Contractor and specify the date the State will be releasing the requested information. At the request of the State, the Contractor shall cooperate and assist the State with the collection and review of the Contractor's information, at no additional expense to the State. Any effort to prohibit or enjoin the release of the information shall be the Contractor's sole responsibility and at the Contractor's sole expense. If the Contractor fails to obtain a court order enjoining the disclosure, the State shall release the information on the date specified in the State's notice to the Contractor, without any liability to the Contractor.

11.4 SURVIVAL

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

12 LIMITATION OF LIABILITY

12.1 STATE

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

Notwithstanding the foregoing, this limitation of liability shall not apply to the confidentiality obligations in Contract Agreement-General Provisions Section 11: *Use of State's Information, Confidentiality*, as well as any infringement of intellectual property rights, both of which shall be unlimited.

12.2 CONTRACTOR

Subject to applicable laws and regulations, in no event shall the Contractor be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and the 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.

Notwithstanding the foregoing, this limitation of liability shall not apply to the 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.

12.3 STATE'S IMMUNITY

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

12.4 SURVIVAL

This Section 12: *Limitation of Liability* shall survive termination or Contract conclusion.

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13 TERMINATION

This Section 13 shall survive the termination or Contract Conclusion.

13.1 TERMINATION FOR DEFAULT

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

- a. Failure to perform the Services in material compliance with the specification and schedule;
- b. Failure to submit any report required hereunder; and/or
- c. material breach of any other covenant, term or condition of the Contract.

13.1.1 Upon the occurrence of any Event of Default, the State may take the following action:

- a. The State shall provide the Contractor written notice of default and require it to be remedied within, in the absence of a greater or lesser specification of time, within thirty (30) days from the date of notice, unless otherwise indicated within by the State ("Cure Period"). If the Contractor fails to cure the default within the Cure Period, the State may terminate the Contract effective two (2) days after giving the Contractor notice of termination, at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.

13.1.2 The Vendor shall provide the State with written notice of default, and the State shall have thirty (30) days in which to cure such breach. If the State does not cure such breach within such time period, Vendor may, in its discretion, terminate the Contract effective two (2) days after giving the Vendor notice of termination, at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.

13.2 TERMINATION FOR CONVENIENCE

13.2.1 The State may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days written notice to the Contractor. In the event of a termination for convenience, the State shall pay the Contractor 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.

13.2.2 During the thirty (30) day period, the 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.

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13.3 TERMINATION FOR CONFLICT OF INTEREST

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

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

13.3.2 In the event the Contract is terminated as provided above pursuant to a violation by the Contractor, the State shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a default of the Contract by the Contractor.

13.4 TERMINATION PROCEDURE

13.4.1 Upon termination of the Contract, except in the case of termination as a result of breach by the State, the State, in addition to any other rights provided in the Contract, may require the Contractor to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

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

- a. Except in the case of termination as a result of breach by the State, the State shall be entitled to any post-termination assistance generally made available with respect to the services, unless a unique data retrieval arrangement has been established as part of the SLA.
- b. Stop work under the Contract on the date, and to the extent specified, in the notice;
- c. 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;
- d. 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 the Contractor and in which the State has an interest;
- e. During any period of service suspension, the Contractor shall not take any action to intentionally erase any State data.

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1. In the event of termination of any services or agreement in entirety, the Contractor shall not take any action to intentionally erase any State data for a period of:
 - 10 days after the effective date of termination, if the termination is in accordance with the contract period
 - 30 days after the effective date of termination, if the termination is for convenience
 - 60 days after the effective date of termination, if the termination is for cause
2. After such period, the Contractor shall have no obligation to maintain or provide any State data and shall thereafter, unless legally prohibited, delete all State data in its systems or otherwise in its possession or under its control.
- f. 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 owned by the State pursuant to this Contract; and
- g. The Contractor shall implement an orderly return of State data in a CSV or another mutually agreeable format at a time agreed to by the parties and the subsequent secure disposal of State data;
- h. The Contractor shall securely dispose of all requested data in all of its forms, such as disk, CD/ DVD, backup tape and paper, when requested by the State. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST)-approved methods. Certificates of destruction shall be provided to the State.
- i. Provide written Certification to the State that the Contractor has surrendered to the State all said property.

14 CHANGE OF OWNERSHIP

In the event that the Contractor should change ownership for any reason whatsoever, the State shall have the option of continuing under the Contract with the Contractor, its successors or assigns for the full remaining term of the Contract; continuing under the Contract with the Contractor, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to the Contractor, its successors or assigns.

15 ASSIGNMENT, DELEGATION AND SUBCONTRACTS

15.1 The Contractor shall not assign, delegate, subcontract, or otherwise transfer any of its interest, rights, or duties under the Contract without the prior written consent of the State. Such consent shall not be unreasonably withheld. Any attempted transfer, assignment, delegation, or other transfer made without the State's prior written consent shall be null and void, and may constitute an event of default at the sole discretion of the State.

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15.2 The Contractor shall remain wholly responsible for performance of the entire Contract even if assignees, delegates, Subcontractors, or other transferees (“Assigns”) are used, unless otherwise agreed to in writing by the State, and the Assigns fully assumes in writing any and all obligations and liabilities under the Contract from the Effective Date. In the absence of a written assumption of full obligations and liabilities of the Contract, any permitted assignment, delegation, subcontract, or other transfer shall neither relieve the Contractor of any of its obligations under the Contract nor affect any remedies available to the State against the Contractor that may arise from any event of default of the provisions of the contract. The State shall consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

15.3 Notwithstanding the foregoing, nothing herein shall prohibit the Contractor from assigning the Contract to the successor of all or substantially all of the assets or business of the Contractor provided that the successor fully assumes in writing all obligations and responsibilities under the Contract. In the event that the Contractor should change ownership, as permitted under Section 15: *Change of Ownership*, the State shall have the option to continue under the Contract with the Contractor, its successors or assigns for the full remaining term of the Contract; continue under the Contract with the Contractor, its successors or assigns for such period of time as determined necessary by the State; or immediately terminating the Contract without liability to the Contractor, its successors or assigns.

16 DISPUTE RESOLUTION

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

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

Dispute Resolution Responsibility and Schedule Table

LEVEL	LiteracyPro Systems, Inc.	STATE	<u>CUMULATIVE ALLOTTED TIME</u>
Primary	Shannon Stangis Project Manager/Trainer	Sarah Bennett State Project Manager (PM)	5 Business Days
First	David Miller CEO	Arthur Ellison Bureau of Adult	10 Business Days

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		Education Administrator	
Second		Frank Edelblut Commissioner	15 Business Days

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

17 SAAS GENERAL TERMS AND CONDITIONS

17.1 COMPUTER USE

In consideration for receiving access to and use of the computer facilities, network, licensed or developed software, software maintained or operated by any of the State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), the Contractor understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall the Contractor access or attempt to access any information without having the express authority to do so.
- c. That at no time shall the Contractor access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or agreements relating to system entry/access.
- d. That all software licensed, developed, or being evaluated by the State cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times the Contractor must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other Agreement executed by the State. Only equipment or software owned, licensed, or being evaluated by the State, can be used by the Contractor. Personal software (including but not limited to palmtop sync software) shall not be installed on any equipment.
- e. That if the Contractor is found to be in violation of any of the above-stated rules, the User may face removal from the State Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.

17.2 EMAIL USE

Mail and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as "internal

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Email systems” or “State-funded Email systems.” the Contractor understand and agree that use of email shall follow State standard policy (available upon request).

17.3 INTERNET/INTRANET USE

The Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (available upon request).

17.4 REGULATORY GOVERNMENT APPROVALS

The Contractor shall obtain all necessary and applicable regulatory or other governmental approvals necessary to perform its obligations under the Contract.

17.5 INSURANCE CERTIFICATE

The Insurance Certificate should note the Certificate Holder in the lower left hand block including State of New Hampshire, Department Name, name of the individual responsible for the funding of the contracts and his/her address.

17.6 EXHIBITS

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

17.7 VENUE AND JURISDICTION

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

17.8 SURVIVAL

The terms, conditions and warranties contained in the Contract that by their context are intended to survive the completion of the performance, cancellation or termination of the Contract shall so survive, including, but not limited to, the terms of the Exhibit E Section 3: Records Retention and Access Requirements, Exhibit E Section 4: Accounting Requirements, and General Provisions-Section 11: Use of State’s Information, Confidentiality and General Provisions- Section 10: Termination which shall all survive the termination of the Contract.

17.9 FORCE MAJEURE

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

Except in the event of the foregoing, Force Majeure events shall not include the Contractor’s inability to hire or provide personnel needed for the Contractor’s performance under the Contract.

17.10 NOTICES

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

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LITERACYPRO SYSTEMS, INC.
DAVID MILLER
2355 CANYON BLVD, SUITE 204
BOULDER, CO 80302
TEL: (303) 440-6906
E.MAIL: DHMILLER@LITERACYPRO.COM

SARAH BENNETT:
STATE OF NEW HAMPSHIRE
BUREAU OF ADULT EDUCATION
21 S. FRUIT STREET, SUITE 20
CONCORD, NH 03301
TEL: (603) 271-6701

17.11 DATA PROTECTION

Protection of personal privacy and data shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of State information and comply with the following conditions:

- a. The Contractor shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of personal data and non-public data. Such security measures shall be in accordance with recognized industry practice and not less stringent than the measures the Contractor applies to its own personal data and non-public data of similar kind.
- b. All data obtained by the Contractor in the performance of this contract shall become and all personal data shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, the Contractor is responsible for encryption of the personal data.
- c. Unless otherwise stipulated, the Contractor shall encrypt all non-public data at rest and in transit. The State shall identify data it deems as non-public data to the Contractor. The level of protection and encryption for all non-public data shall be identified and made a part of this contract.
- d. At no time shall any data or processes — that either belong to or are intended for the use of the State or its officers, agents or employees — be copied, disclosed or retained by the the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the State.
- e. The Contractor shall not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service.

17.12. DATA LOCATION

The Contractor shall provide its services to the State and its end users solely from data centers in the U.S. Storage of State data at rest shall be located solely in data centers in the U.S. the Contractor shall not allow its personnel or contractors to store State data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its personnel and contractors to access State data remotely only as required to provide technical support. The Contractor may provide technical user support on a 24/7 basis using a Follow the Sun model, unless otherwise prohibited in this contract.

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17.13. SECURITY INCIDENT OR DATA BREACH NOTIFICATION

The Contractor shall inform the State of any security incident or data breach in accordance with NH RSA 359-C:20.

- a. Incident Response: the Contractor may need to communicate with outside parties regarding a security incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the contract. Discussing security incidents with the State should be handled on an urgent as-needed basis, as part of the Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the contract.
- b. Security Incident Reporting Requirements: the Contractor shall report a security incident to the appropriate State identified contact immediately as defined in the SLA.
- c. Breach Reporting Requirements: If the Contractor has actual knowledge of a confirmed data breach that affects the security of any State content that is subject to applicable data breach notification law, the Contractor shall (1) promptly notify the appropriate State identified contact within 24 hours or sooner, unless shorter time is required by applicable law, and (2) take commercially reasonable measures to address the data breach in a timely manner.

17.14. BREACH RESPONSIBILITIES

This section only applies when a data breach occurs with respect to personal data within the possession or control of the Contractor.

- a. The Contractor, unless stipulated otherwise, shall immediately notify the appropriate State identified contact by telephone in accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a security incident.
- b. The Contractor, unless stipulated otherwise, shall promptly notify the appropriate State identified contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it confirms that there is, or reasonably believes that there has been a data breach. the Contractor shall (1) cooperate with the State as reasonably requested by the State to investigate and resolve the data breach, (2) promptly implement necessary remedial measures, if necessary, and (3) document responsive actions taken related to the data breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
- c. Unless otherwise stipulated, if a data breach is a direct result of the Contractor's breach of its contract obligation to encrypt personal data or otherwise prevent its release, the Contractor shall bear the costs associated with:
 - (1) The investigation and resolution of the data breach;
 - (2) Notifications to individuals, regulators or others required by State law;
 - (3) A credit monitoring service required by State (or federal) law;

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- (4) A website or a toll-free number and call center for affected individuals required by State law — all not to exceed the average per record per person cost calculated for data breaches in the United States (currently \$201 per record/person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute¹⁷ at the time of the data breach; and
- (5) Complete all corrective actions as reasonably determined by the Contractor based on root cause; all [(1) through (5)] subject to this Contract's limitation of liability.

17.15. NOTIFICATION OF LEGAL REQUESTS

The Contractor shall contact the State upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the State's data under this contract, or which in any way might reasonably require access to the data of the State. The Contractor shall not respond to subpoenas, service of process and other legal requests related to the State without first notifying the State, unless prohibited by law from providing such notice.

17.16. ACCESS TO SECURITY LOGS AND REPORTS

The Contractor shall provide reports to the State in a format as agreed to by both the Contractor and the State. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all State files related to this contract.

17.17. CONTRACT AUDIT

The Contractor shall allow the State to audit conformance to the contract terms. The State may perform this audit or contract with a third party at its discretion and at the State's expense.

