

65 Am



State of New Hampshire

DEPARTMENT OF SAFETY
OFFICE OF THE COMMISSIONER
33 HAZEN DR. CONCORD, NH 03305
603/271-2791

JOHN J. BARTHELMES
COMMISSIONER



1. ARRA
2. Sole Source

December 10, 2012

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

Requested Action

1. Authorize the Department of Safety, Bureau of Hearings to accept and expend funds from a sub-grant from the FFY 2009 ARRA Edward Byrne Justice Assistance Grant (JAG) Program through the New Hampshire Department of Justice in the amount of \$22,500.00 for the implementation of an updated case management system to improve the functioning of the State's criminal justice system. Effective upon Governor and Council approval through February 28, 2013. Funding source: 100% Agency Income.

Funds to be budgeted as follows:

02-023-023-239910-33220000 – Dept. of Safety – ARRA Stimulus Dept of Safety – ARRA Karpel RMS - Prosecution

| Class | Description | Current SFY 2013 Appropriation | Requested Action | Revised SFY 2013 Adjusted Authorized |
|------------|------------------------------------|-----------------------------------|------------------|---|
| 009-403285 | Agency Income | \$0.00 | (\$22,500.00) | (\$22,500.00) |
| 103-502664 | Contracts for Operational Services | 0.00 | 22,500.00 | 22,500.00 |
| | Org 3322 Totals | \$0.00 | \$22,500.00 | \$22,500.00 |

2. Authorize the Department of Safety, Bureau of Hearings, to enter into a sole source contract with Karpel Computer Systems Inc. (VC #228787, B001), 5714 S. Lindbergh Blvd., Suite 200, St. Louis, MO 63123 in the amount of \$22,500.00 to purchase software licensing for the ProsecutorbyKarpel (hereafter PbK) case management computer program. Effective upon Governor and Council approval through February 28, 2013. Funding source: 100% Agency Income.

Funding is available in the SFY 2013 operating budget as follows:

02-023-023-239910-33220000 – Dept. of Safety – ARRA Stimulus Dept of Safety – ARRA Karpel RMS - Prosecution
103-502664 Contracts for Operational Services \$22,500.00

Explanation

This contract is **sole source** because implementing the ProsecutorbyKarpel system at the Department of Safety prosecutor's offices in Concord, Bedford, and Epping, as it has been in the majority of County Attorney's offices, will provide the necessary consistency to facilitate an effective streamlined process. PbK is a proprietary, browser based case management program that uses the most updated .NET and SQL Server technology. The funding for this system is provided through a sub-grant under the Byrne Justice Assistance Grant (JAG) Program through the New Hampshire Department of Justice. The sub-grant was approved by the Governor and Council on April 18, 2012, Item #44.

This contract will provide the Department of Safety Prosecution Unit (hereafter the Unit), which provides statewide service, with an updated case management system. The Unit delivers prosecution services to the New Hampshire State Police, State Fire Marshall's Office, New Hampshire Marine Patrol and other Department of Safety law enforcement divisions as needed. The Unit consists of four (4) attorney prosecutors and three (3) paralegals supervised by the Administrator of Hearings. This contract will purchase eight (8) licenses, one for each of these individuals. The Unit has 4 attorney prosecutors and 3 paralegals working in the three (3) geographic regions of Concord, Bedford, and Epping. Also, one of those prosecutors handles cases in non-primary courts in regions not covered full-time, which are Keene, Tamworth, and Twin Mountain. In total, the Unit handles cases in 15 primary courts and others statewide.

Moreover, based on demand, the Unit's case volume is high and prosecutes thousands of cases per year. Individual caseloads are high, and each prosecutor is responsible for hundreds of active cases at a time. The prosecutor is responsible for compiling and maintaining a complete case file, sending discovery to defendants and defense attorneys, and filing the proper documents in court in addition to full-time case prosecution in many courts. In addition, each attorney is managing a court calendar that requires appearances in multiple courts in their geographic region as well as statewide. All of these procedures are time sensitive. Therefore, centralizing case file documents and court and attorney schedules is critical.

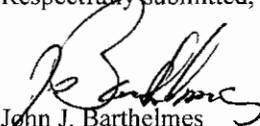
In addition, it is important to monitor case sentencing by judges in various courts and to ensure proper sentencing recommendations by prosecutors on a unit-wide basis. Presently, the Unit tracks court and attorney schedules manually, which is time consuming and labor intensive. Case management done manually is prone to failure and may lead to missed court appearances due to human error. This compromises justice because if a prosecutor fails to appear in court in a timely manner, a case is dismissed. Our current database of information is done with Excel spreadsheets that are cumbersome to use. Also, PbK allows documents to be forwarded from the police and courts electronically. Finally, the system also has all prior case information about defendants and their records, which can be searched and accessed immediately.

In order to properly monitor all cases, prosecutors, courts, and the sentencing on all cases, it is critical that a new, more sophisticated case management system be utilized, one with the ability to track all documents in ongoing cases and accessible by all prosecutors and management. The system also needs to have the ability to run reports and track workloads, case dispositions, and all case and court scheduling. The pBk system does all of those things. Implementing it will result in a more efficient system less prone to human error.

