



William F. Dwyer  
STATE TREASURER

THE STATE OF NEW HAMPSHIRE  
STATE TREASURY  
25 CAPITOL STREET, ROOM 121  
CONCORD, N.H. 03301  
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May 30, 2019

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, NH 03301

REQUESTED ACTION

Authorize the State Treasury to enter into an amendment to an existing **sole source** contract (Contract #2014-135) with Kelmar Associates, LLC, of Wakefield, MA (Vendor Code 162629 [B001]), for an amount of \$972,755 that will increase the contract from \$550,000 to \$1,522,755 for the implementation and ongoing support of the Abandoned Property Division's (the "Division") "commercial off-the-shelf" hosted unclaimed property system, the KAPS hosted "software as a service" information system ("KAPS"). In addition, the extension will extend the original contract expiration date from August 24, 2019 to August 24, 2024. The original contract was approved by the Governor and Council on April 23, 2014, Item #15. 100% Other ( Abandoned Property Funds)

The fees paid shall be funded entirely from the Abandoned Property account 01-38-38-380510-80210000. Funding is available in this account, as noted below (pending budget approval for Fiscal Years 2020 through and 2025):

038-500177	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Software License	\$4,073	\$138,565	\$177,056	\$202,133	\$207,154	\$212,769	\$31,005

EXPLANATION

The Governor and Council approved the Division's transition to this leading edge unclaimed property system in 2014. In the last five years, this enabled the Division to move forward with expanded capacity and functionality to perform the vital operational processes that facilitated both the payment of millions of dollars in unclaimed property to the citizenry of New Hampshire while also

providing a consistent flow of funds to the General Fund, which allows all citizens to benefit from unclaimed property. The system conversion also made it possible for the Division to terminate the previous operating system, which was no longer supported by the vendor and had experienced numerous failures.

In 2014, New Hampshire joined Delaware as the only states using the KAPS service. Since those initial efforts took place, Kelmar's hosted solution has emerged as a superior, industry-leading, and secure unclaimed property database environment. In fact, there are now more than twenty-five states using this system or in the process of transitioning to this system, with an additional five states anticipated by the end of 2020.

As the KAPS system has been implemented in additional states, the system has expanded services and functionality. Accordingly, the Division requests approval to implement the available added functionality in the previously approved five-year renewal option period. Specifically, the Division requests approval to amend the contract to add functionality by replacing its existing website utilized to support its abandoned property operations by licensing the KAPS® State Website Solution – a proprietary software module which seamlessly integrates with the KAPS system and provides complete electronic claimant integration features, including filing claims, publishing claims status and daily removal of ineligible properties, as well as and full integration of institutional property holder data, including filing of positive and negative holder reports, optional payment integration, and report status publishing.

Additionally, the Division requests approval to further amend the contract to add functionality, licensing, and utilization of the enhanced KAPS LexisNexis® Instant Verify® and LexID® identification authentication services to allow the verification of automated fast track, paperless claims through the KAPS system, as well as to assist in minimizing exposure to fraudulent claims.

The final contract amendment would be to add functionality by utilizing the KAPS cloud-based document management system integrated with the KAPS system. The KAPS system-imaging module will afford the Division the ability to scan, index, store, retrieve, and track all document images captured utilizing the KAPS system. The vendor has agreed to meet all of the DoIT Application Security, Testing, and Cloud Hosting Requirements.

To mitigate overall contract costs, the Division will not introduce each new operating enhancement until it anticipates it will be ready to fully integrate the individual function into its operations. The target date for implementation of the KAPS® State Website Solution would be July of 2019. The anticipated date for the KAPS system-imaging system is January of 2020, and the final phase will be implementation of the KAPS LexisNexis® Instant Verify® and LexID® identification authentication services in July of 2021.

As described in detail below, the reason for requesting approval of these amendments to this **sole source** contract is that KAPS remains the only "commercial off-the-shelf" hosted unclaimed property system available in the U.S. and, as noted, will be utilized (along with the added functionality noted above) by more than sixty percent (60%) of the states' unclaimed and abandoned property offices by the end of 2020.

1. A database system for a state's abandoned property program is a unique and highly specialized database structure. The database's functionality must include state-of-the-art operational capacities for institutional holder report processing, cash and securities receipts processing, owner notification and verification, claims processing, claims payment, audit business intelligence capability, website/Internet search capacity, and application security.
2. On multiple occasions prior to and during 2014, the Division attempted to enter into a contract extension and system upgrade with its previous unclaimed property system provider for its second generation non-hosted information system. However, the conversion process proposed throughout that time by the provider did not conform to IT standards promulgated by both the State Treasury and the Department of Information Technology ("DoIT").
3. The State Treasury (as is the case with most other state abandoned property offices) does not possess the resources to self-support and maintain its own Abandoned Property automated information system. Kelmar's hosted solution has quickly emerged as a superior and more secure operating environment. Additionally, an internally developed, self-supported information system for this service is viable only for states with very large abandoned property operations and staffs. Of note, two of the largest states recently transitioned to the KAPS "commercial off-the-shelf" hosted unclaimed property system as a secure and cost effective means to administer their operations.
4. KAPS delivers many features that reflect "best practice" standards for data processing and security in a hosted environment, features which do not exist in non-hosted platforms. Key features of the KAPS hosted solution include:
  - a. All of the necessary hardware, software, and system security, therefore no capital investment was required in order to convert to and implement KAPS, resulting in very predictable and stable costs to the Abandoned Property Division. This is also applicable to each of the new system enhancements that will be implemented if the Council approves this contract amendment and renewal.

- b. No need for KAPS system support and maintenance staff to access State IT networks or resources, which eliminates the need for DoIT to create, monitor, and support third-party accounts to access the State's IT core and minimizes the risk of a data breach.
  - c. An operating environment in which system updates and new features can be tested without installing new versions or running updates to the highly confidential database containing personally identifiable information.
  - d. The ability to scale up quickly for larger data processing volumes, which will result from the proprietary efficiencies delivered by the system.
  - e. Hosting of both the information system and database in a state-of-the-art SunGard data center in Marlborough, MA. SunGard provides systems for a significant number of the leading finance and insurance companies in the U.S. as well as many governmental agencies, and its data centers are audited, providing System and Organization Controls ("SOC") reports and support compliant with PCI DSS and HIPAA.
  - f. A greater degree of data security than in a non-hosted environment, with access limited to only authorized locations and users, and the State's data isolated from the data of other Kelmar clients and systems.
  - g. Browser-based applications that facilitate easier training and transition.
5. Ongoing support and training in this environment is of utmost importance. As a result, it is critical to contract for these services with a vendor that can demonstrate that it has in-depth experience in all aspects of unclaimed property operations, as well as a commitment to abandoned property programs, to provide the State with the certainty that the necessary system support will be available in the long-term.
6. At present, there are only two "commercial off-the-shelf" (COTS) vendors that specialize in and support the unique way that states administer abandoned property operations. The system offered by the other vendor does not conform to IT standards promulgated by both the Treasury and the Department of Information Technology ("DoIT"). There are many other generic claims-processing systems, but they are not customized to support the unique operations of abandoned property. If the State Treasury were to consider these alternatives, there would be prohibitive time and resources required to adapt and customize a generic system to function as an abandoned property-specific processing system that could deliver the capabilities listed in item # 1. Ultimately, the cost of operating such systems would significantly exceed that of a COTS hosted platform.

7. The KAPS system is a full-scope abandoned property database information system. The implementation of this system in 2014 greatly reduced the high-volume manual operation levels within the Abandoned Property Division. Widely recognized auditing standards emphasize the importance of reducing reliance on manual processes while expanding automated processes. Streamlined operations allowed for timelier and higher capacity reporting of unclaimed property by holders and the increased return of unclaimed property to the citizenry of the state of New Hampshire, both of which remain the overarching mission of the Division. The designer of the KAPS system, Ken Wagers, is the primary architect behind nearly 90% of the abandoned property operating systems in use, at present, throughout the United States.
8. As a result of utilizing the KAPS hosted product solution, the Division has been, and will continue to be, better aligned with IT best practices in the areas of application security, internal controls, and open data standards.
9. The KAPS information system has provided enhanced productivity for the Division in a secure environment during the last five years. The proposed added functionality features will expand the productivity and security capabilities in the ensuing five years. The expanded functionality will allow for the elimination of the receipt of reports on electronic media that are vulnerable to data breaches. This will allow for greater security of sensitive records while minimizing the prolific paper glut the Division faces with expansive record retention schedules. Also, in this era of increased fraudulent activity, the added capacity of the Lexis Nexis identification tools will greatly reduce the potential of any fraudulent claims being submitted to the Division.