17.18. DATA CENTER AUDIT

The Contractor shall perform an independent audit of its data centers at least annually at its expense, and provide a redacted version of the audit report upon request. The Contractor may remove its proprietary information from the redacted version. A Service Organization Control (SOC) 2 audit report or approved equivalent sets the minimum level of a third-party audit.

17.19. ADVANCE NOTICE

The Contractor shall give advance notice (to be determined at the contract time and included in the SLA) to the State of any upgrades (e.g., major upgrades, minor upgrades, system changes) that may impact service availability and performance. A major upgrade is a replacement of hardware, software or firmware with a newer or better version in order to bring the system up to date or to improve its characteristics. It usually includes a new version number.

17.20. SECURITY

The Contractor shall disclose its non-proprietary security processes and technical limitations to the State such that adequate protection and flexibility can be attained between the State and the Contractor. For example: virus checking and port sniffing — the State and the Contractor shall understand each other's roles and responsibilities.

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17.21. NON-DISCLOSURE AND SEPARATION OF DUTIES

The Contractor shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of State data to that which is absolutely necessary to perform job duties.

17.22. IMPORT AND EXPORT OF DATA

The State shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Contractor. This includes the ability for the State to import or export data to/from other service providers.

17.23. RESPONSIBILITIES AND UPTIME GUARANTEE

The Contractor shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities required for establishing, managing and maintaining the environments are the responsibilities of the Contractor. Contractor shall endeavor to make the system available 24/7/365 (with agreed-upon maintenance downtime), and provide service to customers as defined in the SLA.

17.24. RIGHT TO REMOVE INDIVIDUALS

The State shall have the right at any time to require that the Contractor remove from interaction with State any the Contractor representative who the State believes for good cause is detrimental to its working relationship with the Contractor. The State shall provide the Contractor with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Contractor shall immediately remove such individual. the Contractor shall not assign the person to any aspect of the contract or future work orders without the State's consent.

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STATE OF NEW HAMPSHIRE
Department of Education
NH Adult Education Data System
CONTRACT 2017-047
PART 3 – EXHIBIT A
CONTRACT DELIVERABLES

a. Problem Statement The NH Department of Education, Bureau of Adult Education is in need of a software system and associated services to collect data and produce reports to meet federal and state adult education requirements.

b. Goals –

- To procure a vendor-hosted, web-based data system that is user friendly.
- To implement the new system for the 2017-2018 program year.
- To reduce the amount of time required to complete data entry at the local level and required reporting at the state level.
- To increase the user’s ability to organize data for analysis and program improvement.

c. Project Overview

The general scope of the project is to provide a vendor-hosted, web-based data system and its associated services to collect data and produce reports to meet federal and state adult education requirements.

d. Statement of Work

LiteracyPro Systems, Inc. will provide the LACES (Literacy, Adult and Community Education System), a student accountability system, for use in NH adult education centers and at the State of New Hampshire, Department of Education, Bureau of Adult Education office.

LiteracyPro Systems, Inc. will ensure that the data system meets all requirements, policies and security procedures outlined in this contract as well as those specified by the National Reporting System (NRS) and the US Department of Education, Office of Career, Technical and Adult Education (OCTAE). It will be the responsibility of LiteracyPro System, Inc. to maintain compliance with all federal rules and regulations.

The system will provide intake, testing and placement, enrollment, attendance, achievement, separation and reporting services. LiteracyPro Systems, Inc. will provide training for local adult education staff and state administrative staff.

e. General Project Assumptions

1. The Contractor will provide project tracking tools and templates to record and manage Issues, Risks, Change Requests, Requirements, Decision Sheets, and other documents used in the management and tracking of the project. The State of New Hampshire and the Contractor’s Project Managers will review these tools and templates and determine which ones will be used for the project. Training on these tools and templates will be conducted at the start of each phase in which they will be used.

STATE OF NEW HAMPSHIRE
Department of Education
NH Adult Education Data System
CONTRACT 2017-047
PART 3 – EXHIBIT A
CONTRACT DELIVERABLES

2. Prior to the commencement of work on Non-Software and Written Deliverables, the Contractor shall provide to the State a template, table of contents, or agenda for Review and prior approval by the State.
3. The Contractor shall ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of the State’s Information Technology resources, information, and services. Security requirements are defined in Appendix C-2 of the Request for Proposal. The Contractor shall provide the State resources, information, and Services on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and to safeguard the confidentiality and integrity of State networks, Systems and Data.
4. The Deliverables are set forth in the Schedule described below in Section 2. By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

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

DELIVERABLES, MILESTONES, AND ACTIVITIES SCHEDULE

Activity, Deliverable or Milestone	Deliverable Type	Delivery Date
PLANNING AND PROJECT MANAGEMENT		
Conduct Project Kickoff Meeting	Non-Software	9/27/2017
Status Meetings	Non-Software	Twice monthly
Work Plan	Written	9/27/2017
Goals and Objectives Document	Written	9/27 – 9/29/2017
Conduct Research and Requirements Validation	Non-Software	9/27 – 10/3/2017
Requirements Analysis Report	Written	10/3/2017
Risk and Issue Management Plan	Written	10/3/2017
Deployment Plan	Written	10/3/2017
End User Support Plan	Written	10/3/2017
Detailed Testing Plan and Testing Results	Written	10/3 – 10/16/2017

State of NH Contract 20XX-XXX
 Exhibit A – Contract Deliverables – Part 3
 Date: 9/12/17
 Contractor's Initials DM

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PART 3 – EXHIBIT A
CONTRACT DELIVERABLES

Database Architecture and Data Dictionary	Written	10/16/2017
DOCUMENTATION		
Documentation of Operational Procedures	Written	10/16/2017
Systems Administration Documentation	Written	10/2/2017 – 10/16/2017
User Documentation	Written	10/2 – 10/30/2017
TRAINING		
Comprehensive Training Plan Materials	Written	9/27 – 10/30/2017
Knowledge Transfer Plan	Written	10/30/2017
Conduct Training	Non-software	Two sets – Fall & Spring
DEPLOYMENT		
Configuration Phase	Non-software	9/28 – 10/30/2017
Software Object and Source Code Development	Software	9/28 – 10/30/2017
Software Configured to Satisfy State Requirements	Software	9/28 – 10/30/2017
Functioning In-bound and Outbound Interfaces	Software	9/28 – 10/30/2017
Tools for backup and recovery of all applications and Data	Software	9/28 – 10/30/2017
Conduct Unit and Regression Testing	Software	9/28 – 10/30/2017
Conduct Integration Testing	Software	9/28 – 10/30/2017
Acceptance Testing	Software	10/30/2017
Implementation Cutover to New Software	Software	10/31/2017
WARRANTY		
120 day Warranty	Written	10/30/2017
SUPPORT		
Service Level Agreements (List)	Written	10/30/2017
Year 1 Application Support and Maintenance	Non-software	10/31/17 – 6/30/18

State of NH Contract 20XX-XXX
 Exhibit A – Contract Deliverables – Part 3
 Date: 9/12/17
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PART 3 – EXHIBIT A
CONTRACT DELIVERABLES

Year 2 Application Support and Maintenance	Non-software	7/1/18 – 6/30/19
Year 3 Application Support and Maintenance (upon extension approval)	Non-software	7/1/19 – 6/30/20
Year 4 Application Support and Maintenance (upon extension approval)	Non-software	7/1/20 – 6/30/21
Year 5 Application Support and Maintenance (upon extension approval)	Non-software	7/1/21 – 6/30/22
Year 6 Application Support and Maintenance (upon extension approval)	Non-software	7/1/22 – 6/30/23

State of NH Contract 20XX-XXX
 Exhibit A – Contract Deliverables – Part 3
 Date: 9/12/17
 Contractor's Initials DM

STATE OF NEW HAMPSHIRE
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CONTRACT 2017-047
PART 3 - EXHIBIT B
PRICE AND PAYMENT SCHEDULE

1. PAYMENT SCHEDULE

1.1 Firm Fixed Price

This is a Firm Fixed Price (FFP) Contract for the period between the Effective Date through June 30, 2019 with the option to be extended up to two times for two (2) year periods ("Extended Term" at the sole option of the State, with the applicable fees indicated below. The Contractor shall be responsible for performing its obligations in accordance with the Contract. This Contract will allow the Contractor to invoice the State for the following activities, Deliverables, or milestones at fixed pricing/rates appearing in the price and payment tables below:

Activity, Deliverable or Milestone	Delivery Date	Price
PLANNING AND PROJECT MANAGEMENT		
Conduct Project Kickoff Meeting	9/27/2017	Included
Status Meetings	Twice monthly	Included
Work Plan	9/27/2017	Included
Goals and Objectives Document	9/27 – 9/29/2017	Included
Conduct Research and Requirements Validation	9/27 – 10/4/2017	Included
Requirements Analysis Report	10/4/2017	Included
Risk and Issue Management Plan	10/4/2017	Included
Deployment Plan	10/4/2017	Included
End User Support Plan	10/11/2017	Included
Detailed Testing Plan and Testing Results	10/4 – 10/16/2017	Included
Database Architecture and Data Dictionary	10/16/2017	Included
DOCUMENTATION		
Documentation of Operational Procedures	10/16/2017	Included
Systems Administration Documentation	10/2/2017 – 10/16/2017	Included
User Documentation	10/2 – 10/30/2017	Included
TRAINING		
Comprehensive Training Plan Materials	9/27 – 10/30/2017	Included

State of NH Contract 2017-047
 Exhibit B - Price and Payment Schedule – Part 3
 Date: 9/12/17
 Contractor's Initials *DM*

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PRICE AND PAYMENT SCHEDULE

Knowledge Transfer Plan	10/16/2017	Included
Conduct Training	Two sets – Fall 17 & Spring 18	\$13,975
DEPLOYMENT		
Configuration Phase	9/28 – 10/30/2017	Included
Software Object and Source Code Development	9/28 – 10/30/2017	Included
Software Configured to Satisfy State Requirements	9/28 – 10/30/2017	Included
Functioning In-bound and Outbound Interfaces	9/28 – 10/30/2017	Included
Tools for backup and recovery of all applications and Data	9/28 – 10/30/2017	Included
Conduct Unit and Regression Testing	9/28 – 10/30/2017	Included
Conduct Integration Testing	9/28 – 10/30/2017	Included
Acceptance Testing	10/30/2017	Included
Implementation Cutover to New Software	10/31/2017	Included
WARRANTY		
120 day Warranty	10/30/2017	Included
SUPPORT		
Service Level Agreements (List)	10/30/2017	Included
Year 1 Application Support and Maintenance	10/31/17 – 6/30/18	\$98,232
Year 2 Application Support and Maintenance	7/1/18 – 6/30/19	\$95,128
Year 3 Application Support and Maintenance (upon extension approval)	7/1/19 – 6/30/20	\$97,231
Year 4 Application Support and Maintenance (upon extension approval)	7/1/20 – 6/30/21	\$99,397
Year 5 Application Support and Maintenance (upon extension approval)	7/1/21 – 6/30/22	\$101,628
Year 6 Application Support and Maintenance (upon extension approval)	7/1/22 – 6/30/23	\$103,925

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Contractor's Initials *DM*

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PART 3 - EXHIBIT B
PRICE AND PAYMENT SCHEDULE

	TOTAL	\$595,541
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1.3 Future Vendor Rates Worksheet

The State may request additional Services from the selected Vendor and requires rates in the event that additional Service is required. The following format must be used to provide this information. "SFY" refers to State Fiscal Year. The New Hampshire State Fiscal Year runs from July 1 through June 30 of the following calendar year. Positions not identified in the Proposed Position Worksheet may be included in the Future Vendor Rates Worksheet.

Table 1.3: Future Vendor Rates Worksheet

Position Title	SFY 2018	SFY 2019	SFY 2020*	SFY 2021*	SFY 2022*	SFY 2023*
Project Manager	\$150/hour	\$150/hour	\$150/hour	\$150/hour	\$150/hour	\$150/hour
Senior Programmer	\$225/hour	\$225/hour	\$225/hour	\$225/hour	\$225/hour	\$225/hour
Q/A	\$160/hour	\$160/hour	\$160/hour	\$160/hour	\$160/hour	\$160/hour

* Upon extension approval

1.4 SAAS Services Pricing Worksheet

Pricing must reflect the payment of maintenance through the Contract end date. Price estimate should reflect the most optimistic implementation date. Actual payments may differ from the estimate if project start date slips or if implementation takes longer as this will cause a shorter maintenance period. Table should be customized to reflect the project and the cost composing the Contractor's proposal.

Table 1.4: SAAS Services Pricing Worksheet

VENDOR HOSTED SERVICES	Year 1	Year 2	Year 3	Year 4	Year 5	Year6	TOTAL
Web Site Hosting Fee	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$150,000
Technical Support and updates	Included	Included	Included	Included	Included	Included	
Maintenance and Updates	Included	Included	Included	Included	Included	Included	
TOTAL	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$150,000

* Upon extension approval

2. CONTRACT PRICE

Notwithstanding any provision in the Contract to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments made by the State exceed the amount indicated

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PART 3 - EXHIBIT B
PRICE AND PAYMENT SCHEDULE

in the P-37 General Provisions Block 1.8 ("Price Limitation"). The payment by the State of the total Contract price shall be the only, and the complete reimbursement to the Contractor for all fees and expenses, of whatever nature, incurred by the Contractor in the performance hereof.