1. *Program Title Short Description:* The American Recovery and Reinvestment Act of 2009. State and local law enforcement assistance, funds used for law enforcement purposes by the Attorney General's Office and sub-grants to State, County, and Municipal law enforcement programs.
2. *Granting Agency:* U.S. Department of Justice
3. *Award Criteria:* JAG grants are allocated based on a formula of population and violent crime statistics, in combination with a minimum allocation to ensure that each state and territory receives an appropriate share of funding. Sixty percent of this allocation is awarded to the state and 40 percent is set aside for local governments.
4. *Managing agency:* New Hampshire Attorney General's Office
5. *ARRA Funding:* ARRA appropriations nationwide=\$2,000,000,000; New Hampshire Funds= \$9,774,576; Department of Safety= \$244,130
6. *Time Line: Grant expiration-* 2/28/13

7. What is the funding to be used for? Funding will be used to purchase case management software for the Department of Safety Prosecution Unit. This will allow the unit to better track cases, court and attorney schedules, send documents, and obtain reports electronically, documenting all of the work done and enabling more accurate statistical reporting. In addition, it will allow case sentencing to be tracked to ensure fair and appropriate sentences are requested by the prosecutor and imposed by the courts. Finally, the software will increase unit efficiency and allow the Unit to cover more cases with fewer people and to ultimately transition into a paperless system.
8. Who is being served by the increase in funding and how many people are impacted? The New Hampshire State Police and the other state law enforcement agencies, including Marine Patrol and the Fire Marshall's Office, are served. The Unit will be able to better serve these agencies by handling a greater number of cases.
9. How many people are to be served? Several hundred troopers and officers will be served.
10. What is the impact on jobs in New Hampshire, if known? The impact on jobs is not known.
11. What job skills are being enhanced in the workforce through the receipt of additional funding or new programs, if any? The prosecutors will be able to make more educated case and sentencing decisions based on the detailed information provided on the defendants and cases, since the software will display all cases that have been prosecuted against all defendants. It will enhance communication between the Unit and the county attorney's offices in the state because the systems will be linked and able to communicate case information. It will make work flow between the Unit and the county attorneys' offices more efficient.
12. Do the new funds supplant or supplement existing program funding? The funds will supplant the existing system by replacing an antiquated and less useful Microsoft Excel based database with a sophisticated case management system.
13. What are the projected outcomes of the program? It is expected that using this software will make the Unit more efficient and able to prosecute a higher volume of cases without increasing staffing. It will allow for more cases to be prosecuted in troops without full-time prosecution services, such as Troops C, E, and F.
14. If pass-thru funding from the state agency, please include list of dollars to be sub-granted to each NH community if available or known. If matching funds are to be provided, note clearly the source of the match and responsible party.
N/A

Respectfully submitted,


John J. Barthelmes
Commissioner of Safety

ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

MICHAEL A. DELANEY
ATTORNEY GENERAL



ANN M. RICE
DEPUTY ATTORNEY GENERAL

May 2, 2012

John J. Barthelmes, Commissioner
NH Department of Safety
33 Hazen Drive
Concord, NH 03305

Re: Application for Funding (09JAR604)

Dear Commissioner Barthelmes:

I am pleased to inform you that, on behalf of the Governor and Council and Attorney General Delaney, we are approving your application for funding in the amount of \$22,500.00. You will find a grant award document attached to this letter. Please sign and return the original, keeping a copy for your records. That award document contains your grant number, program start date, and program end date.

A Summary of Expenditures Report has been included for your first expenditure filing. An electronic version of the Summary of Expenditures Report is available upon request. For State Agencies and the Courts, please forward your an account code and a Revenue Source code for payment purposes.

Congratulations on your award. Should you have any questions concerning your grant award, please contact Tim Brackett at (603) 271-8090 or timothy.brackett@doj.nh.gov.

Very truly yours,

A handwritten signature in black ink, appearing to read "Timothy E. Brackett".

Timothy E. Brackett
Supervisor, Grants Management Unit

/TEB
Enclosures

| STATE OF NEW HAMPSHIRE DEPARTMENT OF JUSTICE GRANT AWARD | | |
|---|---|--|
| Agency Name: NH Dept of Safety | | Vendor No.: 177878 |
| Program Name: Karpel RMS for Prosecution Unit | | Amount: \$ 22,500.00 |
| Grant Start Date: 04/18/2012 | State Grant Number: 09JAR604 | |
| Grant End Date: 02/28/2013 | Federal Grant Number: 2009-SU-B9-0019 | |
| Appropriation No.: 02-20-20-201510-0865-072-500574 | | |
| Head of Agency | Project Director | Fiscal Officer |
| John J. Barthelmes Commissioner 33 Hazen Drive Concord, NH 03305 | Christopher Casco Administrator of Pros Unit | Wesley J. Colby Director of Administration |
| Federal Grant Name: | ARRA Byrne JAG Program | |
| Federal Agency: | United States Department of Justice | |
| Bureau/Office: | Bureau of Justice Assistance | |
| CFDA Number: | 16.803 | |
| Purpose of Grant: | American Recovery and Reinvestment Act activities. | |
| Financial Requirements: | See signed Program Conditions and Guidelines. See attached supplemental special conditions. | |
| Match Requirements: | None Required | |
| Reporting Requirements: | Monthly or quarterly Financial reports Annual performance report and audit Adherence to State and Federal guidelines and conditions | |
| Approval | Program Agency | NH Department of Justice |
| Name |  John J. Barthelmes |  Rosemary Paretra |
| Title | Commissioner | Director of Administration |
| Date | 5/7/12 | |
| All terms of this grant award are not valid unless signed by both authorized parties. | | |



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Peter C. Hastings
Acting Commissioner

November 19, 2012

John J. Barthelmes
Commissioner
Department of Safety
33 Hazen Drive
Concord, NH 03305

Dear Commissioner Barthelmes:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your request to enter into a contract with Karpel Computer Systems Inc. to provide PROSECUTORbyKarpel, a web-based case management system, as described below and referenced as DoIT No. 2013-074.

This contract is to purchase eight (8) licenses, install, configure, train, and support for one year on a web based case management system for the Department of Safety (DOS) Prosecution Unit. The contract is sole source because Karpel Solutions has entered into contracts with all but one New Hampshire county attorney offices to provide PROSECUTORbyKarpel, a sophisticated case management system for prosecution offices to organize all of their case information. This will allow the DOS Prosecution Unit to have the same system and to share information with county attorney offices. This is a web-based system and will not require additional hardware to be purchased by the state. The not to exceed value of this contract is \$22,500.