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

Without the continued use of this "software as a service", with the substantial service upgrades discussed, the Division is at significant risk of a critical operational disruption that will impede its efforts in carrying out its statutory responsibilities and will adversely impact unclaimed property holders and owners (claimants).

Respectfully requested,

A handwritten signature in black ink, appearing to read "William F. Dwyer", with a stylized flourish at the end.

William F. Dwyer  
State Treasurer



**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF INFORMATION TECHNOLOGY**  
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[www.nh.gov/doit](http://www.nh.gov/doit)

**Peter C. Hastings**  
*Commissioner*

May 21, 2019

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

Dear State Treasurer Dwyer:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to extend and amend a sole source contract with Kelmar Associates, LLC of Wakefield, MA, as described below and referenced as DoIT No. 2014-135A.

The purpose of this contract amendment is for the continued technical administration of a hosted "software as a service" system supporting the Division of Abandoned Property.

The funding amount for this amendment is \$972,755, increasing the current contract from \$550,000.00 to \$1,522,755.00, and by extending the completion date to August 24, 2024 from the original completion date of August 24, 2019. This amendment shall become effective upon Governor and Executive Council approval through August 24, 2024.

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

Sincerely,

Denis Goulet

DG/kaf  
DoIT #2014-135A  
cc: Rebecca Bolton, IT Manager, DoIT

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CONTRACT 2014-135 Amendment A

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WHEREAS, pursuant to the COTS Contract Agreement approved by the Governor and Executive Council on April 23, 2014 , Item #15 (with an effective date of August 25, 2014 through August 24, 2019), (herein after referred to as the "**CONTRACT**"), Kelmar Associates, LLC (hereinafter referred to as the "**Contractor**" or "**Kelmar**") agreed to supply an abandoned property management system and certain professional services upon the terms and conditions specified in the **CONTRACT** and in consideration of payment by the State of New Hampshire, acting through the Treasury, Abandoned Property Division (hereinafter referred to as the "**STATE**");

WHEREAS, pursuant to the **CONTRACT** (inclusive of section 18 of the Form P-37), the **CONTRACT** may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council;

WHEREAS, the **Contractor** and the **STATE** have agreed to amend the **CONTRACT** in certain respects;

WHEREAS, the **STATE** wishes to amend the **CONTRACT** to add functionality by replacing its existing website utilized to support its abandoned property operations by licensing **CONTRACTOR'S KAPS® State Website Solution** – a proprietary software module which seamlessly integrates with the **KAPS® SYSTEM** and provides complete electronic claimant integration options, including filing claims, publishing claims status and daily removal of ineligible properties; and full holder integration, including filing of positive and negative holder reports, optional payment integration, and report status publishing (hereinafter the "**KAPS® STATE WEBSITE SOLUTION**").

WHEREAS, the **STATE** wishes to further amend the **CONTRACT** to add functionality and license and utilize the **CONTRACTOR'S** enhanced LexisNexis® Instant Verify® and LexID® identification authentication services to allow the verification of automated fast track, paperless claims through the **KAPS® SYSTEM** as well as to assist in minimizing fraudulent claims (hereinafter the "**KAPS® LN Services**");

WHEREAS, the **STATE** wishes to further amend the **CONTRACT** to add functionality and wishes to license and utilize the cloud-based document management system integrated with the **KAPS® SYSTEM** (hereinafter the "**KAPS® SYSTEM IMAGING MODULE**") to afford the **STATE** the ability to scan, index, store, retrieve and track all document images captured utilizing the **KAPS® SYSTEM** and **KAPS® STATE WEBSITE SOLUTION**;

WHEREAS, the **STATE** and the **Contractor** wish to extend the completion date from August 24, 2019 to August 24, 2024;

WHEREAS, the **STATE** and the **Contractor** wish to increase the **CONTRACT** price by \$972,754.69 to bring the total contract price from \$550,000 to \$1,522,754.69;

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



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**Table 1:**

<b>Contract 2014-135- Part 1</b>  <b>P37 – GENERAL PROVISIONS</b>	<b>AMENDED TEXT</b>	
<b>Section 1.7</b>	Amend Section 1.7 of the First Page of the CONTRACT (P-37) to reflect a new completion date of August 24, 2024.	
<b>Section 1.8</b>	Amend Section 1.8 of the First Page of the CONTRACT (P-37) to reflect a new price limitation of \$1,522,754.69	
<b>Contract 2014-135- Part 2</b>  <b>CONTRACT AGREEMENT</b>	<b>AMENDED TEXT</b>	
<b>Terms and Definitions</b>	Amend to include:	
	<b>Renewal Period</b>	The contractual period commencing on August 25, 2019 through August 24, 2024.
	<b>Renewal Period Deliverables</b>	The implementation and delivery by Kelmar of the KAPS® System Imaging Module, the KAPS® LN Services, and the KAPS® State Website Solution.
	<b>KAPS® System Imaging Module</b>	The cloud-based document management system integrated with the KAPS® SYSTEM to allow the STATE access to all images from all key areas of the KAPS® SYSTEM.
	<b>KAPS® LN Services</b>	This term refers to the integration of the KAPS® SYSTEM with LexisNexis® Instant Verify® and LexID® identification authentication services to allow the verification of automated fast track, paperless claims.
	<b>KAPS® State Website Solution</b>	A proprietary software module which seamlessly integrates with the KAPS® SYSTEM and provides complete electronic claimant integration options, including filing claims, publishing claims status and daily removal of ineligible properties; and full holder integration, including filing of positive and negative holder reports, optional payment integration, and report status publishing.

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	Not to Exceed Contract	A Not to Exceed Contract is a contract where the contractor's total not to exceed price for providing hardware, software, and other materials and performing services under this contract will not exceed the amount noted in Section 1.8 of the Form P-37.	
<b>Section 1.1 Contract Documents</b>	Amend subsection C. to add at the bottom:  Exhibit P- KAPS® Subscription Terms & Condition for Kelmar's LexisNexis® Instant Verify® and LexID® Authentication Services		
<b>Section 1.3 Contract Term</b>	Amend to add beneath the statement "Time is of the essence in the performance for Kelmar's obligations under the CONTRACT." at the end of the section:  The Parties acknowledge and agree that the <b>TERM</b> of the <b>CONTRACT</b> shall be extended as set forth in this Section 1.3 effective after the full execution of this Contract Amendment by the parties, and the receipt of required governmental approvals, including, but not limited to, <b>GOVERNOR AND EXECUTIVE COUNCIL</b> of the State of New Hampshire approval. The <b>RENEWAL PERIOD</b> shall commence on the day following the original <b>CONTRACT</b> expiration date, August 24, 2019, and shall continue for a period of five (5) years thereafter concluding on August 24, 2024.		
<b>Section 2.2 Firm Fixed Price Contract</b>	Amend to delete the words Firm Fixed Price Contract and insert in place thereof the following : Not to Exceed Contract		
<b>Contract 2014-135- Part 3</b>  <b>EXHIBIT – A CONTRACT DELIVERABLES</b>	<b>AMENDED TEXT</b>		
<b>Section 2 Deliverables, Milestones, and Activities Schedule</b>	Delete Exhibit A Section 2.1 Implementation Schedule – Activities / Deliverables / Milestones  Delete table 2.1 in its entirety		
<b>Subsection 2.1 Implementation Schedule – Activities / Deliverables / Milestones</b>	Replace Exhibit A Section 2.1 Implementation Schedule – Activities / Deliverables / Milestones with the following:  <b>2.1 Implementation Schedule – Activities / Deliverables / Milestones</b> In connection with the Amendment to the <b>CONTRACT</b> , <b>Kelmar</b> shall undertake the implementation of the <b>KAPS® PUBLIC WEBSITE SOLUTION</b> , the <b>KAPS® SYSTEM IMAGING MODULE</b> , and the <b>KAPS® LN Services</b> (hereinafter		

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collectively referred to as the “**RENEWAL PERIOD DELIVERABLES**”) in accordance with the schedule set forth below:

Activity, Deliverable, or Milestone Website	Deliverable Type	Expected Delivery Date*
Project Kickoff Meeting – KAPS® State Website Solution	On-site	1 day
Delivery of Discovery Document	Written	15 days
Delivery of UAT system	Software	30 days
Testing of UAT system	Software	45 days
Delivery of Production Website	Software	60 days
Activity, Deliverable, or Milestone Imaging	Deliverable Type	Expected Delivery Date*
Project Kickoff Meeting – KAPS® System Imaging Module	On-site	1 day
Delivery of Discovery Document	Written	15 days
Delivery of UAT system	Software	45 days
User Training	Software	60 days
Delivery of Production Imaging	Software	90 days
Activity, Deliverable, or Milestone LexisNexis® Integration	Deliverable Type	Expected Delivery Date*
Project Kickoff Meeting - KAPS® LN Services	On-site	1 day
Delivery of Discovery Document	Written	5 days
Configuration Set Up	Software	30 days
User Training	Software	60 days
Turn on LexisNexis® for FastTrack Claims	Software	60 days

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	<p>* Days elapsed from agreed upon starting date which shall be established by the Parties within thirty (30) days of executing this Amendment.</p>											
<p>Contract 2014-135- Part 3</p> <p>EXHIBIT - B PRICE AND PAYMENT SCHEDULE</p>	<p>AMENDED TEXT</p>											
<p>Section 1 Deliverable Payment Schedule</p> <p>Subsection 1.1 Fixed Firm Price</p>	<p>Delete Exhibit B Section 1.1 Firm Fixed Price:</p> <p>This is a <b>FIRM FIXED PRICE (FFP) CONTRACT</b> totaling \$550,000.00 for the period between the <b>EFFECTIVE DATE</b> through the <b>EFFECTIVE DATE</b> plus five (5) years. <b>Kelmar</b> shall be responsible for performing its obligations in accordance with the <b>CONTRACT</b>. This <b>CONTRACT</b> will allow <b>Kelmar</b> to invoice the <b>STATE</b> on an equal monthly basis of \$9,166.67 per month, beginning on date the <b>KAPS® SYSTEM</b> is placed into production.</p> <p>Replace Exhibit B Section 1.1 Not to Exceed Price:</p> <p>This is a <b>NOT TO EXCEED (NTE) CONTRACT</b> with a total value indicated in Part I, P-37 General Provisions - Block 1.8: Price Limitation for the period between the Effective Date through date indicated in Part I, P-37 General Provisions - Block 1.7: Completion Date. <b>Kelmar</b> shall be responsible for performing its obligations in accordance with the <b>CONTRACT</b>.</p> <p>Beginning on date the <b>KAPS® SYSTEM</b> is placed into production through the period ending on August 24, 2019, this <b>CONTRACT</b> will allow Kelmar to invoice the <b>STATE</b> on an equal monthly basis \$9,166.67 per month for the <b>KAPS® System License, Maintenance &amp; Support Services</b>. Upon commencement of the <b>RENEWAL PERIOD</b> through its conclusion on August 24, 2024, Kelmar shall invoice the <b>STATE</b> for the <b>KAPS® System License, Maintenance &amp; Support Services</b> in accordance with the following schedule that includes a three percent (3%) annual increase for these services commencing in year 1 of the <b>RENEWAL PERIOD</b>:</p> <table><tr><th>RENEWAL YEAR</th><th>ANNUAL KAPS® LICENSING FEE</th><th>MONTHLY PAYMENT</th></tr><tr><td>Renewal Year 1 - August 25, 2019 through August 24, 2020</td><td>\$126,500.00</td><td>\$10,541.67</td></tr><tr><td>Renewal Year 2 – August 25, 2020 through August, 24 2021</td><td>\$130,295.00</td><td>\$10,857.92</td></tr></table>			RENEWAL YEAR	ANNUAL KAPS® LICENSING FEE	MONTHLY PAYMENT	Renewal Year 1 - August 25, 2019 through August 24, 2020	\$126,500.00	\$10,541.67	Renewal Year 2 – August 25, 2020 through August, 24 2021	\$130,295.00	\$10,857.92
RENEWAL YEAR	ANNUAL KAPS® LICENSING FEE	MONTHLY PAYMENT										
Renewal Year 1 - August 25, 2019 through August 24, 2020	\$126,500.00	\$10,541.67										
Renewal Year 2 – August 25, 2020 through August, 24 2021	\$130,295.00	\$10,857.92										

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Renewal Year 3 – August 25, 2021 through August, 24 2022	\$134,203.85	\$11,183.65
Renewal Year 4 - August 25, 2022 through August, 24 2023	\$138,229.97	\$11,519.16
Renewal Year 5 – August 25, 2023 through August 24, 2024	\$142,376.86	\$11,864.74

Beginning on the date the **KAPS® STATE WEBSITE SOLUTION** is placed into production through the period ending on August 24, 2019, this **CONTRACT** will allow **Kelmar** to invoice the **STATE** on an equal monthly basis \$1,250.00 per month (with an aggregated total of \$15,000 per year) for the **KAPS® STATE WEBSITE SOLUTION**. Upon commencement of the **RENEWAL PERIOD**, this **CONTRACT** will allow **Kelmar** to invoice the **STATE** for the **KAPS® STATE WEBSITE SOLUTION** on a monthly basis in accordance with the following fee schedule that includes a three percent (3%) annual increase for these services commencing in year 1 of the **RENEWAL PERIOD**:

RENEWAL YEAR	ANNUAL KAPS® PUBLIC WEBSITE LICENSING FEE	MONTHLY PAYMENT
Renewal Year 1 - August 25, 2019 through August 24, 2020	\$15,500.00	\$1,291.67
Renewal Year 2 – August 25, 2020 through August, 24 2021	\$15,965.00	\$1,330.42
Renewal Year 3 – August 25, 2021 through August, 24 2022	\$16,443.95	\$1,370.33
Renewal Year 4 - August 25, 2022 through August, 24 2023	\$16,937.27	\$1,411.44
Renewal Year 5 – August 25, 2023 through August 24, 2024	\$17,445.39	\$1,453.78

Beginning on the date the **KAPS® SYSTEM IMAGING MODULE** is placed into production through the period ending on August 24, 2019, this **CONTRACT** will allow **Kelmar** to invoice the **STATE** on an equal monthly basis \$2,416.67 per month (with an aggregated total of \$29,000.00 per year) for the **KAPS® SYSTEM IMAGING MODULE**. Upon commencement of the **RENEWAL PERIOD**, **Kelmar** shall invoice the **STATE** for the **KAPS® SYSTEM IMAGING MODULE** on a monthly basis in accordance with the following fee schedule that includes a three percent (3%) annual increase for these services commencing in year 1 of the **RENEWAL PERIOD**:

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	<table><tr><th>RENEWAL YEAR</th><th>ANNUAL KAPS® LICENSING FEE FOR IMAGING SERVICES</th><th>MONTHLY PAYMENT</th></tr><tr><td>Renewal Year 1 - August 25, 2019 through August 24, 2020</td><td>\$30,000.00</td><td>\$2,500.00</td></tr><tr><td>Renewal Year 2 – August 25, 2020 through August, 24 2021</td><td>\$30,900.00</td><td>\$2,575.00</td></tr><tr><td>Renewal Year 3 – August 25, 2021 through August, 24 2022</td><td>\$31,827.00</td><td>\$2,648.48</td></tr><tr><td>Renewal Year 4 - August 25, 2022 through August, 24 2023</td><td>\$32,781.81</td><td>\$2,731.82</td></tr><tr><td>Renewal Year 5 – August 25, 2023 through August 24, 2024</td><td>\$33,765.26</td><td>\$2,813.77</td></tr></table>	RENEWAL YEAR	ANNUAL KAPS® LICENSING FEE FOR IMAGING SERVICES	MONTHLY PAYMENT	Renewal Year 1 - August 25, 2019 through August 24, 2020	\$30,000.00	\$2,500.00	Renewal Year 2 – August 25, 2020 through August, 24 2021	\$30,900.00	\$2,575.00	Renewal Year 3 – August 25, 2021 through August, 24 2022	\$31,827.00	\$2,648.48	Renewal Year 4 - August 25, 2022 through August, 24 2023	\$32,781.81	\$2,731.82	Renewal Year 5 – August 25, 2023 through August 24, 2024	\$33,765.26	\$2,813.77
RENEWAL YEAR	ANNUAL KAPS® LICENSING FEE FOR IMAGING SERVICES	MONTHLY PAYMENT																	
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Renewal Year 4 - August 25, 2022 through August, 24 2023	\$32,781.81	\$2,731.82																	
Renewal Year 5 – August 25, 2023 through August 24, 2024	\$33,765.26	\$2,813.77																	
	<p>Beginning on the date the <b>STATE</b> first accesses the KAPS® LexisNexis® Instant Verify® and LexID® Verification and Authentication Services (“<b>KAPS® LN Services</b>”) and extending throughout the term of the <b>RENEWAL PERIOD</b> ending August 24, 2024, this <b>CONTRACT</b> will allow <b>Kelmar</b> to invoice the <b>STATE</b>, on a transactional basis, in the following manner: (a) \$1.25 per claimant authentication; and (b) \$0.04 per owner for LexID when batch adding LexID’s or \$0.25 per owner for LexID when adding per owner per claim. All <b>KAPS® LN Services</b> will be billed on a transactional basis by Kelmar to the <b>STATE</b> at the conclusion of the month following use, with a maximum spend of One Thousand Six Hundred and Sixty Six Dollars and Sixty-Six Cents (\$1,666.66) per month. During the <b>RENEWAL PERIOD</b> the total aggregated cost of the <b>KAPS® LN Services</b> shall not exceed Twenty Thousand Dollars per year, with a maximum of Sixty Three Thousand Three Hundred and Thirty –Three Dollars and Thirty Two Cents (\$63,333.32) for the <b>RENEWAL PERIOD</b>.</p> <p>The Targeted implementation date of each of these enhanced function services are as follows:</p> <p><b>KAPS® STATE WEBSITE SOLUTION – July 2019</b></p> <p><b>KAPS® SYSTEM IMAGING MODULE – January 2020</b></p> <p><b>KAPS®LN Services – July 2021</b></p>																		
<b>Section 2 Total Contract Price</b>	<p>Delete Exhibit B Section 2 Total Contract Price:</p> <p>Notwithstanding any provision in the <b>CONTRACT</b> to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments made by the <b>STATE</b> exceed \$550,000.00 (“Total Contract Price”). The payment by the <b>STATE</b> of the total Contract price shall be the only, and</p>																		

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the complete reimbursement to Kelmar for all fees and expenses, of whatever nature, incurred by Kelmar in the performance hereof.

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

Replace Exhibit B Section 2 Total Contract Price:

Notwithstanding any provision in the **CONTRACT** to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments made by the **STATE** exceed the amount indicated in Part 1, 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**.

TOTAL CONTACT COST BY STATE FISCAL YEAR							
	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023	SFY2024	SFY2025
* License, Maintenance and Support		\$108,137.13	\$129,744.15	\$133,636.40	\$137,645.48	\$141,774.90	\$20,667.61
Public Website Solution	\$4,072.58	\$15,427.45	\$15,897.54	\$16,374.35	\$16,865.69	\$17,371.61	\$2,532.39
System Imaging Solution		\$15,000.00	\$31,414.52	\$31,692.44	\$32,643.20	\$33,622.51	\$4,901.41
KSPSLI N Services				\$20,430.12	\$20,000.00	\$20,000.00	\$2,903.20
Subtotal	\$4,072.58	\$138,564.58	\$177,056.21	\$202,133.31	\$207,154.38	\$212,769.02	\$31,004.61
TOTAL							\$972,754.69
*License, Maintenance, and Support totals \$550,000.00 for SFY2015 - SFY2019							

**Section 7  
Project Holdback**

Delete Exhibit B Section 7 Project Holdback:

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

Replace Exhibit B Section 7 Project Holdback:

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

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	<p>The aforementioned holdback of ten percent (10%) of the price for each payment shall not apply to any fees associated with the <b>KAPS® STATE WEBSITE SOLUTION</b>, the <b>KAPS® SYSTEM IMAGING MODULE</b>, and/or the <b>KAPS® LN Services</b>. Such services shall be paid in full at the monthly installment rate as set forth in Section 1.1 above commencing in the month each service is implemented and operational.</p>
<p><b>Contract 2014-135- Part 3</b></p> <p><b>EXHIBIT – D ADMINISTRATIVE SERVICES.</b></p>	<p style="text-align:center"><b>AMENDED TEXT</b></p>
<p style="text-align:center"><b>Section 1 State Meetings and Reports</b></p> <p style="text-align:center"><b>Subsection a.: Introductory Meeting</b></p>	<p>Delete Exhibit D Section 1a. Introductory Meetings:</p> <p class="list-item-l1">a. Introductory Meeting: Participants will include Kelmar <b>KEY PROJECT STAFF</b> and <b>STATE PROJECT LEADERS</b> from both Department of Treasury and the <b>DEPARTMENT OF INFORMATION TECHNOLOGY</b>. This meeting will enable leaders to become acquainted and establish any preliminary <b>PROJECT</b> procedures.</p> <p>Replace Exhibit D Section 1a. Introductory Meetings:</p> <p class="list-item-l1">a. Introductory Meeting: Participants will include Kelmar <b>KEY PROJECT STAFF</b> and <b>STATE PROJECT LEADERS</b> from both Department of Treasury and the <b>DEPARTMENT OF INFORMATION TECHNOLOGY</b>. This meeting will enable leaders to become acquainted and establish any preliminary <b>PROJECT</b> procedures.</p> <p>With respect to the work to be accomplished as outlined in revised PART 3 Exhibit A Section 2.1, no introductory meeting shall be held.</p>



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<b>Section 2 State-Owned Documents And Data</b>	<p>Delete Exhibit D Section 2. State-Owned Documents and Data:</p> <p><b>Kelmar</b> shall provide the <b>STATE</b> access to all documents, <b>STATE DATA</b>, materials, reports, and other work in progress relating to the <b>CONTRACT</b> ("STATE Owned Documents"). Upon expiration or termination of the <b>CONTRACT</b> with the <b>STATE</b>, <b>Kelmar</b> shall turn over all <b>STATE</b>-owned documents, material, reports, and work in progress relating to the <b>CONTRACT</b> to the <b>STATE</b> at no additional cost to the <b>STATE</b>. <b>STATE</b>-owned Documents shall be provided in electronic format.</p> <p>Replace Exhibit D Section 2. State-Owned Documents and Data:</p> <p><b>Kelmar</b> shall provide the <b>STATE</b> access to all documents, <b>STATE DATA</b>, materials, reports, and other work in progress relating to the <b>CONTRACT</b> ("STATE Owned Documents"). Upon expiration or termination of the <b>CONTRACT</b> with the <b>STATE</b>, <b>Kelmar</b> shall turn over all <b>STATE</b>-owned documents, material, reports, and work in progress relating to the <b>CONTRACT</b> to the <b>STATE</b> at no additional cost to the <b>STATE</b>. <b>STATE</b>-owned Documents shall be provided in electronic format.</p> <p>On a semi-annual basis, <b>Kelmar</b> shall deliver to, or otherwise make available for download by, the <b>STATE</b> a complete backup of all <b>STATE DATA</b> held by <b>Kelmar</b>.</p>
<b>Exhibit E IMPLEMENTATION SERVICES</b>	<b>AMENDED TEXT</b>
<b>Section 2 Implementation Methodology</b>  <b>Subsection 2.1 Data Conversion</b>	<p>Delete Exhibit E Section 2.1: Data Conversion</p> <p><b>DATA</b> conversion will occur over a weekend mutually agreed upon between <b>Kelmar</b> and the <b>STATE</b>.</p> <p><b>Kelmar</b> will require the <b>STATE</b> to deliver a full export of the <b>UPMS</b> Foxpro database on the Thursday night before final conversion. The <b>UPMS</b> system will be available for inquiry only on the Friday of the <b>DATA</b> conversion weekend.</p> <p>Once the initial <b>DATA</b> conversion is complete, the <b>STATE</b> shall have the ability to export <b>DATA</b> in piecemeal or in entirety at its discretion without interference from <b>Kelmar</b>. This includes the ability for the <b>STATE</b> to export <b>DATA</b> to other service providers.</p> <p>When developing file imports and exports between <b>KAPS</b>® and other <b>STATE</b> systems, <b>Kelmar</b> shall utilize the <b>STATE</b>'s preferred system web service APIs where applicable and possible as determined by <b>Kelmar</b> and the <b>STATE</b>.</p>