The State will not be responsible for any travel or out of pocket expenses incurred in the performance of the Services performed under this Contract.

3. INVOICING

The Contractor shall submit correct invoices to the State for all amounts to be paid by the State. All invoices submitted shall be subject to the State's prior written approval, which shall not be unreasonably withheld. The Contractor shall only submit invoices for Services or Deliverables as permitted by the Contract. Invoices must be in a format as determined by the State and contain detailed information, including without limitation: itemization of each Deliverable and identification of the Deliverable for which payment is sought, and the Acceptance date triggering such payment; date of delivery and/or installation; monthly maintenance charges; any other Project costs or retention amounts if applicable.

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

Invoices shall be sent to:
Sarah Bennett
Bureau of Adult Education
21 South Fruit Street, Suite 20
Concord, NH 03301

4. PAYMENT ADDRESS

All payments shall be sent to the following address:

LiteracyPro Systems, Inc.
2355 Canyon Blvd., Suite 204
Boulder, CO 80302

5. OVERPAYMENTS TO THE CONTRACTOR

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

6. CREDITS

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

7. PROJECT HOLDBACK

The State shall withhold ten percent (10%) of the first year annual fee for a period of 60 days after first productive use of the System.

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EXHIBIT C
SPECIAL PROVISIONS

1. Delete Section 5.3 from the Part 1 Agreement, Form P-37.

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CONTRACT 2017-047 – PART 3
EXHIBIT D
ADMINISTRATIVE SERVICES

1. TRAVEL EXPENSES

The Contractor must assume all reasonable travel and related expenses. All labor rates will be “fully loaded”, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

2. SHIPPING AND DELIVERY FEE EXEMPTION

The State will not pay for any shipping or delivery fees unless specifically itemized in the Contract.

3. ACCESS/COOPERATION

As applicable, and subject to the applicable laws and regulations, the State will provide the Contractor with access to all program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware as required to complete the contracted Services.

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

4. STATE-OWNED DOCUMENTS AND COPYRIGHT PRIVILEGES

The Contractor shall provide the State access to all State-owned documents, materials, reports, and other work in progress relating to this Contract. Upon expiration or termination of the Contract with the State, the Contractor shall turn over all State-owned documents, material, reports, and work in progress relating to this RFP to the State at no additional cost to the State. Documents must be provided in both printed and electronic format.

5. RECORDS RETENTION AND ACCESS REQUIREMENTS

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

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

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CONTRACT 2017-047 – PART 3
EXHIBIT D
ADMINISTRATIVE SERVICES

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

The State agrees that books, records, documents, and other evidence of accounting procedures and practices related to the Contractor's cost structure and profit factors shall be excluded from the State's review unless the cost of any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

6. ACCOUNTING REQUIREMENTS

The Contractor shall maintain an accounting system in accordance with Generally Accepted Accounting Principles. The costs applicable to the Contract shall be ascertainable from the accounting system and the Contractor shall maintain records pertaining to the Services and all other costs and expenditures.

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PART 3 - EXHIBIT E
IMPLEMENTATION SERVICES

1. PROJECT MANAGEMENT

The State believes that effective communication and reporting are essential to Project success.

The Contractor Key Project Staff shall participate in meetings as requested by the State, in accordance with the requirements and terms of this Contract.

- a. **Introductory Meeting:** Participants will include the Contractor's Key Project Staff and State Project leaders from both Department of Education and the Department of Information Technology. This meeting will enable leaders to become acquainted and establish any preliminary Project procedures.
- b. **Kickoff Meeting:** Participants will include the State and the Contractor's Project Team and major stakeholders. This meeting is to establish a sound foundation for activities that will follow.
- c. **Status Meetings:** Participants will include, at the minimum, the Contractor's 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. A status and error report from the Contractor shall serve as the basis for discussion.
- d. **The Work Plan:** must be reviewed at each Status Meeting and updated, at minimum, on a bi-weekly basis, in accordance with the Contract.
- e. **Special Meetings:** Need may arise for a special meeting with State leaders or Project stakeholders to address specific issues.
- f. **Exit Meeting:** Participants will include Project leaders from the Contractor and the State. Discussion will focus on lessons learned from the Project and on follow up options that the State may wish to consider.

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

The Contractor's Project Manager or the Contractor's Key Project Staff shall submit monthly status reports in accordance with the Schedule and terms of this Contract. All status reports shall be prepared in formats approved by the State. The Contractor's Project Manager shall assist the State's Project Manager, or itself produce reports related to Project Management as reasonably requested by the State, all at no additional cost to the State. The Contractor shall produce Project status reports, which shall contain, at a minimum, the following:

1. Project status related to the Work Plan;
2. Deliverable status;
3. Accomplishments during weeks being reported;
4. Planned activities for the upcoming two (2) week period;
5. Future activities; and

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PART 3 - EXHIBIT E
IMPLEMENTATION SERVICES

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

As reasonably requested by the State, the Contractor shall provide the State with information or reports regarding the Project. The Contractor shall prepare special reports and presentations relating to Project Management, and shall assist the State in preparing reports and presentations, as reasonably requested by the State, all at no additional cost to the State.

2. IMPLEMENTATION STRATEGY

2.1 Key Components

The Contractor shall employ an industry-standard Implementation strategy with a timeline set forth in accordance with the Work Plan;

The Contractor and the State shall adopt a change management approach to identify and plan key strategies and communication initiatives.

The Contractor's team will provide training templates as defined in the Training Plan, which will be customized to address the State's specific requirements. Decisions regarding format, content, style, and presentation shall be made early on in the process, by the State, providing sufficient time for development of material as functionality is defined and configured.

The Contractor shall manage Project execution and provide the tools needed to create and manage the Project's Work Plan and tasks, manage and schedule Project staff, track and manage issues, manage changing requirements, maintain communication within the Project Team, and report status.

2.2 Timeline

The timeline is set forth in the Work Plan. During the initial planning period Project task and resource plans will be established for: the preliminary training plan, the change management plan, communication approaches, Project standards and procedures finalized, and team training initiated. Timing will be structured to recognize interdependencies between applications and structure a cost effective and timely execution. Processes will be documented, training established, and the application will be ready for Implementation in accordance with the Work Plan.

2.3 Change Management and Training

The Contractor's change management and training services shall be focused on developing change management and training strategies and plans. Its approach relies on State resources for the execution of the change management and end user training.

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PART 3 - EXHIBIT F
TESTING SERVICES

The Contractor shall provide the following Products and Services described in this Exhibit F, including but not limited to:

1. TESTING AND ACCEPTANCE

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

The Test Plan methodology shall reflect the needs of the Project and be included in the finalized Work Plan. A separate Test Plan and set of test materials will be prepared for each Software function or module.

All Testing and Acceptance (both business and technically oriented testing) shall apply to testing the System as a whole, (e.g., software modules or functions, and Implementation(s)). This shall include planning, test scenario and script development, Data and System preparation for testing, and execution of Unit Tests, System Integration Tests, Conversion Tests, Installation tests, Regression tests, Performance Tuning and Stress tests, Security Review and tests, and support of the State during User Acceptance Test and Implementation.

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

1.1 Test Planning and Preparation

The Contractor shall provide the State with an overall Test Plan that will guide all testing. The Contractor provided, State approved, Test Plan will include, at a minimum, identification, preparation, and Documentation of planned testing, a requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test Data, test phases, unit tests, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.

As identified in the Acceptance Test Plan, and documented in accordance with the Work Plan and the Contract, State testing will commence upon the Contractor's Project Manager's Certification, in writing, that the Contractor's own staff has successfully executed all prerequisite Contractor's testing, along with reporting the actual testing results, prior to the start of any testing executed by State staff. The State will be presented with a State approved Acceptance Test Plan, test scenarios, test cases, test scripts, test data, and expected results.

The State will commence its testing within three (3) business days of receiving Certification from the Contractor that the State's personnel have been trained and the System is installed, configured, complete, and ready for State testing. The testing will be conducted by the State in an environment independent from the Contractor's development environment. The Contractor must assist the State

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PART 3 - EXHIBIT F
TESTING SERVICES

with testing in accordance with the Test Plan and the Work Plan, utilizing test and live Data to validate reports, and conduct stress and performance testing, at no additional cost.

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

The Contractor must demonstrate that their testing methodology can be integrated with the State standard methodology.

1.2 System Integration Testing (if applicable)

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

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

Activity Description	Systems Integration Testing validates the integration between the target application modules and other systems, and verifies that the new System meets defined interface requirements and supports execution of business processes. This test emphasizes end-to-end business processes and the flow of information across the application. It includes all key business processes and interfaces being implemented, confirms data transfers with external parties, and includes the transmission or printing of all electronic and paper documents.
Contractor Team Responsibilities	<ul style="list-style-type: none"> • Take the lead in developing the Systems Integration Test Specifications. • Work jointly with the State to develop and load the data profiles to support the test Specifications. • Work jointly with the State to validate components of the test scripts.
State Responsibilities	<ul style="list-style-type: none"> • Work jointly with the Contractor to develop the Systems Integration Test Specifications. • Work jointly with the Contractor to develop and load the data profiles to support the test Specifications. • Work jointly with the Contractor to validate components of the test scripts, modifications, fixes and other System interactions with the Contractor supplied Software Solution.
Work Product	<ul style="list-style-type: none"> • The Integration-Tested System indicates that all interfaces between the

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PART 3 - EXHIBIT F
TESTING SERVICES

Description	application and the legacy and third-party systems, interfaces, and applications are functioning properly.
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1.3 Installation Testing

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

1.4 User Acceptance Testing (UAT)

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

The User Acceptance Test (UAT) is a verification process performed in a copy of the production environment. The User Acceptance Test verifies System functionality against predefined Acceptance criteria that support the successful execution of approved business processes.

UAT will also serve as a performance and stress test of the System. It may cover any aspect of the new System, including administrative procedures such as backup and recovery. The results of the UAT provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan.

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

Upon successful conclusion of UAT and successful System deployment, the State will issue a letter of UAT Acceptance and the respective Warranty Period shall commence

Activity Description	The System User Acceptance Tests verify System functionality against predefined Acceptance criteria that support the successful execution of approved processes.
Contractor Team Responsibilities	<ul style="list-style-type: none"> • Provide the State an Acceptance Test Plan and selection of test scripts for the Acceptance Test. • Monitor the execution of the test scripts and assist as needed during the User Acceptance Test activities. • Work jointly with the State in determining the required actions for problem resolution.
State Responsibilities	<ul style="list-style-type: none"> • Approve the development of the User Acceptance Test Plan and the set of data for use during the User Acceptance Test. • Validate the Acceptance Test environment. • Execute the test scripts and conduct User Acceptance Test activities. • Document and summarize Acceptance Test results. • Work jointly with the Contractor in determining the required actions for problem resolution.

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TESTING SERVICES

Work Product Description	<ul style="list-style-type: none">• Provide Acceptance of the validated Systems. <p>The Deliverable for User Acceptance Tests is the User Acceptance Test Results. These results provide evidence that the new System meets the User Acceptance criteria defined in the Work Plan.</p>
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1.5 Performance Tuning and Stress Testing

The Contractor shall develop and document hardware and Software configuration and tuning of LACES infrastructure to support the software throughout the Project

1.6 Scope

The scope of Performance Testing shall be to measure the System level metrics critical for the development of the applications infrastructure and operation of the applications in the production environment.

It will include the measurement of response rates of the application for end-user transactions and resource utilization (of various servers and network) under various load conditions. These response rates shall become the basis for changes and retesting until optimum System performance is achieved.

Performance testing and tuning shall occur in the final production environment and shall use a copy of the final production database to provide the best results.

1.6.1 Test Types

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

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

1.6.2 Tuning

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

1.7 Regression Testing

As a result, of the user testing activities, problems will be identified that require correction. The State will notify the Contractor of the nature of the testing failures in writing. The Contractor will be

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TESTING SERVICES

required to perform additional testing activities in response to State and/or user problems identified from the testing results. Regression testing means selective re-testing to detect faults introduced during the modification effort, both to verify that the modifications have not caused unintended adverse effects, and to verify that the modified and related (possibly affected) System components still meet their specified requirements.

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

1.8 Security Review and Testing

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

All components of the Software shall be reviewed and tested to ensure they protect the State's hardware and software and its related Data assets. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures shall include penetration tests and application vulnerability scanning.

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.

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TESTING SERVICES

Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures shall include 3rd party penetration tests and application vulnerability scanning.

Prior to the System being moved into production the Contractor shall provide results of all security testing to the Department of Information Technology for review and Acceptance. All Software and hardware shall be free of malicious code (malware).

1.9 Penetration Testing

The Contractor shall provide certification that their Software and System environment has undergone penetration testing in accordance with current recommendations from a recognized industry standards organization, such as the U.S. Department of Commerce National Institute of Standards Technology (NIST). The State requires that the Contractor has this testing performed annually by a qualified third-party vendor at least annually, and after every major release.

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PART 3 - EXHIBIT G
MAINTENANCE AND SUPPORT SERVICES

1. SYSTEM MAINTENANCE

The Contractor shall maintain and support the System in all material respects as described in the applicable program Documentation through the contract end date.