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

Sincerely,

Handwritten signature of Peter C. Hastings in black ink.
Peter C. Hastings

PCH/dcp
DOS 2013-74

cc: David Perry, DoIT Contracts Manager
Albert Sheldon, DOIT/DOS IT Lead

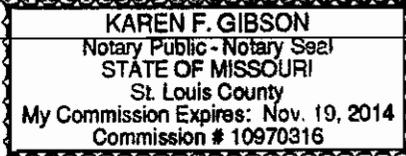
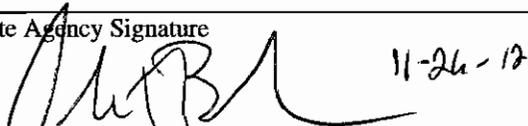
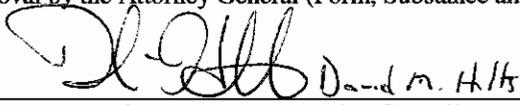
Subject: PROSECUTORbyKarpel DOS Prosecution Unit Case Management Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|---|-------------------------------|---|---|
| 1.1 State Agency Name <u>New Hampshire Department of Safety</u> | | 1.2 State Agency Address <u>33 Hazen Drive, Concord, NH 03305</u> | |
| 1.3 Contractor Name <u>Karpel Computer Systems Inc., DBA Karpel Solutions</u> | | 1.4 Contractor Address <u>5714 S. Lindbergh Blvd, Suite 200, St. Louis, MO 63123</u> | |
| 1.5 Contractor Phone Number <u>314-892-6300</u> | 1.6 Account Number <u></u> | 1.7 Completion Date <u>02/28/13</u> | 1.8 Price Limitation <u>\$22,500</u> |
| 1.9 Contracting Officer for State Agency <u>John T. Beardmore, Director of Administration</u> | | 1.10 State Agency Telephone Number <u>603 271-2589</u> | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory <u>Jeff Karpel, President</u> | |
| 1.13 Acknowledgement: State of <u>mo</u> , County of <u>ST. LOUIS</u> On <u>10-15-2012</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 <u>[Seal] Karen F. Gibson</u> | |  | |
| 1.13.2 Name and Title of Notary or Justice of the Peace <u>Karen F. Gibson customer service Representative</u> | | | |
| 1.14 State Agency Signature  <u>11-26-12</u> | | 1.15 Name and Title of State Agency Signatory <u>John T. Beardmore, Director of Administration</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) By:  <u>David M. Hitt</u> On: <u>12/17/12</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

14. INSURANCE.

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

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

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

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

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

Contractor Initials
Date

[Signature]
10/15/12

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

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

Exhibit A

New Hampshire Department of Safety

Scope of Services



PROSECUTORbyKarpel®



Table of Contents

| | |
|------------------------------------|----|
| 1. Confidentiality Statement | 3 |
| 2. Scope of Work | 4 |
| 3. Other Information..... | 5 |
| 4. Investment Summary | 6 |
| 5. Annual Support | 7 |
| 6. License Terms and Use..... | 9 |
| MASTER TERMS AND CONDITIONS..... | 11 |



5714 S. Lindbergh Blvd. • Suite 200 • St. Louis, MO 63123 • 314-892-6300 • www.karpel.com

This agreement between Karpel Computer Systems Inc., a Missouri corporation, doing business as Karpel Solutions (hereinafter referred to as "Karpel Solutions") and New Hampshire Department of Safety, a political subdivision of the State of New Hampshire (hereinafter referred to as "Client") is for the purposes of reviewing this proposal and to enter into this contract wherein Karpel Solutions agrees to sell licenses for its copyrighted software program known as PROSECUTORbyKarpel® (PbK)®.

1. Confidentiality Statement

This document is the intellectual property of Karpel Solutions. Client agrees that the information contained within this proposal is proprietary information and that it shall not disclose, reproduce in any format, or use any of the terms, data, or any other material contained herein outside of New Hampshire Department of Safety or for any other purposes other than to evaluate this contract. If the Client is required by statute or case law to disclose any information in this agreement then Client shall notify Karpel Solutions three (3) business days prior to the release. This agreement does not limit Client the right to use information contained within this contract if it is obtained from another source without restriction. Any subsequent revisions, addendums, or amendments to this document shall be covered under the terms of this confidentiality agreement by reference.

2. Scope of Work

The following Scope of Work represents the services required to reach the proposed solution and a successful project. Karpel Solutions will perform all work in accordance with the descriptions, scopes and specifications hereafter described.

Project Timeline

The software, pBk will be installed on client computers by February 28, 2013. In addition, transfer of existing data from the current case management files of client and staff training will be completed by that date. The contract end date will be one year from the date of installation. The 8 purchased licenses for pBk shall be perpetual. Any additional maintenance and updates for subsequent years shall be by done by separate purchase order.

This schedule will be modified as mutually agreed upon by Client and Karpel Solutions.

3. Other Information

Any additional work requirements outside the scope of this proposal will be presented in the form of a change order and must be approved by client prior to start of such work. No additional charges will be incurred without prior written approval from client.

3.1 General Client Responsibilities

In order for the project to be completed on time and on budget, Client shall provide at a minimum:

1. An authorized contact person to assist in the definition of any project unknowns and authorized to approve the completion of each task. The Administrator of the Bureau of Hearings shall be the contact person. Per conversation with Karpel on Nov 16, 2012 there is no software to be loaded on pcs at the client site.

Failure of Client to provide the above access and assistance will render the Karpel Solutions support agreement null and void.

3.2 CJIS Compliance

Evidence of a successful CJIS audit shall be sent annually from the vendor to the State and prior to the initial upload.