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	<p><b>DELIVERABLES:</b></p> <ul style="list-style-type: none"><li>• Listing of all tables in the <b>UPMS</b> database, with a description and indication if the <b>DATA</b> is to be converted, archived, or abandoned</li><li>• Table column listing for all <b>DATA</b> to be converted, with mapping information to the <b>KAPST<sup>TM</sup></b> table and column, or indication that the <b>DATA</b> element is to be abandoned</li><li>• Record counts for all <b>UPMS</b> tables to be converted and final record counts in <b>KAPST<sup>TM</sup></b> tables post conversion</li><li>• Numerical totals for all dollar and share columns for all <b>UPMS</b> tables, and final numerical totals in <b>KAPST<sup>TM</sup></b> tables post conversion</li></ul> <p>Replace Exhibit E Section 2.1: Data Conversion</p> <p><b>DATA</b> conversion will occur over a weekend mutually agreed upon between <b>Kelmar</b> and the <b>STATE</b>.</p> <p>Kelmar will require the <b>STATE</b> to deliver a full export of the <b>UPMS</b> Foxpro database on the Thursday night before final conversion. The <b>UPMS</b> system will be available for inquiry only on the Friday of the <b>DATA</b> conversion weekend.</p> <p>Once the initial <b>DATA</b> conversion is complete, the <b>STATE</b> shall have the ability to export <b>DATA</b> in piecemeal or in entirety at its discretion without interference from <b>Kelmar</b>. This includes the ability for the <b>STATE</b> to export <b>DATA</b> to other service providers.</p> <p>When developing file imports and exports between <b>KAPS<sup>®</sup></b> and other <b>STATE</b> systems, <b>Kelmar</b> shall utilize the <b>STATE</b>'s preferred system web service APIs where applicable and possible as determined by <b>Kelmar</b> and the <b>STATE</b>.</p> <p><b>DELIVERABLES:</b></p> <ul style="list-style-type: none"><li>• Listing of all tables in the <b>UPMS</b> database, with a description and indication if the <b>DATA</b> is to be converted, archived, or abandoned</li><li>• Table column listing for all <b>DATA</b> to be converted, with mapping information to the <b>KAPS<sup>®</sup></b> table and column, or indication that the <b>DATA</b> element is to be abandoned</li><li>• Record counts for all <b>UPMS</b> tables to be converted and final record counts in <b>KAPS<sup>®</sup></b> tables post conversion</li><li>• Numerical totals for all dollar and share columns for all <b>UPMS</b> tables, and final numerical totals in <b>KAPS<sup>®</sup></b> tables post conversion</li></ul> <p>The forgoing <b>DELIVERABLES</b> and requirements shall not apply to the <b>RENEWAL PERIOD</b> of the <b>CONTRACT</b>.</p>
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<b>Section 2 Implementation Methodology</b>  <b>Subsection 2.2 Installation &amp; Training</b>	<p>Delete Exhibit E Section 2.1: Installation &amp; Training</p> <p><b>Kelmar</b> shall provide the <b>STATE</b> with <b>SYSTEM</b> installation and <b>IMPLEMENTATION</b> assistance in the form of on-site training, telephone support during Normal Working Hours, and issue resolution via the on-line KAPS™ issue management system.</p> <p>Below are details of the Initial Training and Support Plan:</p> <ul style="list-style-type: none"><li>• 60 <b>Kelmar</b> staff hours of onsite staff training before the <b>SYSTEM IMPLEMENTATION</b> date<ul style="list-style-type: none"><li>▪ Training delivered over two separate weeks, in the 30 days before <b>IMPLEMENTATION</b></li></ul></li><li>• 120 <b>Kelmar</b> staff hours of onsite post-implementation support<ul style="list-style-type: none"><li>▪ Training delivered 60 hours in the week immediately following <b>IMPLEMENTATION</b>, with the remainder of the hours delivered within the first 45 days of <b>SYSTEM IMPLEMENTATION</b></li></ul></li><li>• Access to <b>Kelmar</b> support staff in accordance with the provisions of Section 2.3 below.</li></ul> <p>Support and <b>DOCUMENTATION DELIVERABLES</b>:</p> <ul style="list-style-type: none"><li>• Electronic <b>DOCUMENTATION</b> that includes:<ul style="list-style-type: none"><li>▪ <b>SYSTEM</b> functional <b>DOCUMENTATION</b></li><li>▪ <b>SYSTEM</b> workflow <b>DOCUMENTATION</b></li></ul></li><li>• Documented support process</li><li>• Online issue tracking and management system</li></ul> <p>Replace Exhibit E Section 2.1: Installation &amp; Training</p> <p>During the initial term of the <b>CONTRACT</b>, <b>Kelmar</b> shall provide the <b>STATE</b> with <b>SYSTEM</b> installation and <b>IMPLEMENTATION</b> assistance in the form of on-site training, telephone support during Normal Working Hours, and issue resolution via the on-line KAPS® issue management system.</p> <p>Below are details of the Initial Training and Support Plan:</p> <ul style="list-style-type: none"><li>• 60 <b>Kelmar</b> staff hours of onsite staff training before the <b>SYSTEM IMPLEMENTATION</b> date<ul style="list-style-type: none"><li>▪ Training delivered over two separate weeks, in the 30 days before <b>IMPLEMENTATION</b></li></ul></li><li>• 120 <b>Kelmar</b> staff hours of onsite post-implementation support<ul style="list-style-type: none"><li>▪ Training delivered 60 hours in the week immediately following <b>IMPLEMENTATION</b>, with the remainder of the hours delivered within the first 45 days of <b>SYSTEM IMPLEMENTATION</b></li></ul></li></ul>
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	<ul style="list-style-type: none"><li>• Access to <b>Kelmar</b> support staff in accordance with the provisions of Section 2.3 and 2.4 below.</li></ul> <p>Below are details of the Training and Support Plan for the <b>RENEWAL PERIOD</b> of the <b>CONTRACT</b>:</p> <ul style="list-style-type: none"><li>• Four (4) <b>Kelmar</b> staff hours of onsite training shall be provided for the <b>KAPS® STATE WEBSITESOLUTION</b>. Training shall occur within two (2) weeks of the <b>IMPLEMENTATION</b> date.</li><li>• Sixteen (16) <b>Kelmar</b> staff hours of onsite training shall be provided for the <b>KAPS® SYSTEM IMAGING MODULE</b>. Training shall occur within two (2) weeks of the <b>IMPLEMENTATION</b> date.</li><li>• Two (2) <b>Kelmar</b> staff hours of onsite training shall be provided for the <b>KAPS® LN Services</b>.</li><li>• The <b>STATE</b> shall also have access to <b>Kelmar</b> support staff in accordance with the provisions of Section 2.3 and 2.4 below.</li></ul> <p>Support and <b>DOCUMENTATION DELIVERABLES</b> for both the initial <b>TERM</b> of the <b>CONTRACT</b> and the <b>RENEWAL PERIOD</b> are as follows:</p> <ul style="list-style-type: none"><li>• Electronic <b>DOCUMENTATION</b> that includes:<ul style="list-style-type: none"><li>▪ <b>SYSTEM</b> functional <b>DOCUMENTATION</b></li><li>▪ <b>SYSTEM</b> workflow <b>DOCUMENTATION</b></li></ul></li><li>• Documented support process</li><li>• 24 hour online access to the <b>KAPS®</b> issue management system. Messages received after Normal Working Hours will be returned on the following business day.</li></ul>
<b>Exhibit F TESTING SERVICES</b>	<b>AMENDED TEXT</b>
<b>Section 1 Testing and Acceptance</b>	<p>Delete Exhibit F Section 1: Testing and Acceptance:</p> <p><b>Kelmar</b> shall bear all responsibilities for the full suite of Test Planning and preparation throughout the <b>PROJECT</b>. <b>Kelmar</b> will also provide training as necessary to the <b>STATE</b> staff responsible for test activities. <b>Kelmar</b> shall be responsible for all aspects of testing contained in the <b>ACCEPTANCE TEST PLAN</b> including support, at no additional cost, during <b>USER ACCEPTANCE TEST</b> conducted by the <b>STATE</b> and the testing of the training materials.</p> <p>The <b>TEST PLAN</b> methodology shall reflect the needs of the <b>PROJECT</b> and be included in the finalized <b>WORK PLAN</b>. A separate <b>TEST PLAN</b> and set of test materials will be prepared for each <b>SOFTWARE</b> function or module.</p>

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

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

Replace Exhibit F Section I: Testing and Acceptance:

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

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

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

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

With regard to the **RENEWAL PERIOD** of the **CONTRACT**, the below subsections 1.2, 1.4, and 1.10 shall not be applicable:

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**1.2 Unit Testing**

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

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

**1.4 Conversion Validation Testing**

In Conversion Validation Testing, target application functions are validated.