1.1 Contractor's Responsibility

The Contractor shall maintain the System in accordance with the Contract.

1.1.1 Maintenance Releases

The Contractor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.

1.1.2 Standard Agreement

The State will adopt the Contractor's standard maintenance agreement modified to address terms and conditions inconsistent with State Statutes and general State information technology practices.

2. SYSTEM SUPPORT

2.1 The Contractor will be responsible for performing remote technical support in accordance with the Contract Documents, including without limitation the requirements, terms, and conditions contained herein.

2.2 As part of the Software maintenance agreement, ongoing Software maintenance and support levels, including all new Software releases, shall be responded to according to the following:

2.2.1. Class A Deficiencies – The Contractor shall have available to the Department on-call telephone assistance, with issue tracking available to the Department, during Department business hours (M – F, 8:00 am – 4:30 pm) with an email/telephone response within two (2) hours of request, or the Contractor shall provide support with remote diagnostic Services within four (4) business hours of a request;

2.2.2. Class B & C Deficiencies – The Department shall notify the Contractor of such Deficiencies during regular business hours and the Contractor shall respond back within two (2) hours of notification of planned corrective action.

3. SUPPORT OBLIGATIONS AND TERM

3.1 The Contractor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications and terms and requirements of the Contract, including but not limited to S1.1 through S1.20 of the Support and Maintenance Requirements in Exhibit H *Requirements*, Attachment 1.

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The Contractor shall maintain a record of the activities related to warranty repair or maintenance activities performed for the Department.

For all maintenance Service calls, the Contractor shall ensure the following information will be collected and maintained: nature of Deficiency; current status of the Deficiency; action plans, dates and times; expected and actual completion time; Deficiency resolution information; Resolved by; Identifying number i.e. work order number; and Issue identified by.

The Contractor must work with the State to identify and troubleshoot potentially large scale System failures or Deficiencies by collecting the following information: mean time between reported Deficiencies with the Software; diagnosis of the root cause of the problem; and identification of repeat calls or repeat Software problems.

- 3.2** If the Contractor fails to correct a Deficiency within the allotted period of time stated above, the Contractor shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 2 Section 13.1.1.2, as well as to return the Contractor's product and receive a refund for all amounts paid to the Contractor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Contractor of the State's refund request
- 3.3** If the Contractor fails to correct a Deficiency within the allotted period of time stated above, the Contractor shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 1 Section 14.

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PART 3 - EXHIBIT H
REQUIREMENTS

Attachment 1: Project Requirements is hereby incorporated within.

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PART 3 - EXHIBIT I
WORK PLAN

The Contractor's Project Manager and the State Project manager shall finalize the Work Plan for Implementation within five days of the Effective Date and further refine the tasks required to implement the Project. The elements of the preliminary Work Plan are documented in accordance with the Contractor's plan to implement the System. Continued development and management of the Work Plan is a joint effort on the part of the Contractor and State Project Managers.

The preliminary Work Plan for Implementation created by the Contractor and the State is set forth at the end of this Exhibit.

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

1. ASSUMPTIONS

1.1 General

- The State shall provide team members with decision-making authority to support the Implementation efforts, at the level outlined in the Request for Proposal Document State Staffing Matrix.
- All State tasks must be performed in accordance with the revised Work Plan.
- All key decisions will be resolved within five (5) business days. Issues not resolved within this initial period will be escalated to the State Project Manager for resolution.
- Any activities, decisions or issues taken on by the State that affect the mutually agreed upon Work Plan timeline, scope, resources, and costs shall be subject to the identified Change Control process.
- The Contractor shall maintain an accounting system in accordance with Generally Accepted Accounting Principles (GAAP).

1.2 Project Management

- The State shall approve the Project Management Methodology used for the Project.
- The State shall provide the Project Team with reasonable access to the State personnel as needed to complete Project tasks.
- The Contractor assumes that an Alternate Project Manager may be appointed from time to time to handle reasonable and ordinary absences of the Project Manager.

1.3 Project Schedule

- Deployment is planned to begin on 10/2/2017 with a planned go-live date of 10/16/2017.

1.4 Reporting

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- The Contractor shall conduct every two weeks status meetings, and provide reports that include, but are not limited to, minutes, action items, test results, and Documentation.

1.5 User Training

- The Contractor's Team shall lead the development of the end-user training plan.
- The Contractor is responsible for the delivery of initial and follow-up end-user training.
- The State shall schedule and track attendance on all end-user training classes.

1.6 Performance and Security Testing

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

2. ROLES AND RESPONSIBILITIES

A. Contractor Team Roles and Responsibilities

1. Contractor Team Project Executive

The Contractor Team's Project Executives shall be responsible for advising on and monitoring the quality of the Services throughout the Project life cycle. The Project Executive shall advise the Contractor Team Project Manager and the State's Project leadership on the best practices for implementing the Contractor Software Solution within the State. The Project Executive shall participate in the definition of the Project Plan and provide guidance to the State's Team.

2. Contractor Team Project Manager

The Contractor Team Project Manager shall have overall responsibility for the day-to-day management of the Project and shall plan, track, and manage the activities of the Contractor Implementation Team. The Contractor Team Project Manager will have the following responsibilities:

- Maintain communications with the State's Project Manager;
- Work with the State in planning and conducting a kick-off meeting;
- Create and maintain the Work Plan;
- Assign the Contractor Team consultants to tasks in the Implementation Project according to the scheduled staffing requirements;
- Define roles and responsibilities of all the Contractor Team members;
- Provide EVERY TWO WEEKS and monthly update progress reports to the State Project Manager;
- Notify the State Project Manager of requirements for State resources in order to provide sufficient lead time for resources to be made available;
- Review task progress for time, quality, and accuracy in order to achieve progress;

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- Review requirements and scheduling changes and identify the impact on the Project in order to identify whether the changes may require a change of scope;
- Implement scope and Schedule changes as authorized by the State Project Manager and with appropriate Change Control approvals as identified in the Implementation Plan;
- Inform the State Project Manager and staff of any urgent issues if and when they arise;
- Provide the State completed Project Deliverables and obtain sign-off from the State's Project Manager.
- Manage handoff to the Contractor operational staff;
- Manage Transition Services as needed.

3. Contractor Team Analysis

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

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

4. Contractor Team Tasks

The Contractor team shall assume the following tasks:

- Development and review of functional and technical Specification to determine that they are at an appropriate level of detail and quality;
- Development and Documentation of conversion and interface programs in accordance with functional and technical Specifications;
- Development and Documentation of installation procedures; and
- Unit testing of conversions and interfaces developed; and
- System Integration Testing.

B. State Roles and Responsibilities

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

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WORK PLAN

1. State Project Manager

The State Project Manager shall work side-by-side with the Contractor Project Manager. The role of the State Project Manager is to manage State resources, facilitate completion of all tasks assigned to State staff, and communicate Project status on a regular basis. The State Project Manager represents the State in all decisions on Implementation Project matters, provides all necessary support in the conduct of the Implementation Project, and provides necessary State resources, as defined by the Work Plan and as otherwise identified throughout the course of the Project. The State Project Manager has the following responsibilities:

- Plan and conduct a kick-off meeting with assistance from the Contractor team;
- Assist the Contractor Project Manager in the development of a detailed Work Plan;
- Identify and secure the State Project Team members in accordance with the Work Plan;
- Define roles and responsibilities of all State Project Team members assigned to the Project;
- Identify and secure access to additional State end-user staff as needed to support specific areas of knowledge if and when required to perform certain Implementation tasks;
- Communicate issues to State management as necessary to secure resolution of any matter that cannot be addressed at the Project level;
- Inform the Contractor Project Manager of any urgent issues if and when they arise; and
- Assist the Contractor team staff to obtain requested information if and when required to perform certain Project tasks.
- Manage handoff to State operational staff;
- Manage State staff during Transition Services as needed.

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

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

- Be the key user and contact for their Agency or Department;
- Attend Project Team training and acquire in-depth functional knowledge of the relevant applications;
- Assist in validating and documenting user requirements, as needed;
- Assist in mapping business requirements;
- Assist in constructing test scripts and data;
- Assist in System Integration, and Acceptance Testing;
- Assist in performing conversion and integration testing and Data verification;
- Attend Project meetings when requested; and
- Assist in training end users in the use of the Contractor Software Solution and the business processes the application supports.

3. State Technical Lead and Architect

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

- Attend technical training as necessary to support the Project;
- Assist the State and the Contractor Team Project Managers to establish the detailed Work Plan;
- Manage the day-to-day activities of the State's technical resources assigned to the Project;
- Work with State IT management to obtain State technical resources in accordance with the Work Plan;
- Work in partnership with the Contractor and lead the State technical staff's efforts in documenting the technical operational procedures and processes for the Project. This is a Contractor Deliverable and it will be expected that the Contractor will lead the overall effort with support and assistance from the State; and
- Represent the technical efforts of the State at Project meetings.

4. State Testing Administrator

The State's Testing Administrator will coordinate the State's testing efforts. Responsibilities include:

- Coordinating the development of system, integration, performance, and Acceptance Test plans;
- Coordinating system, integration, performance, and Acceptance Tests;
- Chairing test review meetings;
- Coordinating the State's team and external third parties involvement in testing;
- Ensuring that proposed process changes are considered by process owners;
- Establish priorities of Deficiencies requiring resolution; and
- Tracking Deficiencies through resolution.

3. SOFTWARE APPLICATION

LiteracyPro Systems, Inc. is responsible for providing all software applications required to operate the LACES system as a part of this contract.

4. INTERFACES

Interfaces shall be implemented in cooperation with the State. The following Table 4.1 identifies the interfaces within the scope of this Contract and their relative assignment.

Table 4.1: In-Scope Interfaces

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Interface	Components, if applicable	Responsible Party	Description
DOE Single Sign On		Vaughn Coburn	Access to LACES will be through the NH DOE Single Sign On System

A. Interface Responsibilities

- The Contractor Team shall provide the State Contractor Application Data requirements and examples, of data mappings and interfaces implemented on other Projects. The Contractor Team shall identify the APIs the State should use in the design and development of the interface.
- The Contractor Team shall lead the review of functional and technical interface Specifications.
- The Contractor Team shall assist the State with the resolution of problems and issues associated with the development and Implementation of the interfaces.
- The Contractor Team shall document the functional and technical Specifications for the interfaces.
- The Contractor Team shall create the initial Test Plan and related scripts to Unit Test the interface. The State shall validate and accept.
- The Contractor Team shall develop and Unit Test the interface.
- The State and the Contractor Team shall jointly verify and validate the accuracy and completeness of the interface.
- The State is responsible for documenting the procedures required to run the interfaces in production.
- The State and the Contractor Teams shall jointly construct test scripts and create any data needed to support testing the interfaces.
- The State is responsible for the scheduling of interface operation in production.

5. APPLICATION MODIFICATION

To more fully address the State’s requirements, the Contractor Team shall implement the following application modifications. The following Table 5.1 identifies the modifications that are within the scope of this Contract.

Table 5.1: Modifications – Contractor Developed

Requirement	Components, if applicable	Enhancement Description
Dual Enrolled Designation		Ability to designate students who are enrolled in regular high school
Transition Program Designation		Ability to designate students who are enrolled in the postsecondary transitions program

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6. PRELIMINARY WORK PLAN

The following Table 6.1 provides the preliminary agreed upon Work Plan for the Contract.

Table 6.1: High Level Preliminary NH Project Plan

Task Name	Duration	Start	Finish
Planning	1 month	9/27	10/28
Implementation		10/31	
Initial Training	1 day	Oct/Nov	Oct/Nov
Follow Up Training	1 day	Mar/Apr	Mar/Apr
Ongoing support and maintenance	Contract period	9/27/17	6/30/19

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PART 3 - EXHIBIT J
SOFTWARE AGREEMENT**

1. LICENSE GRANT

LACES is a SaaS application and is based on a recurring pricing model. The annual software license fee (which includes unlimited technical support in the cost of a site license) plus the annual hosting fee occur on an annual basis.

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PART 3 - EXHIBIT K
WARRANTY & WARRANTY SERVICE

1. WARRANTIES

1.1 System

The Contractor warrants that the System will operate to conform to the Specifications, terms, and requirements of the Contract.

1.2 Software

The Contractor warrants that the Software, including but not limited to the individual modules or functions furnished under the Contract, is properly functioning within the System, compliant with the requirements of the Contract, and will operate in accordance with the Specifications and Terms of the Contract.

For any breach of the above Software warranty, the State's remedy, and the Contractor's entire liability, shall be:

- (a) the correction of program errors that cause breach of the warranty, or if the Contractor cannot substantially correct such breach in a commercially reasonable manner, the State may end its program license if any and recover the fees paid to the Contractor for the program license and any unused, prepaid technical support fees the State has paid for the program license; or
- (b) the re-performance of the deficient Services, or
- (c) if the Contractor cannot substantially correct a breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to the Contractor for the deficient Services.

1.3 Non-Infringement

The Contractor warrants that it has good title to, or the right to allow the State to use, all Services, and Software ("Material") provided under this Contract, and that such Services and Software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

1.4 Viruses; Destructive Programming

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

1.5 Compatibility

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

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PART 3 - EXHIBIT K
WARRANTY & WARRANTY SERVICE

1.6 Services

The Contractor warrants that all Services to be provided under the Contract will be provided expediently, in a professional manner, in accordance with industry standards and that Services will comply with performance standards, Specifications, and terms of the Contract.