4. Investment Summary

Karpel Solutions will perform according to all descriptions, scopes, and specifications herein described, in consideration for payment as set forth below:



| | Qty | Cost | Total |
|---|-----|---------------------|-----------------|
| Software User Licenses | 8 | \$1,850 | \$14,800 |
| SQL Server/database install/configuration | 1 | \$600 | \$600 |
| Client Support Tool Installation and system compatibility check | 8 | \$50 | \$400 |
| Document conversion | 1 | \$1,000 | \$1,000 |
| Pre-Implementation Meetings-4 hr webinars | 2 | \$600 | \$1,200 |
| Training Days (8 hrs per day) | 3 | \$1,500 Per trainer | \$4,500 |
| Total | | | \$22,500 |
| Annual Maintenance Support | 8 | \$370 | \$2,960 |
| Hosted fee (per user/per month) | 8 | \$40 | \$480 |

Additional programming \$150/hr

Additional Training: Web \$150/hr. On Site \$190/hr.

This fee does not include additional hardware, Microsoft licenses, or networking services that may be necessary to properly and legally operate the application. Said expenses are the Client's sole responsibility.

Server installation includes application SQL database and configuration of SQL Server for PROSECUTORbyKarpel® and shall be performed by Karpel Solutions due to the complexity of the configuration.

Prices for future services are subject to change as new information arises or as workload increases. Karpel Solutions will seek approval from Client if more work will be necessary to make the changes along the way, as described above.

Payment Terms

Payment to be due within 30 days of receipt of invoice for services, software licenses, and acceptance of implementation services and training.

5. Annual Support

- 5.1.1** Client understands that technical support fees will be required annually, in order to receive software updates and technical support. The initial support period of 12 months shall begin from the date of software go live and is used by the client. The Client may elect to purchase subsequent annual support, on a yearly basis at fixed cost, billed annually as referenced in Section 4 above. The option to purchase annual support is solely at the Client's discretion. The Client's license to use PROSECUTORbyKarpel® is not dependent upon the Client purchasing annual support; however, if the Client discontinues annual support it will not be provided with updated versions of the software, unless it is purchased. Provided the Client is current with annual support payments, Karpel Solutions shall provide updated versions of their system and/or software as they become available during the terms of the contract. Any additional years of maintenance shall be done by separate purchase and are outside the scope of this agreement. Client understands that technical support and software updates after the initial 12 month period defined above will not be included unless purchased.
- 5.1.2** Karpel Solutions will provide support (e.g. software updates, general program enhancements and technical support) for all software provided, including ongoing unlimited telephone technical support problem determination, and resolution.
- 5.1.3** Karpel Solutions will provide technical support Monday through Friday, at a minimum of eight (8) hours a day. Technical support services shall be available between the hours of 7:00 a.m. through 7:00 p.m. Central time, via a toll free telephone number provided.
- 5.1.4** Support services include the detection and correction of software errors and the implementation of all PROSECUTORbyKarpel® program changes, updates and upgrades. Karpel Solutions shall respond to the inquiries regarding the use and functionality of the solution as issues are encountered by Authorized Users.
- 5.1.5** Karpel Solutions shall be responsive and timely to technical support calls/inquires made by the Client. The Client will first make support inquires through their qualified system administrators to assure the policies and business practices of the Client are enforced prior to contacting Karpel Solutions. The timeliness of the response is dependent upon the severity of the issue/support problem, as defined below:

The severity of the issue/support problem shall determine the average problem resolution response time in any calendar month of the contract as follows:

Severity Level 1 shall be defined as urgent situations, when the customer's production system is down and the customer is unable to use the Licensed Program, Karpel Solutions' technical support staff shall accept the customer's call for assistance at the time the customer places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the customer's call within one (1) business hour. Karpel Solutions shall resolve Severity Level 1 problems as quickly as possible, which on average should not exceed two (2) business days, unless otherwise authorized in writing by the customer.

Severity Level 2 shall be defined as critical software system component(s) that has significant outages and/or failure precluding its successful operation, and possibly endangering the customer's environment. The Licensed Program may operate but is severely restricted. Karpel Solutions' technical support staff shall accept the customer's call for assistance at the time the customer places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the customer's call within four (4) business hours. Karpel Solutions shall resolve Severity Level 2 problems as quickly as possible, which on average should not exceed three (3) business days, unless otherwise authorized in writing by the customer.

Severity Level 3 shall be defined as a minor problem that exists with the Licensed Program but the majority of the functions are still usable and some circumvention may be required to provide service. Karpel Solutions' technical support staff shall accept the customer's call for assistance at the time the customer places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the customer's call on average no later than the next business day. Karpel Solutions shall resolve Severity Level 3 problems as quickly as possible, which should not exceed the next available release of software, unless otherwise authorized in writing by the customer.

General Assistance: For general software support/helpdesk calls not covered by the above severity level descriptions, Karpel Solutions' technical support staff shall accept the customer's call for assistance at the time the customer places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the agency's call on average no later than the next business day.



6. License Terms and Use

This software is a proprietary product of Karpel Solutions. It is licensed (not sold) and is licensed to Client for its use only by the terms set forth below.