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

**1.10 System Acceptance**

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

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<p style="text-align:center"><b>Section 1</b> <b>Testing and</b> <b>Acceptance</b></p> <p style="text-align:center"><b>Subsection 1.1</b> <b>Test Planning and</b> <b>Preparation</b></p>	<p>Delete Exhibit F Section 1.1: Test Planning and Preparation:</p> <p><b>1.1 Test Planning and Preparation</b></p> <p>Kelmar shall provide the STATE with an overall <b>TEST PLAN</b> that will guide all testing. The Kelmar provided, STATE approved, <b>TEST PLAN</b> 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 <b>DATA</b>, test phases, <b>UNIT TESTS</b>, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.</p> <p>As identified in the <b>ACCEPTANCE TEST PLAN</b>, and documented in accordance with the <b>WORK PLAN</b> and the <b>CONTRACT</b>, STATE testing will commence upon Kelmar's <b>PROJECT MANAGER's CERTIFICATION</b>, in writing, that Kelmar's own staff has successfully executed all prerequisite Kelmar testing, along with reporting the actual testing results, prior to the start of any testing executed by STATE staff. The STATE will be presented with a STATE approved <b>ACCEPTANCE TEST PLAN</b>, test scenarios, test cases, test scripts, test <b>DATA</b>, and expected results.</p> <p>The STATE will commence its testing within five (5) business days of receiving <b>CERTIFICATION</b> from Kelmar that the STATE's personnel have been trained and the <b>SYSTEM</b> is installed, configured, complete, and ready for STATE testing. The testing will be conducted by the STATE in an environment independent from Kelmar's development environment. Kelmar must assist the STATE with testing in accordance with the <b>TEST PLAN</b> and the <b>WORK PLAN</b>, utilizing test and live <b>DATA</b> to validate reports, and conduct stress and performance testing, at no additional cost.</p> <p>Testing begins upon completion of the <b>SOFTWARE</b> configuration as required and user training according to the <b>WORK PLAN</b>. Testing ends upon issuance of a letter of <b>UAT ACCEPTANCE</b> by the STATE.</p> <p><b>VENDOR</b> must demonstrate that their testing methodology can be integrated with the STATE standard methodology.</p> <p>Replace Exhibit F Section 1.1: Test Planning and Preparation :</p> <p><b>1.1 Test Planning and Preparation</b></p> <p>Where applicable for the final integration of the <b>RENEWAL PERIOD DELIVERABLES</b>, Kelmar shall provide the STATE with an overall <b>TEST PLAN</b> that will guide all testing. The Kelmar provided, STATE approved, <b>TEST PLAN</b> 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 <b>DATA</b>, test phases, <b>UNIT TESTS</b>, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.</p>
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	<p>As identified in the <b>ACCEPTANCE TEST PLAN</b>, and documented in accordance with the <b>WORK PLAN</b> and the <b>CONTRACT</b>, <b>STATE</b> testing will commence upon <b>Kelmar's PROJECT MANAGER's CERTIFICATION</b>, in writing, that <b>Kelmar's</b> own staff has successfully executed all prerequisite <b>Kelmar</b> testing, along with reporting the actual testing results, prior to the start of any testing executed by <b>STATE</b> staff. The <b>STATE</b> will be presented with a <b>STATE</b> approved <b>ACCEPTANCE TEST PLAN</b>, test scenarios, test cases, test scripts, test <b>DATA</b>, and expected results.</p> <p>The <b>STATE</b> will commence its testing within five (5) business days of receiving <b>CERTIFICATION</b> from <b>Kelmar</b> that the <b>STATE's</b> personnel have been trained and the <b>SYSTEM</b> is installed, configured, complete, and ready for <b>STATE</b> testing. The testing will be conducted by the <b>STATE</b> in an environment independent from <b>Kelmar's</b> development environment. <b>Kelmar</b> must assist the <b>STATE</b> with testing in accordance with the <b>TEST PLAN</b> and the <b>WORK PLAN</b>, utilizing test and live <b>DATA</b> to validate reports, and conduct stress and performance testing, at no additional cost.</p> <p>Testing begins upon completion of the <b>SOFTWARE</b> configuration as required and user training according to the <b>WORK PLAN</b>. Testing ends upon issuance of a letter of <b>UAT ACCEPTANCE</b> by the <b>STATE</b>.</p> <p><b>VENDOR</b> must demonstrate that their testing methodology can be integrated with the <b>STATE</b> standard methodology.</p>
<p style="text-align: center;"><b>Section 1 Testing and Acceptance</b></p> <p style="text-align: center;"><b>Subsection 1.6 User Acceptance Testing (UAT)</b></p>	<p>Delete Exhibit F Section 1.6: User Acceptance Testing (UAT) Testing and Acceptance:</p> <p><b>UAT</b> begins upon completion of the <b>SOFTWARE</b> configuration as required and user training according to the <b>WORK PLAN</b>. Testing ends upon issuance of a letter of <b>UAT ACCEPTANCE</b> by the <b>STATE</b>.</p> <p><b>Kelmar's PROJECT MANAGER</b> must certify in writing, that the <b>VENDOR's</b> own staff has successfully executed all prerequisite <b>VENDOR</b> testing, along with reporting the actual testing results prior to the start of any testing executed by <b>STATE</b> staff.</p> <p>The <b>STATE</b> shall be presented with all testing results, as well as written <b>CERTIFICATION</b> that <b>Kelmar</b> has successfully completed the prerequisite tests, meeting the defined <b>ACCEPTANCE</b> Criteria, and performance standards. The <b>STATE</b> shall commence testing within five (5) business days of receiving <b>CERTIFICATION</b>, in writing, from <b>Kelmar</b></p>



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

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

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

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

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

Replace Exhibit F Section 1.6: User Acceptance Testing (UAT) Testing and Acceptance:

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

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

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

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	<p>identified in the <b>ACCEPTANCE TEST PLAN</b> to validate the functionality of the <b>SYSTEM</b> and the interfaces, and verify <b>IMPLEMENTATION</b> readiness. <b>UAT</b> is performed in a copy of the production environment and can serve as a performance and stress test of the <b>SYSTEM</b>. The <b>USER ACCEPTANCE TEST</b> may cover any aspect of the new <b>SYSTEM</b>, including administrative procedures (such as backup and recovery).</p> <p>The <b>USER ACCEPTANCE TEST (UAT)</b> is a verification process performed in a copy of the production environment. The <b>USER ACCEPTANCE TEST</b> verifies <b>SYSTEM</b> functionality against predefined <b>ACCEPTANCE</b> criteria that support the successful execution of approved business processes.</p> <p><b>UAT</b> will also serve as a performance and stress test of the <b>SYSTEM</b>. It may cover any aspect of the new <b>SYSTEM</b>, including administrative procedures such as backup and recovery. The results of the <b>UAT</b> provide evidence that the new <b>SYSTEM</b> meets the <b>USER ACCEPTANCE</b> criteria as defined in the <b>WORK PLAN</b>.</p> <p>The results of the <b>USER ACCEPTANCE TEST</b> provide evidence that the new <b>SYSTEM</b> meets the <b>USER ACCEPTANCE</b> criteria as defined in the <b>WORK PLAN</b>.</p> <p>Upon successful conclusion of <b>UAT</b> and successful <b>SYSTEM</b> deployment, the <b>STATE</b> will issue a letter of <b>UAT ACCEPTANCE</b> and the respective <b>WARRANTY PERIOD</b> shall commence</p> <p>The foregoing <b>UAT</b> requirements shall apply to the initial testing and acceptance of the <b>KAPS® SYSTEM</b> which, as of the date of this Amendment, has been completed as confirmed by the letter of <b>UAT ACCEPTANCE</b>.</p> <p>While the Parties acknowledge and agree that <b>UAT</b> will be performed with respect to the <b>RENEWAL PERIOD DELIVERABLES</b>, given the limited scope and specifications of the <b>RENEWAL PERIOD DELIVERABLES</b>, the <b>UAT</b> process will be modified as outlined in Section 1.6(a) below.</p>
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<p><b>Section 1</b> <b>Testing and Acceptance</b></p> <p><b>Subsection 1.6</b> <b>User Acceptance Testing (UAT)</b></p>	Delete Table 1.6: UAT - Initial Implementation	
	Activity Description	The <b>SYSTEM USER ACCEPTANCE</b> Tests verify <b>SYSTEM</b> functionality against predefined <b>ACCEPTANCE</b> criteria that support the successful execution of approved processes.
	Kelmar Team Responsibilities	<ul style="list-style-type: none"> <li>• Provide the <b>STATE</b> an <b>ACCEPTANCE TEST PLAN</b> and selection of test scripts for the <b>ACCEPTANCE</b> Test.</li> <li>• Monitor the execution of the test scripts and assist as needed during the <b>USER ACCEPTANCE TEST</b> activities.</li> <li>• Work jointly with the <b>STATE</b> in determining the required actions for problem resolution.</li> </ul>
	STATE Responsibilities	<ul style="list-style-type: none"> <li>• Approve the development of the <b>USER ACCEPTANCE TEST PLAN</b> and the set of <b>DATA</b> for use during the <b>USER ACCEPTANCE</b> Test.</li> <li>• Validate the <b>ACCEPTANCE TEST</b> environment.</li> <li>• Execute the test scripts and conduct <b>USER ACCEPTANCE TEST</b> activities.</li> <li>• Document and summarize <b>ACCEPTANCE TEST</b> results.</li> <li>• Work jointly with <b>Kelmar</b> in determining the required actions for problem resolution.</li> <li>• Provide <b>ACCEPTANCE</b> of the validated <b>SYSTEMs</b>.</li> </ul>
	Work Product Description	The <b>DELIVERABLE</b> for <b>USER ACCEPTANCE</b> Tests is the <b>USER ACCEPTANCE TEST</b> Results. These results provide evidence that the new <b>SYSTEM</b> meets the <b>USER ACCEPTANCE</b> criteria defined in the <b>WORK PLAN</b> .
Amend Table 1.6: UAT - Initial Implementation		

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

**Add Section 1.6(a): UAT - RENEWAL PERIOD**

Prior to delivering the **RENEWAL PERIOD DELIVERABLES**, **Kelmar** shall perform the following testing: (a) Unit Testing and incremental Integration Testing of the components of each **RENEWAL PERIOD DELIVERABLE** (b) Integration Testing of each **RENEWAL PERIOD DELIVERABLE** to ensure proper inter-operation with all prior Deliverables, interfaces and other components that are intended to function with the **RENEWAL PERIOD DELIVERABLES**; and (c) Business Function Testing and Technical Testing of each Application in a simulated production environment. The **STATE** shall participate in and provide support for the Business Function Testing to the extent reasonably requested by **Kelmar**.

Within five (5) Business Days following the completion of **Kelmar's** testing, **Kelmar** shall provide the **STATE**, upon its request, with a testing matrix evidencing the conduct and successful completion of all testing associated with the **RENEWAL PERIOD DELIVERABLE(s)**.

Thereafter, the **STATE** will follow the process outlined in **Exhibit G – Maintenance and Support Services**, Subsection 1.1.3.1 to conduct UAT to determine whether the **RENEWAL PERIOD DELIVERABLE(s)**

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	<p>conforms to and performs in accordance with the <b>SPECIFICATIONS</b> without material deficiencies.</p> <p>Upon successful conclusion of <b>UAT</b> and successful deployment of the <b>RENEWAL PERIOD DELIVERABLES</b>, the <b>STATE</b> will issue a letter of <b>UAT ACCEPTANCE</b> and the respective <b>WARRANTY PERIOD SHALL COMMENCE</b>. With respect to the <b>RENEWAL PERIOD DELIVERABLES</b>, the Parties acknowledge and agree that the terms and conditions set forth at Exhibit K – Warranty &amp; Warranty Services shall apply.</p>
<p style="text-align: center;"><b>Section 1 Testing and Acceptance</b></p> <p style="text-align: center;"><b>Subsection 1.7 Performance Tuning and Stress Testing</b></p>	<p>Delete Exhibit F Section 1.7: Performance Tuning and Stress Testing :</p> <p style="text-align: center;"><b>1.7 Performance Tuning and Stress Testing</b></p> <p><b>Kelmar</b> shall develop and document hardware and <b>SOFTWARE</b> configuration and tuning of <b>Kelmar</b>'s infrastructure as well as assist and direct the <b>STATE</b>'s System Administrators and Database Administrators in configuring and tuning the infrastructure to support the <b>SOFTWARE</b> throughout the <b>PROJECT</b>.</p> <p><b><u>1.7.1 Scope</u></b></p> <p>The scope of <b><u>Performance Testing</u></b> shall be to measure the <b>SYSTEM</b> 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 <b>CHANGES</b> and retesting until optimum <b>SYSTEM</b> 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.</p> <p><b><u>1.7.2 Test Types</u></b></p> <p>Performance testing shall use two different types of testing to determine the stability of the application. They are baseline tests and load tests.</p> <p>a) <b><u>Baseline Tests:</u></b> Baseline tests shall collect performance <b>DATA</b> 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.</p> <p>b) <b><u>Load Tests:</u></b> Load testing will determine if the behavior of the <b>SYSTEM</b> 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</p>

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workload distribution. **SYSTEM** response time and utilization is measured and recorded.

**1.7.3 Tuning**

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

**1.7.4 Regression Testing**

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

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

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2. Create a set of test conditions, test cases, and test **DATA** that will validate that the unchanged portions of the program still operate correctly; and
3. Manage the entire cyclic process.

- e) **Kelmar** will be expected to execute the regression test, provide actual testing results, and certify its completion in writing to the **STATE** prior to passing the modified **SOFTWARE** application to the users for retesting.

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

Replace Exhibit F Section 1.7: Performance Tuning and Stress Testing

**1.7 Performance Tuning and Stress Testing**

Where applicable for the final integration of the **RENEWAL PERIOD DELIVERABLES**, **Kelmar** shall develop and document hardware and **SOFTWARE** configuration and tuning of **Kelmar**'s infrastructure as well as assist and direct the **STATE**'s System Administrators and Database Administrators in configuring and tuning the infrastructure to support the **SOFTWARE** throughout the **PROJECT**.

**1.7.1 Scope**

The scope of **Performance Testing** shall be to measure the **SYSTEM** level metrics critical for the development of the applications infrastructure and operation of the applications in the production environment. It will include the measurement of response rates of the application for end-user transactions and resource utilization (of various servers and network) under various load conditions. These response rates shall become the basis for **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.

**1.7.2 Test Types**

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

- a) **Baseline Tests:** Baseline tests shall collect performance **DATA** and load analysis by running scripts where the output is broken down into business transactions or functions. The test is like a single user

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executing a defined business transaction. During baseline testing, each individual script is run to establish a baseline for transaction response time, throughput and other user-based metrics.

- b) **Load Tests:** Load testing will determine if the behavior of the **SYSTEM** can be sustained over a long period of time while running under expected conditions. Load test helps to verify the ability of the application environment under different load conditions based on workload distribution. **SYSTEM** response time and utilization is measured and recorded.