2. WARRANTY PERIOD

The Warranty Period shall remain in effect until the conclusion or termination of this Contract and any extensions, except for the warranty for non-infringement, which shall remain in effect in indefinitely.

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PART 3 - EXHIBIT L
TRAINING SERVICES

The Contractor shall provide the following Training Services.

LiteracyPro Systems, Inc. will provide two one-day training sessions for local education agencies and two one-day training sessions for state staff.

- Beginner Training, to be offered in the Fall of 2017, covers basic data entry and input and an overview of searches and reports. The focus is on application access information, navigation, input of key data fields for students, staff, classes, assessments, outcomes and demographics, as well as printing and exporting of data and reports. Basic federal and state requirements are discussed, primarily in relation to the population of state and federal tables and reports and the NRS and WIOA requirements.
- Intermediate/Advanced Training, to be offered in the Spring of 2018, delves further into searches, reports, diagnostics, and data analysis. The focus is on maximizing the availability and usage of data to improve program efficacy through data analysis.

All training will be offered at a site at times determined by the State Project Manager in cooperation with the Contractor Project Manager,

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PART 3 - EXHIBIT M
AGENCY RFP WITH ADDENDUMS, BY REFERENCE

LiteracyPro Systems, Inc. RFP 2017-047 NH Adult Education Data System dated May 17, 2017 is hereby incorporated by reference as fully set forth herein.

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PART 3 - EXHIBIT N
VENDOR PROPOSAL, BY REFERENCE

LiteracyPro Systems, Inc. Proposal to BAE-RFP 2017-047 NH Adult Education Data System dated May 17, 2017 is hereby incorporated by reference as fully set forth herein.

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PART 3 - EXHIBIT O
CERTIFICATES AND ATTACHMENTS

Attached are:

- A. Exhibit H Requirements – Attachment 1
- B. Contractor's Certificate of Good Standing
- C. Contractor's Certificate of Vote/Authority
- D. Contractor's Certificate of Insurance
- E. Vendor Proposal

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Table C-2 System Requirements

BUSINESS REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<i>General Requirements</i>					
B1.1	The Vendor shall provide a commercially available web-based off-the-shelf software solution that meets the minimum requirements listed below.	M	Yes	Standard	LACES is a web-based COTS system that will meet all mandatory requirements in this RFP, with the addition of specific customizations that are necessary to address some of the requirements, such as B1.5, which addresses SSO.
B1.2	The Vendor shall ensure that the Solution is NRS compliant.	M	Yes	Standard	LACES is the System of Record for the Workforce Innovation and Opportunity Act (WIOA) Title II National Reporting System (NRS) for 17 State Departments of Education, Labor, and Community College systems. These states undergo regular monitoring and audits from OCTAE to ensure their systems are in compliance with all federal regulations. LACES consistently meets or exceeds all expectations in OCTAE monitoring, and LACES has been recommended by OCTAE monitors to states that have been found to be non-compliant with their current systems. LACES meets all WIOA/NRS data requirements, including intake, testing and placement, enrollment, attendance, achievement, separation, tracking periods of participation, and reporting.

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B1.3	The Vendor shall perform updates to the Solution to address new or changing NRS compliance standards ensuring NRS compliance is not jeopardized.	M	Yes	Standard	Any and all changes to NRS policies, data collection, and/or NRS tables as a result of WIOA legislation or OCTAE requirements are included with any contract for LACES.
B1.4	The Vendor should ensure that the Solution tracks and reports on student performance and outcomes for all programs funded by the NH Bureau of Adult Education.	M	Yes	Standard	LPS is committed to maintaining the highest standards of data integrity. Functionality within the system - searches, edit checks, data entry rules, and diagnostic tools to analyze data - all work together to ensure the accuracy of required state and federal reports, while reducing the administrative workload required to generate them.
B1.5	The Vendor shall coordinate with the State Technical Lead to obtain specifications and implement the interface between the Solution and the NHDOE SSO System.	M	No	Custom	LACES already interfaces with an SSO provider for a current client. LPS will need to customize our SSO interface to work with NH's SSO. LPS shall coordinate with the State Technical Lead to configure LACES to be compliant with the NHDOE's SSO system by the date of deployment. This customization will be provided at no cost.

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B1.6	The Vendor shall employ checks and balances to maintain the integrity of the data to include at a minimum: data validations, exception reporting, discrepancy checks based on NRS and State policies.	M	Yes	Standard	LPS is committed to maintaining the highest standards of data integrity. Functionality within the system - searches, edit checks, data entry rules, and diagnostic tools to analyze data - all work together to ensure the accuracy of required state and federal reports, while reducing the administrative workload required to generate them. LACES contains numerous data checks, beginning with required fields at initial intake, to ensure that all information necessary for state and federal reports is accurate and complete, and diagnostic reports that alert the user to missing or inaccurate data.
B1.7	The Vendor shall provide training and documentation for the Solution.	M	Yes	Standard	LPS will design a NH DOE/BAE-specific training plan, including relevant documentation, for the LACES deployment. This plan will include training for both state and local program users.
B1.8	The Vendor shall provide operations and/or maintenance manuals, user guides and other applicable documentation to meet security and other DOIT regulations, policies and IT methodologies as appropriate.	M	Yes	Standard	LPS maintains a user guide and other security related documentation which LPS shall provide upon request.
B1.9	The Solution must provide a data dictionary that defines terms used in the Solution, describes the contents, format and structure of the Solution	M	Yes	Standard	LPS has and will provide a complete data dictionary.

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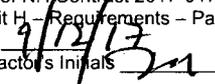
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	and the relationship between its elements.				
B1.10	The Solution must provide data exploration, dashboards and business intelligence tools for users at different authorization levels to access the flexibility and insight needed to support program improvement activities.	M	Yes	Standard	The LACES Dashboard features Key Performance Indicators (KPIs) and alerts that allow state and local providers to easily view, via graphical representation of the data, performance indicators known to be extremely important for data health.
B1.11	The Solution must be compliant with FERPA and ADA.	M	Yes	Standard	LACES is FERPA-compliant and contains fields for tracking consent to release student. In addition to SSL, LACES utilizes password protection to keep records from unauthorized users. Role-based security allows visibility of information at the field level. This functionality enables different roles to be created that can restrict viewing information within a record to users who are covered by releases obtained by the agency. LPS believes our application is ADA compliant, but to sure, LPS has contracted with a 3rd party vendor to perform accessibility testing on the LACES application. LPS shall remediate any accessibility issues found during testing of the current application and in any future version.
B1.12	The Solution must be accessible on the Internet using common web browser. At a minimum, it	M	Yes	Standard	LACES works with all major browsers, including Internet Explorer, Firefox, Chrome, and Safari.

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	must be accessible using IE10.				
System Function Requirements					
B2.1	The Solution must provide a method for entering basic information about individuals who enter an adult education program. It consists of a single data entry screen to capture: Student name, a unique ID# that is not a Social Security number, DOB, ethnicity, gender, address, home phone, mobile phone, email address and other student specific attributes defined by NRS or the State. Individual student records should also include country of origin and referral source. As specified in the data dictionary, and business rules sections, data entry validation checks will prevent entry of erroneous and improperly formatted data.	M	Yes	Standard	LACES has a Student Intake screen that allows users to enter basic information about students entering their program. This screen includes name, system-generated ID number, date of birth, ethnicity, gender, address, phone number(s), and email. Student records also contain fields for many other data elements including birthplace, and referral source. LACES contains numerous data checks, beginning with required fields at initial intake, to ensure that information entered into LACES is properly formatted and complete.

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B2.2	The Solution must provide the following functions: Student Lookup, New Student Entry, Update Student Entry	M	Yes	Standard	LACES has student intake screens for entering new students. LACES collects and reports on a wide range of data, including demographics, attendance, assessments, and goals/achievements, all of which are searchable and reportable at the state, local program, class, and individual student level. Users can easily search LACES to locate student data, including demographic information, assessment and attendance history, and outcomes, edit functionality, and robust search and reporting functionality for student lookup.
B2.3	The Solution must provide a method for entering individual characteristics required for NRS including, but not limited to: employment status, highest degree or level of school completed, whether education was US-based or non-US-based, program type participation and institutional program participation.	M	Yes	Standard	LACES users can enter and track all NRS-required data elements, including employment status, highest degree or level of school completed, whether education is U.S.-based or non-U.S.-based, program type, program type participation and institutional program participation.

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B2.4	The Solution must provide a method for entering individual characteristics required for WIOA Statewide and Local Performance Reports including, but not limited to displaced homemakers, English language learners including low levels of literacy and cultural barriers, those exhausting TANF within 2 years, ex-offenders, homeless individuals, long-term unemployed, low-income individuals, migrant and seasonal farmworkers, individuals with disabilities, single parents and youth in foster care or aged out of the system. These need to be associated with a specific period of participation.	M	Yes	Standard	LACES users can enter and track all WIOA-required data elements required for WIOA Statewide and Local Performance Reports, including all barriers to employment (cultural barriers, disabled, displaced homemakers, economic disadvantage, English language learner, ex-offenders, exhausting TANF within 2 years, foster care youth, homeless, long term unemployed, low literacy levels, migrant farmworker, seasonal farmworker, single parent or guardian) all associated with a specific period of participation.
B2.5	The Solution must provide a method for counting the number of individuals receiving career services and training services as defined on the WIOA	M	Yes	Standard	Classes may be created with the program 'Career Services' or 'Training Services' and any student enrolled in that class may be counted as receiving career and training services on the WIOA Statewide and Local Performance Report.

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	Statewide and Local Performance Report.				
B2.6	The Solution must provide a method for entering, updating and tracking co-enrollment in other core WIOA programs including dates of participation, whether a release of information is on file and a place to enter comments.	M	Yes	Standard	LACES tracks student enrollment/withdrawal, including dates of entry into/exit from programs. This can be tracked through Student Enrollment Program History and Overall Status History. The student record has a field to indicate data sharing, as well as allowing document upload. Comments may be entered in the student record.
B2.7	The Solution must provide a method for entering and updating adult education staff and volunteer information including employment status, program(s) of employment, job function, courses/classes taught, certifications held, professional development hours and number of years of teaching experience.	M	Yes	Standard	LACES tracks staff and volunteer information, including employment status, program, job title, class/course assignments, certifications, professional development hours, and number of years of teaching experience.
B2.8	The Solution must allow for a student to be enrolled at more than one local education center as well as	M	Yes	Standard	Students tracked by LACES can be enrolled in multiple education centers and/or multiple programs within a specific center.

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	in more than one program at each center.				
B2.9	The Solution must provide a method for program directors to "certify" data on at least a quarterly basis.	M	Yes	Standard	At the agency level, program directors can generate reports for individual program/agency data, or individual site/class/student data. LACES provides built-in reports at the Student, Class, and Staff (Teacher) areas covering broad domains of assessments, attendance, goals, and demographic information. Users are able to run the reports on individual students, class data, all fiscal year students, and other subsets and selections, on a quarterly basis or by a custom date range. LACES also provides robust user-defined, customizable searching capabilities, as well as several diagnostic searches that focus on missing data and data quality.
B2.10	The Solution should be able to import assessment data from TABE, CASAS and HiSET with the potential for additional imports in the future.	P	Yes	Standard	LACES accepts assessment data via CSV import for GED, HiSET, TASC, TABE, and CASAS.
B2.11	The Solution should use audit columns on principal entities such as participant information especially contact information as a business rule for exit from the program.	P	Yes	Standard	LACES is WIOA compliant, including all business rules pertaining to exiting the program.

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B2.12	The Solution should include customizable fields or columns in a variety of areas to allow users to configure to handle state/local data not otherwise included in the Solution.	P	Yes	Standard	LACES has many drop-down lists that can be customized at the State or agency level to allow for tracking of data elements required by BAE and/or important to local programs. LACES also provides 8 additional fields in the student record that may be used to track custom client data.
Reporting Requirements					
B3.1	The Solution must produce NRS Tables that can be run for particular date ranges, student demographics, type of program, outcomes and program location. Tables should also provide a method for verifying, cross-referencing or validating data such as being able to view the data used to populate the report. See NRS Reporting Tables at http://www.nrsweb.org/foundations/tables.aspx	M	Yes	Standard	LACES generates all NRS reports and populates them with students who meet the federal requirements for each table. Users can click into each cell of the table and view the list of students populating that cell. This format allows for cross-referencing, verification, and validation of the table data.
B3.2	The Solution must produce data required for WIOA Statewide and Local Performance Report. See	M	Yes	Standard	LACES generates all WIOA NRS tables. Currently, LACES collects data to produce the "Statewide and Local Performance Report," and will be available in a drill-down format by mid-July.