1. In consideration of payment of a sublicense fee, Karpel Solutions hereby grants Client a non-exclusive and non-transferable sublicense to use any associated manuals and/or documentation furnished herewith (together referred to herein as, PROSECUTORbyKarpel®, subject to the provisions hereof. Client cannot distribute, rent, sublicense or lease the software. A license may not be shared by more than one full time employee (40 hours per week), nor more than two (2) part-time employees, working no more than 40 hours per week together. The Client agrees that Karpel Solutions will suffer damages from the Client's breach of this term and further agrees that as such Karpel Solutions shall be entitled to the cost of the license, installation and training costs associated for each violation, including Karpel Solutions' reasonable attorneys' fees and costs.
2. License does not transfer any rights to software source codes, unless Karpel Solutions ceases to do business without transferring its duties under this agreement to another qualified software business. Karpel Solutions will, at client's expense, enter into escrow agreement for the storage of the source codes. Client owns all data stored on the system which may then be transferred to a compatible solution. Client may access and download such data. Client is entitled to 30 days to retrieve any data should Karpel Solutions cease to do business without transferring its duties under this agreement. Client shall have access to the data during the contract and for 30 days after the end of the contract and/or any purchase order securing maintenance and hosting services.
3. PROSECUTORbyKarpel® and its documentation are protected by copyright and trade secret laws. Client may not use, copy, modify, or transfer the software or its documentation, in whole or in part, except as expressly provided for herein. Karpel Solutions retains all rights in any copy, derivative or modification to the software or its documentation no matter by whom made. PROSECUTORbyKarpel® is licensed for a single installation of one full time employee. A separate license is required for each installation of PROSECUTORbyKarpel®. Client shall not provide or disclose or otherwise make available PROSECUTORbyKarpel® or any portion thereof in any form to any third party. Client agrees that unauthorized copying and distribution will cause great damage to Karpel Solutions and this damage is far greater than the value of the copies involved.
4. If any of the provisions, or portions thereof, of this Agreement are invalid under any applicable statute or rule of law, they are to that extent to be deemed omitted. This is the complete and exclusive statement of the Agreement between the parties which supersedes all proposals, oral or written, relating to the subject matter of this Agreement.
5. PROSECUTORbyKarpel® was developed exclusively at private expense and is Karpel Solutions' trade secret. For all purposes of the Freedom of Information Act or any other similar statutory right of "open" or public records the Software shall be considered exempt from disclosure. PROSECUTORbyKarpel® is "commercial computer software" subject to limited utilization "Restricted Rights." PROSECUTORbyKarpel®, including all copies, is and shall remain proprietary to Karpel Solutions or its licensors.



5714 S. Lindbergh Blvd. • Suite 200 • St. Louis, MO 63123 • 314-892-6300 • www.karpel.com

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written. This proposal is offered as an all-inclusive turnkey solution and, unless noted otherwise, pricing is based on acceptance of both services and licenses. Any changes to this solution may result in additional costs. If not accepted within thirty (30) days, Karpel Solutions reserves the right to withdraw this proposal. Should any adjustments to this proposal become necessary; Karpel Solutions will draft and present a "Change Order" to Client for its review and approval. This offer is entire agreement between the parties, and no oral agreements or other written documents, exclusive of the attached exhibits are part of the agreement. Any modifications of this agreement must be in writing, and prior to acceptance of this offer, Karpel Solutions reserves the right to make modifications to this offer. The signatories warrant they have the authority to bind their respective party.



7.

KARPEL COMPUTER SYSTEMS, INC. (dba "Karpel Solutions"),
MASTER TERMS AND CONDITIONS

General Terms

1. The proposal attached to these Master Terms and Conditions is tendered for acceptance in its entirety within thirty (120) days from the date of the proposal, after which it is to be considered null and void. This offer and/or agreement does not create an employer/employee or agency relationship between the parties or their respective employees.
2. New commercial software releases or upgrades, or any hardware and/or software owned by or licensed to client, used in connection with Karpel Solutions services may have anomalies, performance or integration issues unknown to Karpel Solutions which can impact the timely, successful implementation of information systems. Karpel Solutions will inform the client promptly if this occurs and will attempt to analyze, correct and/or work around the anomalies or performance issues on a "best effort" basis. Karpel Solutions is not responsible for any delay or inability to complete its services if such anomalies or performance issues occur. Client is responsible for payment for all of Karpel Solutions' services at the rate stated in the proposal whether or not a successful solution is achieved.
3. Client is responsible for the application, operation and management of its information technology environment, including but not limited to: (a) purchasing, licensing and maintaining hardware and software; (b) following appropriate operating procedures; (c) following appropriate protective measures to safeguard the software and data from unauthorized duplication, modification, destruction or disclosure; (d) following adequate backup contingency plans; and (e) employing qualified personnel to obtain the desired results.
4. Client may terminate the Maintenance Agreement thirty (30) business days after it has provided Karpel Solutions with written notice that it believes that Karpel Solutions has failed to perform under, or materially breaches, this Maintenance Agreement and of the Client's intent to terminate the Maintenance Agreement. Such written notice is to be sent Certified US Mail to Karpel Solutions at 5714 South Lindbergh Blvd., Suite 200, St. Louis, MO 63123. Thereafter, Karpel Solutions will have thirty (30) business days from the receipt of such notice to correct the stated problem. If at the end of such thirty (30) business day period, Karpel Solutions has not corrected the stated problem, then client may terminate the Maintenance Agreement. Karpel Solutions may terminate the Maintenance Agreement on thirty (30) days written notice after reimbursing client for any unused prepaid maintenance
5. Karpel Solutions reserves the right to seek damages if Client is responsible for a subsequent violation of Karpel Solutions' copyright, and Client assumes responsibility for the acts and omissions of its agents acting in the course of their duties or otherwise with respect to the protection of Karpel Solutions' copyright.

Limited Warranties, Limitation of Liability, Indemnification

1. Limited Warranties for all Services provided by Karpel Solutions. Karpel Solutions warrants it will perform all services in a professional manner by qualified personnel. Karpel Solutions warrants it has the requisite power and authority to enter into and perform its obligations under this Agreement. Karpel Solutions warrants that the performance by Karpel Solutions of any services described in the Agreement shall be in compliance with all applicable laws, rules and regulations.
2. Karpel Solutions makes no express or implied warranties as to the quality of third party software or as to Karpel Solutions' ability to support such software on an on-going basis.



3. Due to the limited nature of Karpel Solutions' engagement by client, Karpel Solutions makes no express or implied warranties as to the quality of, or the ability of software developed by Karpel Solutions to operate with, any hardware, software, systems and/or external data flows already in place at client's facilities or as may be added by the client.
4. Karpel Solutions shall be solely liable for costs associated with any breach of client data housed at their location(s) including but not limited to notification and any damages assessed by the courts for such breach.

Karpel Solutions Employees

Karpel Solutions has spent substantial sums of money and invested large amounts of time in recruiting, supervising and training Karpel Solutions employees. Client further agrees that it has a unique opportunity to evaluate Karpel Solutions employees' performance, and has the potential to hire Karpel Solutions employees, and further agrees that such hiring away would substantially disrupt the essence of Karpel Solutions' business and ability to provide its services for others, and as such Karpel Solutions cannot agree to such a hiring. The Client acknowledges that Karpel Solutions employees work for Karpel Solutions under a non-competition agreement; therefore, Client agrees it shall not solicit for employment or contract as an independent contractor, or otherwise hire or engage a Karpel Solutions employee during the term of this Agreement or for a period of 2 years after the completion/termination of the project, whichever is longer.

Confidentiality

1. Neither party shall disclose or use any confidential or proprietary information of the other party. The foregoing obligations shall not apply to information which: (i) is or becomes known publicly through no fault of the receiving party; (ii) is learned by the receiving party from a third party entitled to disclose it; or (iii) is already known to the receiving party.
2. Provided Karpel Solutions does not violate the provisions of this section regarding confidentiality, the Agreement shall not preclude Karpel Solutions from developing for itself, or for others, programs or materials which are similar to those produced as a result of services provided to client.
3. Provided Karpel Solutions does not violate the provisions of this section regarding confidentiality, Karpel Solutions shall have the right to demonstrate for other prospective clients any application developed by Karpel Solutions under this Agreement and shall have the right to include information about any such application in marketing materials and presentations.

Miscellaneous

1. To the extent possible, and under the terms required by Client, Client and Karpel Solutions may communicate by electronic means, including but not limited to facsimile documents. Both parties agree that: a signature or an identification code ("USERID") contained in an electronic document is legally sufficient to verify the sender's identity and the document's authenticity; an electronic document that contains a signature or USERID is a signed writing; and that an electronic document, or any computer printout of it, is an original when maintained in the normal course of business.
2. If any portion of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, then the remaining portions of the Agreement shall remain in effect.
3. This Agreement constitutes the sole agreement between client and Karpel Solutions with respect to the subject matter hereof. It may not be modified or assigned except by written agreement of client and KCS.
4. The parties agree that New Hampshire law applies to all matters of interpretation of this agreement. The parties further agree that the prevailing party shall be entitled to a judgment for its reasonable attorneys' fees and costs.

5. The following requirements in Table A1 are an integral part of this contract.

Table A-1

| | SECURITY REQUIREMENTS | Compliance (Y/N) |
|--|--|------------------|
| S-1 | Verify the identity or authenticate all of the system client applications before allowing use of the system to prevent access to inappropriate or confidential data or services. | Y |
| S-2 | Verify the identity or authenticate all of the system's human users before allowing them to use its capabilities to prevent access to inappropriate or confidential data or services. . | Y |
| S-3 | Enforce unique user names. | Y |
| S-4 | Enforce complex passwords for Administrator Accounts of ten characters or more in accordance with DoIT's statewide <i>User Account and Password Policy</i> | Y |
| S-5 | Enforce the use of complex passwords for general users using capital letters, numbers and special characters | Y |
| S-6 | Encrypt passwords in transmission and at rest within the database. | Y |
| S-7 | Expire passwords after six months | Y |
| S-8 | Authorize users and client applications to prevent access to inappropriate or confidential data or services. | Y |
| S-9 | Provide ability to limit the number of people that can grant or change authorizations | Y |
| S-10 | Establish ability to enforce session timeouts during periods of inactivity. | Y |
| S-11 | Ensure 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)) | Y |
| S-12 | The application shall not store authentication credentials or sensitive Data in its code. | Y |
| S-13 | Audit all attempted accesses that fail identification, authentication and authorization requirements | Y |
| S-14 | The application shall log all activities to a central server to prevent parties to application transactions from denying that they have taken place. The logs must be kept for 6 months | Y |
| S-15 | The application must allow a user to explicitly terminate a session. No remnants of the prior session should then remain. | Y |
| S-17 | Use only the Software and System Services designed for use | Y |
| S-18 | The application Data shall be protected from unauthorized use when at rest | Y |
| S-19 | Keep any sensitive Data or communications private from unauthorized individuals and programs. | Y |
| S-20 | Subsequent application enhancements or upgrades shall not remove or degrade security requirements | Y |
| S-21 | Create change management documentation and procedures | Y |
| HOSTING REQUIREMENTS - OPERATIONS | | |
| H-1 | Vendor shall maintain a secure hosting environment providing all necessary hardware, software, and Internet bandwidth to manage the application and support users with permission based logins. State access will be via Internet Browser | Y |
| H-2.a | Vendor will not be responsible for network connection issues, problems or | Y |