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	WIOA Common Performance Reporting at: http://www.nrsweb.org/foundations/tables.aspx				
B3.3	The Solution must produce, at a minimum, the local and state reports as described in Section A - 1.3.4.	M	Yes	Standard	LACES generates all NRS reports. LACES also currently generates over 200 reports – including student performance, assessments, hours, and EFL gains - and can be viewed by both local users as well as by state users and downloaded in PDF and CSV format. LACES provides robust user-defined, customizable searching capabilities, as well as several diagnostic searches that focus on missing data and data quality.
B3.4	The Solution must provide options for users to print and/or export reports to PDF, Excel and other standard file formats, particularly ones that might be used for data matching with state and/or interstate wage systems.	M	Yes	Standard	LACES allows reports to be downloaded in Excel, and PDF and CSV format. Data can be exported from all top-level grids and individual panels within a record in CSV format. Current LACES clients export data from LACES for data matching.
B3.5	The Solution must provide options for state administration to create and run ad hoc reports and/or queries.	M	Yes	Standard	Search results and custom views can be exported in CSV format, allowing for ad hoc report creation.

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B3.6	The Solution must provide annual Report Cards in accordance with guidance provided by NRS at: http://www.nrsweb.org/trainings/2007%20Report%20Card/DevelopingReportCards2007.pdf	M	Yes	Standard	LACES already provides dashboards, graphic reports, searches and views which will produce data reflected in the 2007 NRS Annual Report Card document on the NRS website. If NH requires this information be presented per the layout in the "Program Report Card" sample provided by the state, LPS shall do so at no charge.
B3.7	The Solution should provide the ability to run mailing labels and create email distribution lists by local education center or program for staff and students.	M	Yes	Standard	LACES generates mailing label reports, and users can create email distribution lists for any population/program by using views at the top-level grids.
B3.8	The Solution should provide the ability to print transcripts.	P	Yes	Standard	LACES generates a transcript report that may be downloaded and printed.
<i>Program Accountability (Outcome Measurement) Requirements</i>					
B4.1	The Solution must allow for entering, updating and removing student outcomes for employment, wages, credential attainment and entry into postsecondary education as well as any	M	Yes	Standard	LACES users with appropriate permissions can enter, edit, and delete student outcomes for employment, wages, credential attainment, and entry into post-secondary education, and any other WIOA/NRS performance indicators.

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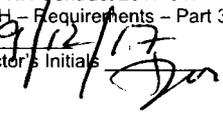
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	other WIOA or NRS performance indicators.				
B4.2	The Solution must allow for measuring multiple outcomes in each period of participation.	M	Yes	Standard	LACES tracks all measurable skill gains related to NRS table 4 for each period of participation.
B4.3	The Solution must count performance indicators in accordance with WIOA rules, including handling more than one indicator in a period of participation.	M	Yes	Standard	LACES tracks multiple outcomes in each period of participation and reports the appropriate outcome on Table 5 as per WIOA rules.
B4.4	The Solution must count measurable skills gain in accordance with WIOA rules including handling when more than one gain occurs during a period of participation.	M	Yes	Standard	LACES tracks multiple measurable skill gains in each period of participation and reports the appropriate gain in Table 4 per WIOA rules.
B4.5	The Solution must provide data matching without using social security numbers with the National Student Clearinghouse as one method of verification of entry into postsecondary education or provide the	M	Yes	Standard	LACES provides secondary school diploma and postsecondary importing on either social security number or the system-generated student ID number.

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	appropriate interface for the state to do so.				
B4.6	The Solution must be able to produce reports to be submitted manually or electronically to state WIOA partners that includes the information required for the Statewide Performance Report.	M	Yes	Standard	LACES reports may be downloaded as PDF or CSV format and saved to the local computer for submitting electronically or manually to state WIOA partners. Currently, LACES collects data to produce the "Statewide and Local Performance Report," and will be available in a drill-down format by mid-July.
<i>Follow Up via Survey Requirements</i>					
B5.1	The Solution must provide the user with the ability to manage follow up surveys for all participants including reminders of when follow up needs to occur and which performance indicators need to be measured and entered.	M	Yes	Standard	LACES contains searches to find students who are eligible for employment follow-up, and an All Followup Outcomes grid that can be used for managing follow-up surveys.
B5.2	Solution must provide the ability to view contact information, outcomes needing surveying as well as being able to enter, update and remove the	M	Yes	Standard	The All Followup Outcomes grid displays all outcomes. This grid may be filtered to display outcomes that require followup. Student contact information may be displayed alongside each outcome on the grid. To track method of contact, response, and followup date for each outcome, the

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	method of contact, response and date for each outcome.				user may enter this information in the Comments section of the student record.
B5.3	The Solution should function to import a data match file for follow up purposes in addition to the ability to enter information manually. The system must have a mechanism in place to validate match information and save in the student records database.	M	Yes	Standard	Followup outcome measures may be updated manually in the student record or data matched. Data matching can be accomplished via a combination of CSV export and import. Imports for employment outcomes, secondary school diplomas (GED, TASC, HiSET) and entry into Postsecondary education or training are available at the state agency level. Import records that contain invalid data are not processed or saved in the student record, and an error log is provided to the user.

Contact Hour Requirements

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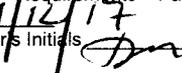
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B6.1	The Solution must provide functions for entering and updating student attendance hours. It should consist of a screen that includes the student's attendance history during the current period of participation, the ability to select, add, update and remove attendance hours. For each entry, the user should be able to add the number of contact hours, and a comment as well as distinguish between distance learning hours and face-to-face hours.	M	Yes	Standard	Student attendance can be entered into LACES by hours, courses, or by time period (day/week/month).
B6.2	The Solution must include the ability to review past attendance hours for previous periods of participation in the program year. Only the state administrator should have the ability to add, update and remove records from previous participation periods.	M	No	Future	All attendance hours are always viewable by the user in the student record and the total attendance hours in a period of participation are viewable on the PoP Summary/Measurable Outcomes grid. Ability to add, update, or remove hours records may be controlled by role, however, this would apply to all periods of participation, and not a particular date range.

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B6.3	Fields in the Solution should be validated consistent with format and ranges specified in the data dictionary and according to the business rules specified.	M	Yes	Standard	LACES enforces consistent formats across dates, phone numbers, social security numbers, and other data types as appropriate. Range validation is also enforced for all numeric and date fields.
B6.4	The Solution must include course information such as start and end dates, days of the week, hours per week, instructor with optional fields for other information such as credit, location, etc.	M	Yes	Standard	Class records contain fields for entering start and end dates, meeting days and times, hours per week, as location, as well as other fields for tracking course and class data. Class enrollment records contain fields for entering credit, grades, IET, fees, and other fields related to the student's enrollment in the class or course.
Assessment Requirements					
B7.1	The Solution must provide the user with the ability to manage assessments including entering, updating and removing assessment scores. Assessment scores must include the type, content area and form to ensure NRS compliance. Only approved NRS assessments are allowable.	M	Yes	Standard	LACES users with appropriate permissions can enter, edit, and delete assessment scores. Assessment data includes the type of assessment, content area, and form. All NRS-approved assessments are contained within LACES.

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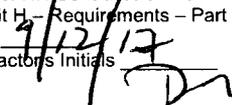
B7.2	The Solution must provide a reminder when a student has received the recommended number of hours of instruction for post-testing.	M	Yes	Standard	LACES has a dashboard alert that indicates if a student has been in the system for [x] hours without assessment, with the [x] variable able to be set by the program, as well as indicators for students exceeding the minimum required hours between assessments based on state policy, and the students exceeding the minimum required hours between assessments based on state policy broken down by entry EFL.
B7.3	The Solution must allow for the entry of Carnegie credits for the establishment of an Educational Functioning Level in accordance with the NH Data and Assessment Policy in Attachment 2.	M	Yes	Standard	Students can complete ABE L5 by earning enough Carnegie credits to move to ABE L6 according to state rule, by indicating the date the required number of credits was met. Earned credits may be entered on the student enrollment record.
B7.4	The Solution should calculate the EFL automatically in accordance with the NRS Testing Benchmarks found in the NH Data and Assessment Policy in Attachment 3.	M	Yes	Standard	Student assessment data is automatically cross-walked so that the EFLs are populated by LACES based on the entered scaled score or GLE, reducing the possibility of errors when entering the EFLs.

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Business & Validation Rules

B8.1	The Solution must be able to validate data when entered by an individual user or imported from another source, such as data matching.	M	Yes	Standard	All LACES data, whether entered through the UI, or imported, goes through the same validation and business rule processing.
B8.2	For Ethnicity values, the system will allow entry only of standard NRS ethnicity codes.	M	Yes	Standard	LACES limits entry of ethnicity to federally approved ethnicity values.
B8.3	For Dates of Birth, the system will assure proper formatting, reasonable ranges and appropriate student ages. Students must be 16 years of age or older. There must be a method of filtering out students who are still enrolled in a regular high school versus those only enrolled in the adult education program.	M	Yes	Standard	LACES validates birthdates to a reasonable range, and can be configured to enforce a minimum age. To indicate that a student is still enrolled in regular high school, the user may enter a value in the student field 'Current School Attending.' This field may be displayed and used as a filter on the student grid.
B8.4	The format of enrollment data will be validated. The date of enrollment cannot be before the intake date.	M	Yes	Standard	Data validation will prevent the entering of enrollment dates prior to intake dates.
B8.5	Assessment scores must be within range for the test and form administered.	M	Yes	Standard	LACES validates all assessment scores according to the NRS Benchmarks.

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B8.6	Students must be pre-tested prior to receiving 12 contact hours.	M	No	Future	LACES has a business rules engine that would allow creation of a business rule to enforce this constraint. This rule does not currently exist. LPS interprets this as hours greater than 11.99 cannot be added in the program year until the student has been pretested. LPS shall code this change at no cost by the time of deployment.
B8.7	Post testing scores should be at a minimum, after the publishers' recommended number of hours of instruction. In the case of an exception, the user must be able to add a comment or choose from a list of reasons.	M	No	Future	LACES has a dashboard alert that indicates if a student has enough hours, based on the manufacturer's recommended number of hours, to be post tested. LACES has a business rules engine that would allow creation of a business rule to enforce the minimum number of hours before posttest and an exception list. LACES has the flexibility to do this, but this appears to be in conflict with NRS policy. For that reason, LPS respectfully recommends against this functionality. However, if it is a requirement, LPS will code this modification at no cost by the time of deployment.
B8.8	Assessments and forms must be appropriate for the program type.	M	Yes	Standard	The list of available assessments can be easily configured to display the appropriate assessments and forms based on state assessment policy.
B8.9	The pre-test and post-test forms must be different.	M	Yes	Standard	LPS has created this functionality for other state clients and we can easily implement the business rules for NH BAE to ensure that assessments must use alternating forms for all assessment instruments based on state assessment policy.
B8.10	Contact hours for a student may not exceed the contact hours for the class during	M	No	Future	LACES has a business rules engine that would allow creation of a business rule to enforce this constraint. This rule does not currently exist. LPS interprets this

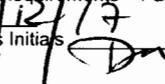
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	the same period.				as a required field in the class record that indicates the max number of contact hours for the class. The total sum of all contact hours for a student in the class would be validated against this value. This shall be released by September 2017.
B8.11	Students are separated from a program 90 days after their last service was provided. The Solution must provide a reminder or trigger and a list of students who have not received services for 90 days.	M	Yes	Standard	LACES has a dashboard alert that indicate if a student has been in the system for [x] days without hours, and a dashboard alert that indicates enrolled students with no hours in [x] days, by current EFL. A left date based on the last hours date will populate for student who have not gotten hours within 90 days.
B8.12	WIOA reporting rules will determine how students are counted. Periods of participation are governed by WIOA guidelines.	M	Yes	Standard	LACES calculates periods of participation based strictly on WIOA/NRS rules. A period of participation begins when a student enters the program and has activity, and ends when the student leaves, or does not have additional activity 90+ days after the last activity date. A student must have at least one period of participation in the program year in order to count on ANY NRS table.

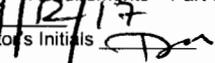
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APPLICATION REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
GENERAL SPECIFICATIONS					
A1.1	Ability to access data using open standards access protocol (please specify supported versions in the comments field).	M	Yes	Standard	LPS supports a limited RESTful web service API which allows secure access to client data using JSON or XML formats.
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	Yes	Standard	LACES data may be exported in CSV, and PDF formats, depending on the particular location.

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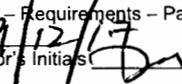
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A1.3	Web-based compatible and in conformance with W3C standards: such as HTML5, CSS 2.1, XML 1.1 (please list standards/versions in comments)	M	Yes	Standard	The LACES presentation layer was rewritten over the last three years in order to comply with latest web standards, using HTML5, CSS 3 and JavaScript 5.1. Only features which are supported by all modern browsers are used.
APPLICATION SECURITY					
A2.1	Verify the identity or authenticate all the system client applications before allowing use of the system to prevent access to inappropriate or confidential data or services.	M	Yes	Standard	All applications that access any component of LACES that involves reading or updating of client data are authenticated and authorized by a username/password combination.
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	Yes	Standard	All human users that access any component of LACES that involves reading or updating of client data are authenticated and authorized by a username/password combination.
A2.3	Enforce unique user names.	M	Yes	Standard	LACES enforces unique user names upon account creation, as well as at the database level through a unique constraint.
A2.4	Enforce complex passwords for Administrator Accounts in accordance with DoIT's statewide <i>User Account and Password Policy, available upon request.</i>	M	Yes	Standard	Password complexity may be configured to require a minimum length, mixed case, numeric and special requirements. LPS shall require Administrator accounts to comply with that policy if more restrictive than the LPS default policy.

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A2.5	Enforce the use of complex passwords for general users using capital letters, numbers and special characters in accordance with DoIT's statewide User Account and Password Policy.	M	Yes	Standard	Password complexity may be configured to require a minimum length, mixed case, numeric and special requirements. By default, the system requires a minimum complexity. Clients may choose to configure a different complexity if their state policy is different than our default policy. However, it is understood that the State wants to use SSO, in which case the State will control password complexity for users of the LACES application.
A2.6	Encrypt passwords in transmission and at rest within the database.	M	Yes	Standard	All passwords are encrypted between browser and server, and are also encrypted when stored in the database.
A2.7	Establish ability to expire passwords after a definite period of time in accordance with DoIT's statewide User Account and Password Policy	M	Yes	Standard	Passwords may be set to expire after a configurable amount of time per client.
A2.8	Provide the ability to limit the number of people that can grant or change authorizations	M	Yes	Standard	Only users with role Agency System Administrator may create user accounts and assign rolcs.
A2.9	Establish ability to enforce session timeouts during periods of inactivity.	M	Yes	Standard	LACES sessions time out after 45 minutes of inactivity.
A2.10	The application shall not store authentication credentials or sensitive data in its code.	M	Yes	Standard	LPS coding standards prohibit the storage of authentication credentials or sensitive data in its code.
A2.11	Log all attempted accesses that fail identification, authentication	M	Yes	Standard	All failed identification, authentication and authorization attempts are logged by the

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	and authorization requirements.				application.
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	No	Future	LACES logs all activities related to security management to a central database. LPS is planning to enhance LACES to track changes made to all entities in the system to the field level, to be released at the end of December 2017.
A2.13	All access to Windows Server Event Logs must be limited to authorized administrators. They must be included in the server daily backup, sent to a centralized log server for retention and backup and retain a minimum of two (2) days of events.	M	Yes	Standard	Windows server event logs can only be accessed by authorized administrator, are backed up daily, and retained for 30 days.
A2.14	The application must allow a human user to explicitly terminate a session. No remnants of the prior session should then remain.	M	Yes	Standard	The user must log out to terminate the session, otherwise the session will expire after 45 minutes.
A2.15	The Software, System and Services provided are not to be used for anything other than the purpose for which it was created.	M	Yes	Standard	LACES is intended to only be used for student management. Any other use is a violation of the Services agreement.
A2.16	The application Data shall be protected from unauthorized use when at rest, such as limited authorized physical access, data encryption etc.	M	Yes	Standard	Data at rest is protected from unauthorized usage by strict physical controls enforced by ViaWest, and by encrypting all backups.

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A2.17	The application shall keep any sensitive Data or communications private from unauthorized individuals and programs.	M	Yes	Standard	All communication of sensitive data between server and client browser is encrypted over the HTTPS channel. In addition, LACES comprehensive role based security with access control to the field level allows tailoring of what each user is able to do.
A2.18	Subsequent application enhancements or upgrades shall not remove or degrade security requirements	M	Yes	Standard	LPS is always looking to enhance security requirements with each new release, and not remove or degrade in any way. Testing of each new release ensures that security controls are still operational.
A2.19	Utilize change management documentation and procedures	M	Yes	Standard	LPS will employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the state while the migration is underway, as well as to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

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A2.20	Web Services : The service provider shall use Web services exclusively to interface with the State's data in near real time when possible. For example, the State's myNHDOE SSO login and authentication services.	M	Yes	Standard	LPS shall use Web services to interface with the State's myNHDOE SSO login and authentication services.
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TESTING					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
SECURITY TESTING					
T1.1	All components of the Software shall be reviewed and tested to ensure they protect the State's web site and its related Data assets.	M	Yes	Standard	ViaWest has a dual-standard SSAE 16 and ISAE 3402 Service Organization Control (SOC) 1 Type II, SOC 2 Type II, and SOC 3 reports covering each of ViaWest's data centers to include operations, policies and procedures, and physical and environmental security controls. ViaWest conducts random testing throughout the year. LPS thoroughly tests each new software release and verifies that confidential data is protected as designed.

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T1.2	The Vendor shall be responsible for providing documentation of security testing, as appropriate. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability.	M	Yes	Standard	ViaWest provides the results of security audits to LPS on a yearly basis. LPS shall provide documentation of its security testing, as appropriate.
T1.3	Provide evidence that supports the fact that Identification and Authentication testing has been recently accomplished; supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users	M	Yes	Standard	LPS tests identification and authentication components of the LACES application with each release.
T1.4	Test for Access Control; supports the management of permissions for logging onto a computer or network	M	Yes	Standard	Computer and network components management by ViaWest undergo yearly audits as well as random testing.
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	Yes	Standard	On a quarterly basis, LPS tests the restore of encrypted backups, verifying they cannot be restored to a machine without proper keys, and that they can be restored to a machine with proper keys.
T1.6	Test the Intrusion Detection; supports the detection of illegal	M	Yes	Standard	LPS uses a firewall with IDPS capability, with all events routed to key personnel at

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	entrance into a computer system				LiteracyPro. LPS has the systems penetration tested once a year by a third party.
T1.7	Test the Verification feature; supports the confirmation of authority to enter a computer system, application or network	M	Yes	Standard	LPS tests security components with each release including verification to enter the LACES application.
T1.8	Test the User Management feature; supports the administration of computer, application and network accounts within an organization.	M	Yes	Standard	LACES user account management is tested prior to each new release to ensure that users are restricted to specific functions or are limited in the data that is available to them.
T1.9	Test Role/Privilege Management; supports the granting of abilities to users or groups of users of a computer, application or network	M	Yes	Standard	LACES User account management is tested prior to each new release to ensure that users are restricted to specific functions or are limited in the data that is available to them.
T1.10	Test Audit Trail Capture and Analysis; supports the identification and monitoring of activities within an application or system	M	Yes	Standard	LACES auditing features are tested with each new release.
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	Yes	Standard	LPS conducts vulnerability testing on each new release using the OWASP ZAP tool. In addition, a third-party conducts vulnerability scanning and penetration testing on LPS network infrastructure and the LACES web application on a yearly basis.

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T.1.12	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	Yes	Standard	LPS conducts vulnerability testing on each new release using the OWASP ZAP tool. In addition, a third-party conducts vulnerability scanning and penetration testing on LPS network infrastructure and the LACES web application on a yearly basis, which covers the OWASP top ten plus more.
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	Yes	Standard	LPS shall provide the State with results from its internal vulnerability scans and pen tests, as well as third party vulnerability scanning and pen test results.
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	Yes	Standard	LPS shall provide results of security testing to the DOIT prior to the statewide deployment of LACES.

STANDARD TESTING

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T2.1	The Vendor must test the software and the system using an industry standard and State approved testing methodology as more fully described in Appendix G 1.2.	M	Yes	Standard	LPS fully tests each release prior to deployment. Unit, system integration, and regression testing methods are standard testing levels used prior to release. User acceptance testing is done for all state customizations prior to deployment.
T2.2	The Vendor must perform application stress testing and tuning as more fully described in Appendix G-1.2.	M	Yes	Standard	As an alternative, LPS proposes following its current methodology for tuning the system. The LACES application is a mature application with a long history of performance data. With each new monthly incremental release, each change undergoes peer code review, for which performance is always a consideration. After every new release, system performance is closely followed for a week, and any decrease in performance metrics is analyzed and fixed. Tuning the system is an ongoing process. Our DBA provides us with the top ten most resource intensive queries. The queries are analyzed and are targeted for optimization.
T2.3	Vendor shall provide documented procedure for migrating application modifications from the User Acceptance Test Environment to the Production Environment.	M	Yes	Standard	LPS shall provide documentation on the procedure for migrating application changes from QA staging environment to production.
T2.4	The vendor must define and test disaster recovery procedures.	M	Yes	Standard	LPS commits to tabletop testing of its disaster recovery procedures on an annual basis.

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HOSTING-CLOUD REQUIREMENTS

State Requirements					
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
OPERATIONS					
H1.1	Vendor shall provide an ANSI/TIA-942 Tier 3 Data Center or equivalent. A tier 3 data center requires 1) Multiple independent distribution paths serving the IT equipment. 2) All IT equipment must be dual-powered and fully compatible with the topology of a site's architecture and 3) Concurrently maintainable site infrastructure with expected availability of 99.982%	M	Yes	Standard	The data center hosting our servers at ViaWest is not officially rated Tier 3, but ViaWest confirms that it meets the three requirements listed.
H1.2	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	Yes	Standard	ViaWest has a dual-standard SSAE 16 and ISAE 3402 Service Organization Control (SOC) 1 Type II, SOC 2 Type II, and SOC 3 reports covering each of ViaWest's data centers to include operations, policies and procedures, and physical and environmental security controls. LPS provides additional logical security controls in its application including role based permissions for users.

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H1.3	The Data Center must be physically secured – restricted access to the site to personnel with controls such as biometric, badge, and others security solutions. Policies for granting access must be in place and followed. Access shall only be granted to those with a need to perform tasks in the Data Center.	M	Yes	Standard	ViaWest maintains a Physical Security program that consists of multiple systems and procedures. All ViaWest facilities have video surveillance, monitoring, dual-factor access controls and staff performing recurring walkthroughs or rounds at each data center.
H1.4	Vendor shall install and update all server patches, updates, and other utilities within 60 days of release from the manufacturer.	M	Yes	Standard	Windows Servers managed by ViaWest have patches and updates applied monthly as recommended by Microsoft. Software installed by LPS is kept up to date especially with respect to known security vulnerabilities.
H1.5	Vendor shall monitor System, security, and application logs.	M	Yes	Standard	LPS and ViaWest shall monitor system, security and application logs.
H1.6	Vendor shall manage the sharing of data resources.	M	Yes	Standard	LPS in concert with ViaWest manages the sharing of data resources. LPS does not share data with any third parties.
H1.7	Vendor shall manage daily backups, off-site data storage, and restore operations.	M	Yes	Standard	Hosting provider ViaWest manages the daily backups and off-site storage. Restore operations may be managed jointly by ViaWest and LPS.
H1.8	The Vendor shall monitor physical hardware.	M	Yes	Standard	ViaWest monitors physical hardware supporting its cloud environment on a continuous basis.

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H1.9	Remote access shall be customized to the State's business application. In instances where the State requires access to the application or server resources not in the DMZ, the Vendor shall provide remote desktop connection to the server through secure protocols such as a Virtual Private Network (VPN).	M	Yes	Standard	LPS interprets this as a request for access to our internal network to perform activity such as a vulnerability scan and agrees to such access.
H1.10	The Vendor shall report any breach in security in conformance with State of NH RSA 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	Yes	Standard	LPS maintains an incident response plan and shall report any breaches per State of NH RSA 359-C:20.
DISASTER RECOVERY					

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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.	M	Yes	Standard	LPS has a disaster recovery plan in place that addresses risks. The LACES application relies on multiple systems made up of software and hardware components that are replicated to mitigate risks of a failure of one or more of these components. We regularly review recovery plans, conduct tests, and monitor all components and possible threats to ensure continuity of service.
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	Yes	Standard	The LPS disaster recovery plan identifies ViaWest as the responsible party to provide replacement hardware in event of failure, whether component level or involving loss of the primary data center.
H2.3	Vendor shall adhere to a defined and documented back-up schedule and procedure.	M	Yes	Standard	ViaWest adheres to a backup policy defined by LPS. ViaWest maintains documentation on its procedures.
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	Yes	Standard	Back-up copies are made for the purpose of restoring data in event of loss or system failure.