| | | |
|---|--|---|
| | conditions arising from or related to circumstances outside the control of the Vendor, ex: bandwidth, network outages and /or any other conditions arising on the State's internal network or, more generally, outside the Vendor's firewall or any issues that are the responsibility of the State Internet Service Provider. . | |
| H-3 | Vendor shall provide a secure Class A Data Center providing equipment (including dedicated servers), an on-site 24/7 system operator, managed firewall services, and managed backup Services. | Y |
| H-4 | Data Center Air Conditioning – used to control temperature and humidity in the Data Center. Temperature ranges shall be between 68 and 75 °F. | Y |
| H-5 | Data Center Humidity shall be non-condensing and be maintained between 40-55% with a maximum dew point of 62 °F. | Y |
| H-6 | Data Center Backup Power – uninterruptible power supplies shall be sized to sustain computer systems and associated components for, at a minimum, the amount of time it takes for a backup generator to take over providing power. Where possible, servers shall contain redundant power supplies connected to commercial power via separate feeds. | Y |
| H-7 | Data Center Generator – shall be sufficient to sustain computer systems and associated components for, at a minimum, the amount of time it takes for commercial power to return. Fuel tanks shall be large enough to support the generator at -full load for a period not less than 1 ½ days of operation. | Y |
| H-8 | Data Center Floor – A raised floor is required for more uniform air circulation in the form of a plenum for cold air as well as to provide space for power cabling and wetness monitoring. | N |
| H-9 | Data Center Fire Protection System – fire detectors in conjunction with suppression gaseous systems must be installed to reduce the risk of loss due to fire. | Y |
| H-10 | 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. Access logs should be kept for 180 days. | Y |
| H-11 | Vendor must monitor the application and all servers. | Y |
| H-12 | Vendor shall manage the databases and services on all servers located at the Vendor's facility. State shall have access to the data during the contract and for 30 days after the end of the contract and/or any purchase order securing maintenance and hosting services. | Y |
| H-13 | Vendor shall install and update all server patches, updates, and other utilities within 60 days of release from the manufacturer. | Y |
| H-14 | Vendor shall monitor System, security, and application logs. | Y |
| H-15 | Vendor shall manage the sharing of data resources. | Y |
| H-16 | Vendor shall manage daily backups, off-site data storage, and restore operations. | Y |
| H-17 | The Vendor shall monitor physical hardware. | Y |
| H-18 | The Vendor shall immediately report any breach in security to the State of New Hampshire. | Y |
| HOSTING REQUIREMENTS – DISASTER RECOVERY | | |
| H-19 | Vendor shall conform to adequate disaster recovery procedures as defined by the State of New Hampshire. | Y |
| H-20 | Vendor shall have documented disaster recovery plans that address the | Y |

| | | |
|--|---|---|
| | recovery of lost State data as well as their own. Systems shall be architected to meet the defined recovery needs. | |
| H-21 | 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. | Y |
| H-22 | Vendor shall adhere to a defined and documented back-up schedule and procedure. | Y |
| H-23 | 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. | Y |
| H-24 | Scheduled backups of all servers must be completed daily. | Y |
| H-25 | The minimum acceptable frequency is differential backup daily, and complete backup weekly. | Y |
| H-26 | 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. | Y |
| H-27 | If State data is personally identifiable, data must be encrypted in the operation environment and on backup tapes. | Y |
| H-28 | 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. | Y |
| HOSTING REQUIREMENTS – NETWORK ARCHITECTURE | | |
| H-29 | The Vendor must operate hosting Services on a network offering adequate performance to meet the business requirements for the State application. For the purpose of this Contract, adequate performance is defined as 99.99% uptime, exclusive of the regularly scheduled maintenance window. | Y |
| H-30 | The Vendor shall provide network redundancy deemed adequate by the State by assuring redundant connections provided by multiple Internet Vendors, so that a failure of one Internet connection will not interrupt access to the State application. | Y |
| H-31 | Where redundant connections are not provided, then the Internet Vendor who provides the Internet service to the Vendor must have their service supplied by a provider(s) that has multiple feeds to ensure that a failure in one of the larger carriers will not cause a failure of the State's Service. | Y |
| H-32 | The Vendor' network architecture must include redundancy of routers and switches in the Data Center. | Y |
| H-33 | The vendor must provide an electronic copy of the State's data upon request in a mutually agreed upon format. | Y |
| HOSTING REQUIREMENTS – SECURITY | | |
| H-34 | The Vendor shall employ security measures ensure that the State's application and data is protected. | Y |
| H-35 | If State data is hosted on multiple servers, data exchanges between and among servers must be encrypted. | Y |
| H-36 | All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, shall have aggressive intrusion-detection and firewall protection. | Y |
| H-37 | 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 | Y |



| | | |
|---|--|---|
| | provide confidentiality, integrity and availability. | |
| H-38 | In the development or maintenance of any code, the Vendor shall ensure that the Software is independently verified and validated using a methodology determined appropriate by the State. All software and hardware shall be free of malicious code. | Y |
| H-39 | 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. | Y |
| H-40 | The Vendor shall ensure its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the Vendor' hosting infrastructure and/or the application. | Y |
| H-41 | 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. | Y |
| H-42 | 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. | Y |
| H-43 | The Vendor shall provide fire detection and suppression system, physical security of and infrastructure security of the proposed hosting facility. The environmental support equipment of the Vendor website hosting facility: power conditioning; HVAC; UPS; generator must be acceptable to the State. | Y |
| HOSTING REQUIREMENTS - SERVICE LEVEL AGREEMENT | | |
| H-44 | 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. | Y |
| H-45 | Maintain the hardware and Software in accordance with the Specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required. | Y |
| H-46 | 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. | Y |
| H-47 | 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; | Y |
| H-48 | The Vendor response time for support shall conform to the specific severity class as described above in Section 5 with remote access to client workstations. | Y |
| H-49 | The hosting server for the State shall be available twenty-four (24) hours a day, 7 days a week except for during scheduled maintenance. | Y |
| H-50 | The Vendor will guide the State with possible solutions to resolve issues to maintain a fully functioning, hosted System. | Y |
| H-51 | 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. | Y |
| H-52 | 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. | Y |
| H-53 | The Vendor shall guarantee 99.99% uptime, exclusive of the regularly scheduled maintenance window | Y |
| H-54 | If The Vendor is unable to meet the 99.99% uptime requirement, The Vendor shall credit State's account in an amount based upon the following | Y |



5714 S. Lindbergh Blvd. • Suite 200 • St. Louis, MO 63123 • 314-892-6300 • www.karpel.com

| | | |
|------|--|---|
| | formula: $(\text{Total Contract Item Price}/365) \times \text{Number of Days Contract Item Not Provided}$. The State must request this credit in writing. | |
| H-55 | The Vendor shall use a change management policy for notification and tracking of change requests as well as critical outages. | Y |
| H-56 | 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. | Y |
| H-57 | 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. | Y |
| H-58 | 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: o Server up-time o All change requests implemented, including operating system patches o All critical outages reported including actual issue and resolution o Number of deficiencies reported by class with initial response time as well as time to close. | Y |
| H-59 | The Vendor shall provide the State with a personal secure FTP site to be used the State for uploading and downloading files. | Y |