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H2.5	Scheduled backups of all servers must be completed regularly. The minimum acceptable frequency is differential backup daily, and complete backup weekly.	M	Yes	Standard	Backups are performed on a daily basis. Full database backups occur nightly as well.
H2.6	Tapes or other back-up media tapes must be securely transferred from the site to another secure location to avoid complete data loss with the loss of a facility.	M	Yes	Standard	Backups are transferred from Denver to Utah on a weekly basis with a 30-day offsite retention.
H2.7	Data recovery – In the event that recovery back to the last backup is not sufficient to recover State Data, the Vendor shall employ the use of database logs in addition to backup media in the restoration of the database(s) to afford a much closer to real-time recovery. To do this, logs must be moved off the volume containing the database with a frequency to match the business needs.	M	Yes	Standard	SQL Server transaction log backups occur on a 15-minute interval, and are stored on a separate volume from the data or log files. In addition, they are copied to another server in a SQL Server log shipping configuration.
HOSTING SECURITY					
H3.1	The Vendor shall employ security measures ensure that the State's application and data is protected.	M	Yes	Standard	Between ViaWest and LPS many physical and logical security controls are in place to protect the application and the State's data.
H3.2	If State data is hosted on multiple servers, data exchanges between and among servers must be encrypted.	M	Yes	Standard	The data is stored on one database server and backups are encrypted before being sent offsite for retention.
H3.3	All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and	M	Yes	Standard	The servers hosted at ViaWest are currently-supported versions with anti-malware software installed and kept up to date. The IDPS firewall is configured to only open ports that are

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	anti-malware utilities. The environment, as a whole, shall have aggressive intrusion-detection and firewall protection.				absolutely necessary.
H3.4	All components of the infrastructure shall be reviewed and tested to ensure they protect the State's hardware, software, and its related data assets. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide confidentiality, integrity and availability.	M	Yes	Standard	ViaWest has a dual-standard SSAE 16 and ISAE 3402 Service Organization Control (SOC) 1 Type II, SOC 2 Type II, and SOC 3 reports covering each of ViaWest's data centers to include operations, policies and procedures, and physical and environmental security controls. LPS has a third-party conduct vulnerability scans and penetration testing on its LACES web application on a yearly basis.
H3.5	The Vendor shall ensure its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.	M	Yes	Standard	LPS agrees to cooperate completely with the State's CIO.
H3.6	The Vendor shall authorize the State to perform scheduled and random security audits, including vulnerability assessments, of the Vendor' hosting infrastructure and/or the application upon request.	M	Yes	Standard	LPS authorizes the State to perform scheduled and random security audits upon request.
H3.7	All servers and devices must have event logging enabled. Logs must be protected with access limited to only authorized administrators. Logs shall include System, Application, Web and Database logs.	M	Yes	Standard	Event logging is enabled on all servers and can only be accessed by authorized administrators.
H3.8	Operating Systems (OS) and Databases (DB) shall be built and hardened in	M	Yes	Standard	LPS is aware of NIST recommendations regarding OS and DB hardening and follows

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	accordance with guidelines set forth by CIS, NIST or NSA				those guidelines in its practices.
H3.9	The Vendor shall notify the State's Project Manager of any security breaches within two (2) hours of the time that the Vendor learns of their occurrence.	M	Yes	Standard	LPS shall notify the state's Project Manager within 2 hours of any security breach.
H3.10	The Vendor shall be solely liable for costs associated with any breach of State data housed at their location(s) including but not limited to notification and any damages assessed by the courts.	M	Yes	Standard	Specific details to be finalized in the contract with NH.
SERVICE LEVEL AGREEMENT					
H4.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	Yes	Standard	LPS shall provide support and maintenance for the duration of the contract.
H4.2	The vendor shall maintain the hardware and Software in accordance with the specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required.	M	Yes	Standard	LPS shall provide upgrades and fixes as required per the contract.
H4.3	The vendor shall repair or replace the hardware or software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	Yes	Standard	LPS shall repair or replace hardware/software as necessary so system operates per the contract.

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H4.4	All hardware and software components of the Vendor hosting infrastructure shall be fully supported by their respective manufacturers at all times. All critical patches for operating systems, databases, web services, etc., shall be applied within sixty (60) days of release by their respective manufacturers.		Yes	Standard	All critical patches are generally applied within 30 days of their release, or sooner.
H4.5	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff between the hours of 8:30am to 5:00pm- Monday thru Friday EST.	M	Yes	Standard	This is standard LPS support.
H4.6	The Vendor shall conform to the specific deficiency class as described: <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. 	M	Yes	Standard	LPS classifies all issues as critical, important/no workaround, important/workaround, and minimal.

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	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.				
H4.7	As part of the maintenance agreement, ongoing 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	M	Yes	Standard	LPS responds to all requests within 4 business hours via email or telephone. Exact response times will be finalized in the contract.

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	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;				
H4.8	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	Yes	Standard	The hosting server is available 24 hours a day 7 days a week except for scheduled maintenance windows which occur on Friday or Saturday evenings periodically.
H4.9	A regularly scheduled maintenance window shall be identified (such as weekly, monthly, or quarterly) at which time all relevant server patches and application upgrades shall be applied.	M	Yes	Standard	Server patches are scheduled monthly for the weekend following release by Microsoft. LACES updates are scheduled monthly on Friday evenings per the release schedule.
H4.10	If The Vendor is unable to meet the 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 Not Provided. The State must request this credit in writing.	M	Yes	Standard	LPS agrees to credit the State's account per the contract, if awarded to LPS.
H4.11	The Vendor shall use a change management policy for notification and	M	Yes	Standard	At the beginning of each phase of the project, deliverables are clearly defined. LPS employs

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	tracking of change requests as well as critical outages.				change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State, as well as to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.
H4.12	A critical outage will be designated when a business function cannot be met by a nonperforming application and there is no work around to the problem.	M	Yes	Standard	LPS agrees to this definition of critical outage.
H4.13	The Vendor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly on the following: Server up-time; All change requests implemented, including operating system patches; All critical outages reported including actual issue and resolution; Number of deficiencies reported by class with initial response time as well as time to close.	M	Yes	Standard	LPS agrees to maintain records on the listed activities and report to the State on a quarterly basis.
H4.14	The Vendor will give two-business days prior notification to the State Project Manager of all changes/updates and provide the State with training due to the upgrades and changes.	M	Yes	Standard	A post login message displays for all users prior to a release, indicating the date of the release and an overview of what will be in the release. Release notes that explain all changes made to the application are provided on the LACES User News page. If the state wishes additional training after a release, this will be provided at an additional cost.

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SUPPORT & MAINTENANCE REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
SUPPORT & MAINTENANCE REQUIREMENTS					
S1.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	Yes	Standard	LPS shall provide support and maintenance for the duration of the contract.
S1.2	Maintain the hardware and Software in accordance with the Specifications, terms, and requirements of the Contract, including providing upgrades and fixes as required.	M	Yes	Standard	LPS shall maintain hardware and software in accordance with the specifications, terms, and requirements of the contract, including providing upgrades and fixes as required.
S1.3	Repair Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	Yes	Standard	LPS shall repair software in accordance with the specifications, terms, and requirements of the contract.

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S1.4	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff between the hours of 8:30am to 5:00pm- Monday thru Friday EST;	M	Yes	Standard	BAE state staff and local program users have unlimited access to our Support Team via our dedicated telephone number, email, or our tech support form. Tech support staff is available during business hours and typically respond to all queries submitted within 24 hours. Most issues are addressed within one business day.
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S1.5	<p>The Vendor response time for support shall conform to the specific deficiency class as described below or as agreed to by the parties:</p> <p>1) 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.</p> <p>2) 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.</p> <p>3) 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>	M	Yes	Standard	LPS classifies all issues as critical, important/no workaround, important/workaround, and minimal.
S1.6	<p>The Vendor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.</p>	M	Yes	Standard	Program updates, general maintenance releases, selected functionality releases, patches, and documentation are offered to all clients.

State of NH Contract 2017-047
 Exhibit H - Requirements - Part 3
 Date: 9/12/17
 Contractor's Initials: *DM*

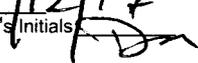
STATE OF NEW HAMPSHIRE
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NH Adult Education Data System
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S1.9	For all maintenance Services calls, The Vendor shall ensure the following information will be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue identified by;	P	Yes	Standard	LPS tracks all issues in Scrumwise and Salesforce and can produce state-wide ticket if needed.
S1.10	The Vendor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.	P	Yes	Standard	LACES has never experienced a large-scale system failure, however, protocols are in place for notification and diagnosis.

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S1.11	<p>As part of the Software maintenance agreement, ongoing software maintenance and support issues, shall be responded to according to the following or as agreed to by the parties:</p> <p>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;</p> <p>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>	M	Yes	Standard	LPS responds to all requests via email or telephone. Exact response times will be finalized in the contract.
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S1.12	The Vendor shall use a change management policy for notification and tracking of change requests as well as critical outages.	M	Yes	Standard	At the beginning of each phase of the project, deliverables are clearly defined. LPS employs change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State, as well as to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.
S1.13	A critical outage will be designated when a business function cannot be met by a nonperforming application and there is no work around to the problem.	M	Yes	Standard	LPS agrees to this definition of critical outage.
S1.14	The Vendor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly on the following: 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.	M	Yes	Standard	LPS agrees to maintain records on the listed activities and report to the State on a quarterly basis.

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 Date: 9/12/17
 Contractor's Initials: TDN

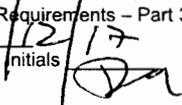
STATE OF NEW HAMPSHIRE
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PROJECT MANAGEMENT					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
PROJECT MANAGEMENT					
PI.1	Vendor shall participate in an initial kick-off meeting to initiate the Project.	M	Yes	Standard	LPS always recommends that all key stakeholders hold a Kickoff Meeting to set expectations. It allows key stakeholders to meet each other and provides everyone with the necessary depth and breadth of knowledge required to set the stage for a successful project.
PI.2	Vendor shall provide Project Staff as specified in the RFP.	M	Yes	Standard	LPS will provide a list of all primary and ancillary staff connected to the RFP

State of NH Contract 2017-047
 Exhibit H: Requirements – Part 3
 Date: 7/2/17
 Contractor's Initials: JS

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REQUIREMENTS

P1.3	Vendor shall submit a finalized Work Plan within ten (10) days after Contract award and approval by Governor and Council. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, critical events, task dependencies, and payment Schedule. The plan shall be updated no less than every two weeks.	M	Yes	Standard	LPS submits and updates the Work Plan with all deliverables, events, tasks, and change logs based on approval and feedback from the client.
P1.4	Vendor shall provide detailed monthly status reports on the progress of the Project, which will include expenses incurred year to date.	M	Yes	Standard	LPS maintains and sends detailed monthly status reports and updates with all technical and financial updates, approvals, and obstacles
P1.5	All user, technical, and System Documentation as well as Project Schedules, plans, status reports, and correspondence must be maintained as project documentation. The Vendor shall define how this will be maintained. WORD format on Line, in a common library or on paper	M	Yes	Standard	LPS will maintain all project documentation and schedules in accordance with the client-approved expectations.

State of NH Contract 2017-047
 Exhibit H, Requirements - Part 3
 Date: 9/12/17
 Contractor's initials: 

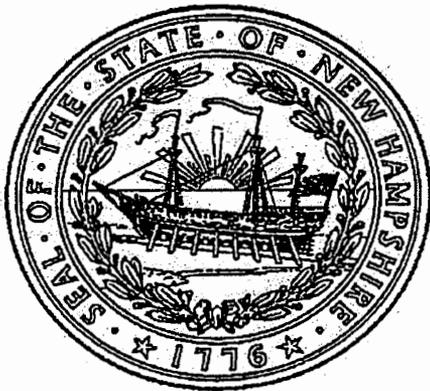
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LITERACYPRO SYSTEMS, INC. is a California Profit Corporation registered to transact business in New Hampshire on August 22, 2017. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 777427



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 22nd day of August A.D. 2017.

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

William M. Gardner
Secretary of State

Certificate of Authority # 1

(Corporation or LLC - Non-specific, open-ended)

Corporate Resolution

I, Garth Neil, hereby certify that I am duly elected Clerk/Secretary of
(Name)
LiteracyPro Systems, Inc.. I hereby certify the following is a true copy of a vote taken at
(Name of Corporation or LLC)

a meeting of the Board of Directors/shareholders, duly called and held on Sept. 12th, 2017
at which a quorum of the Directors/shareholders were present and voting.

VOTED: That David Miller, CEO (may list more than one person) is
(Name and Title)

duly authorized to enter into contracts or agreements on behalf of

LiteracyPro Systems, Inc. with the State of New Hampshire and any of
(Name of Corporation or LLC)

its agencies or departments and further is authorized to execute any

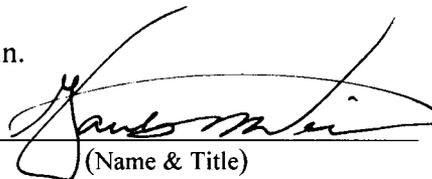
documents which may in his/her judgment be desirable or necessary to effect

the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

DATED: September 12, 2017

ATTEST:


(Name & Title)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On September, 12, 2017 before me, Masoud Minaravesh, Notary Public

Personally appeared Garth Robert Neil
Who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal



Signature  (Seal)

Attached Document Bears Embossment



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/17/2017

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 have ADDITIONAL INSURED provisions or 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 Boulder Insurance Solutions 4941 10th Street Boulder CO 80304	CONTACT NAME: Employee DEFREP	
	PHONE (A/C, No, Ext): (720)457-3800 x302 FAX (A/C, No): (303)223-9274 E-MAIL ADDRESS:	
INSURED Literacypro Systems, Inc. 2355 Canyon Blvd., Ste# 204 Boulder CO 80302	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Sentinel Insurance Company LTD	11000
	INSURER B: Rated By Multiple Companies	00914
	INSURER C: Hiscox Insurance Company Inc.	10200
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES CERTIFICATE NUMBER: CL178902351 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR VVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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:			34SBAPK5399	09/01/2017	09/01/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPI/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			34SBAPK5399	09/01/2017	09/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 OCCUR CLAIMS-MADE			34SBAPK5399	09/01/2017	09/01/2018	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	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 <input type="checkbox"/> N/A			34WECIB0566	09/01/2017	09/01/2018	<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
C	Errors & Omission Policy with Cyber coverage			UCS2642514.17	09/01/2017	09/01/2018	\$2M occ/\$4M agg \$2,500 ded

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER State of NH, Department of Information Technology Chief Information Officer 27 Hazen Drive Concord NH 03301	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