Exhibit B
Purchase of Services
Contract Price



| | Qty | Cost | Total |
|---|-----|---------------------|-----------------|
| Software User Licenses | 8 | \$1,850 | \$14,800 |
| SQL Server/database install/configuration | 1 | \$600 | \$600 |
| Client Support Tool Installation and system compatibility check | 8 | \$50 | \$400 |
| Document conversion | 1 | \$1,000 | \$1,000 |
| Pre-Implementation Meetings-4 hr webinars | 2 | \$600 | \$1,200 |
| Training Days (8 hrs per day) | 3 | \$1,500 Per trainer | \$4,500 |
| Total | | | <u>\$22,500</u> |
| | | | |
| Annual Maintenance Support | 8 | \$370 | \$2,960 |
| Hosted fee (per user/per month) | 8 | \$40 | \$480 |
| Document conversion per document | 1 | \$25 | \$25 |
| Additional programming \$150/hr | | | |
| Additional Training: Web \$150/hr. On Site \$190/hr. | | | |
| Adobe Acrobat Professional | 1 | \$171 | |

Exhibit C
Special Provisions

1. **Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Agreement shall be used only as payment to the Contractor for services provided and in the furtherance of the aforesaid covenants the Contractor hereby covenants and agrees as follows:

2. **Conditions of Purchase and Payment to Contractor:**
 - 2.1 **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Agreement, nothing contained shall be deemed to obligate or require the Department to purchase Services hereunder at a rate which reimburses the Contractor in excess of the Contractor's Costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such Service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Agreement or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such Costs, or has received payment in excess of such Costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:
 - 2.1.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 2.1.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of Costs;
 - 2.1.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder.

**Records: Maintenance, Retention, Audit, Disclosure
and Confidentiality:**

3. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
 - 3.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all Costs and other expenses incurred by the Contractor in the performance of the Agreement, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such Costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- X (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

The State of New Hampshire determined that the contract activities are of a low risk of liability, and the parties waive the requirement of paragraph 14 of the P-37 in that the contractor provide insurance in the amount of \$2 million per incident and instead, accept the insurance provided by contractor in the amount of \$1,000,000 per incident or occurrence.

- 5 Renewal:** In accordance with Section XII of the Request for Proposals, the contract may be renewed without competitive bidding pending availability of funding, the agreement of the parties, and approval by Governor and Council.

Exhibit C-1
Additional Special Provisions

1) Gratuities or Kickbacks

The Contractor agrees that it is a breach of this Agreement to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Agreement. The State may terminate this Agreement and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

2) Retroactive Payments-Contractor Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any costs incurred for any purposes prior to the Effective Date of the Agreement.

3) Audit Requirement

On or before the date set forth in Section 1.7 of these General Provisions, the Contractor shall deliver to the State, at the address set forth in Section 1.2 of these General Provisions, an independent audit performed by a Certified Public Accountant, of the Contractor, including the funds received under this Agreement.

The following requirement shall apply if the Contractor is a State or Local Government or an Institution of Higher Education or Other Non-Profit Organization: If the federal funds expended under this or any other Agreement from any and all sources exceeds \$300,000 in the aggregate in a one year fiscal period the required audit shall be performed in accordance with the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations for fiscal years ending on or after June 30, 1999.

4) Credits

All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services or the Agreement shall include the following statement "The preparation of this (report, document, etc.) was financed under an Agreement with the State of New Hampshire, Department of Safety, with funds provided in part or in whole by the United States Department of Health and Human Services."

5) Debarment, Suspension and Other Responsibility Matters

If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with the provisions of Section 319 of the Public Law 101-121, Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions; with the provisions of Executive Order 12549 and 45 CFR Subpart A, B, C, D, and E Section 76 regarding Debarment, Suspension and Other Responsibility Matters, and shall complete and submit to the State the appropriate certificates of compliance upon approval of the Agreement by the Governor and Council.

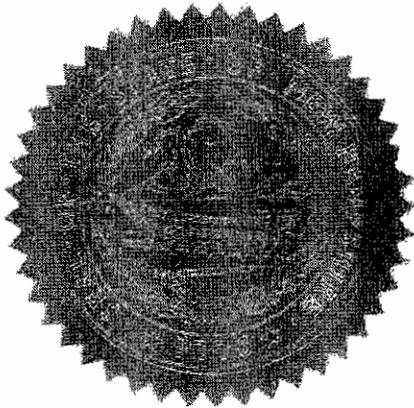
6) **Maintenance of Confidentiality of Information**

The Contractor, its officers, agents and employees and subcontractors, shall treat all information, with particular emphasis on information relating to recipients and providers, which is obtained by it through its performance under this Contract, as confidential information to the extent required by the laws of the State of New Hampshire and the United States. Individual identifiable information shall not be disclosed without prior written approval of the Commissioner, Department of Safety or his/her designee.

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 Karpel Computer Systems, Inc., a(n) Missouri corporation, is authorized to transact business in New Hampshire and qualified on September 18, 2012. I further certify that all fees required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of October, A.D. 2012

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

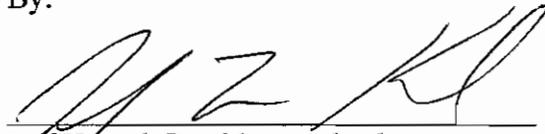
William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

Karpel Computer Systems, Inc. D/B/A Karpel Solutions

I, Jeff Karpel, hereby certify that I am the sole owner and President of Karpel Computer Systems, Inc., D/B/A Karpel Solutions, a Missouri corporation. Further, I certify that I am empowered to execute all contracts and documents as deemed necessary on behalf of the corporation.

By:



Jeff Karpel, President and sole owner
Karpel Computer Systems, Inc.

10/15/12

Date