**1.7.3 Tuning**

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

**1.7.4 Regression Testing**

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

- a) For each minor failure of an **ACCEPTANCE** Test, the **ACCEPTANCE PERIOD** shall be extended by corresponding time defined in the **TEST PLAN**.
- b) **Kelmar** shall notify the **STATE** no later than five (5) business days from **Kelmar**'s receipt of written notice of the test failure when **Kelmar** expects the corrections to be completed and ready for retesting by the **STATE**. **Kelmar** will have up to ten (10) business days to make corrections to the problem unless specifically extended in writing by the **STATE**.
- c) When a programming **CHANGE** is made in response to a problem identified during user testing, a **REGRESSION TEST PLAN** should be developed by **Kelmar** based on the understanding of the program and the **CHANGE** being made to the program. The **TEST PLAN** has two objectives:
  - 1. validate that the **CHANGE**/update has been properly incorporated into the program; and



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	<p>2. validate that there has been no unintended <b>CHANGE</b> to the other portions of the program.</p> <p>d) <b>Kelmar</b> will be expected to:</p> <ol style="list-style-type: none"> <li>1. Create a set of test conditions, test cases, and test <b>DATA</b> that will validate that the <b>CHANGE</b> has been incorporated correctly;</li> <li>2. Create a set of test conditions, test cases, and test <b>DATA</b> that will validate that the unchanged portions of the program still operate correctly; and</li> <li>3. Manage the entire cyclic process.</li> </ol> <p>e) <b>Kelmar</b> will be expected to execute the regression test, provide actual testing results, and certify its completion in writing to the <b>STATE</b> prior to passing the modified <b>SOFTWARE</b> application to the users for retesting.</p> <p>In designing and conducting such regression testing, <b>Kelmar</b> 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 In designing and conducting such regression testing, <b>Kelmar</b> will be required to assess other words, <b>Kelmar</b> will be expected to design and conduct regression tests that will identify any unintended consequences of the modification while taking into account <b>SCHEDULE</b> and economic considerations.</p>
<b>Exhibit G MAINTENANCE AND SUPPORT SERVICES</b>	<b>AMENDED TEXT</b>
<p style="text-align: center;"><b>Section 1 System Maintenance</b></p> <p style="text-align: center;"><b>Subsection 1.1.3.1 Process for Approval of Software Deliverables</b></p>	<p>Delete Exhibit G Section 1.1.3.1: Process for Approval of <b>SOFTWARE DELIVERABLES</b>:</p> <p>The <b>STATE</b> will conduct <b>UAT</b> of each <b>SOFTWARE DELIVERABLE</b> in accordance with the following procedures to determine whether it meets the criteria for <b>STATE</b> approval – i.e., whether it conforms to and performs in accordance with its <b>SPECIFICATIONS</b> without material <b>DEFICIENCIES</b>.</p> <p>The <b>STATE REVIEW PERIOD</b> shall be the number of days agreed in writing by the Parties (failing which it shall be forty-five (45) days by default). The <b>STATE REVIEW PERIOD</b> for each <b>SOFTWARE DELIVERABLE</b> will begin when <b>Kelmar</b> has delivered the <b>SOFTWARE DELIVERABLE</b> to the <b>STATE</b> and the <b>STATE</b>'s inspection of the <b>DELIVERABLE</b> has confirmed that all components of it have been delivered.</p> <p>If the <b>STATE</b> determines during the <b>UAT</b> that the <b>SOFTWARE DELIVERABLE</b> contains any <b>DEFICIENCIES</b>, the <b>STATE</b> will notify <b>Kelmar</b> of the deficiency by making an entry in an incident reporting system available to both <b>Kelmar</b> and the <b>STATE</b>.</p>

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

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

Replace Exhibit G Section 1.1.3.1: Process for Approval of **SOFTWARE DELIVERABLES**:

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

The **STATE REVIEW PERIOD** shall be the number of days agreed in writing by the Parties (failing which it shall be forty-five (45) days by default). The **STATE REVIEW PERIOD** for each **SOFTWARE DELIVERABLE** will begin when **Kelmar** has delivered the **SOFTWARE DELIVERABLE** to the **STATE** and the **STATE's** inspection of the **DELIVERABLE** has confirmed that all components of it have been delivered.

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

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

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	<p>process. The <b>STATE</b> will promptly re-test the corrected version of the <b>SOFTWARE DELIVERABLE</b> after receiving it from <b>Kelmar</b>.</p> <p>Within three (3) business days after the end of the <b>STATE REVIEW PERIOD</b>, the <b>STATE</b> will give <b>Kelmar</b> a written notice indicating the <b>STATE</b>'s approval or rejection of the <b>SOFTWARE DELIVERABLE</b> according to the criteria and process set out in this Section. If the <b>STATE</b> has given notice of non-acceptance, Kelmar will again act to diligently correct, modify, or improve such <b>SOFTWARE DELIVERABLE</b> to address the cause of non-acceptance. This process will be repeated as may be necessary until the <b>SOFTWARE DELIVERABLES</b> are accepted or deemed accepted by the <b>STATE</b> as provided in Section 1.1.3.2 below.</p> <p>With respect to the <b>RENEWAL PERIOD SOFTWARE DELIVERABLES</b>, each of the conditions outlined in this subsection 1.1.3.1 shall apply; except that the <b>STATE REVIEW PERIOD</b> shall be the number of days agreed in writing by the Parties (failing which it shall be ten (10) days by default).</p>
<b>Exhibit H STATE OF NH REQUIREMENTS</b>	<b>AMENDED TEXT</b>
<b>Exhibit H  State Of New Hampshire Requirements</b>	<p>Delete Exhibit H</p> <p>The State of NH Requirements for the Treasury Abandoned Property Application are contained in Attachment 1 – State of NH Requirements which is incorporated herein.</p> <p>Replace Exhibit H</p> <p>The State of NH Requirements for the Treasury Abandoned Property Application are contained in Attachment 1 – State of NH Requirements and Attachment 1A – State of NH New and Modified Requirements - which are incorporated herein.</p> <p>The State of NH Requirements for the Treasury Abandoned Property Application contained in Attachment 1 shall be revised to include the following three (3) new subsections detailing the functionality described below, all of which <b>KELMAR</b> acknowledges and agrees are fully supported by the current release of the <b>KAPS® SOFTWARE</b>:</p> <p>B4.10 – The hosted solution provider's application shall provide functionality for the <b>KAPS® STATE WEBSITE SOLUTION</b>.</p> <p>B4.11 – The hosted solution provider's application shall provide functionality for the <b>KAPS® LN Services</b>.</p>

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	<p>B4.12 – The hosted solution provider’s application shall provide functionality for the <b>KAPS® SYSTEM IMAGING MODULE</b>.</p> <p>Annually <b>Kelmar</b> shall undergo a Statement on Standards for Attestation Engagement (SSAE) No. 18, Service Organization Control (SOC) 2 Type II audit during which <b>Kelmar</b>’s controls as they relate to security, availability, processing integrity, and confidentiality of the <b>KAPS® SYSTEM</b> shall be examined. <b>Kelmar</b> shall provide the <b>STATE</b> with a copy of the confidential SOC 2 Type II audit results promptly upon receipt from its independent examiner as well as its plan to correct any negative findings, if any. The <b>STATE</b> shall treat the report any remediation plan as confidential and exempt from public disclosure. <b>Kelmar</b> shall also make available copies of the SOC 2 Type II or SOC 3 reports for all data centers and/or infrastructure providers utilized by <b>Kelmar</b> in the delivery of the Services, including those used in disaster recovery operations. These SOC2 Type 2 or SOC 3 reports shall also be maintained by the <b>STATE</b> as confidential and exempt from public disclosure.</p>
<b>Exhibit I WORK PLAN</b>	<b>AMENDED TEXT</b>
<p><b>Section 1 Assumptions</b></p> <p><b>Subsection D. Project Schedule</b></p>	<p>Delete Exhibit I Section 1.D: Project Schedule</p> <ul style="list-style-type: none"> <li>Deployment is planned to begin on or about April 28, 2014 with a planned go-live date of August 25, 2014</li> </ul> <p>Replace Exhibit I Section 1.D: Project Schedule</p> <ul style="list-style-type: none"> <li>Deployment is planned to begin on or about April 28, 2014 with a planned go-live date of August 25, 2014.</li> <li>The Project tasks associated with the implementation and deployment of the <b>RENEWAL PERIOD DELIVERABLES</b> shall be completed in three phases as outlined in Exhibit A Section 2.1 (i.e. 60 days to complete the <b>KAPS® STATE WEBSITE SOLUTION</b>; 90 days to complete the <b>KAPS® SYSTEM IMAGING MODULE</b>, and 60 days to complete the <b>KAPS® LN Services</b>) , with the commencement date for the implementation of the <b>KAPS® STATE WEBSITE SOLUTION</b> being established within thirty (30) days of the execution of the <b>CONTRACT</b>. The targeted implementation date of each of the <b>RENEWAL PERIOD DELIVERABLES</b> are as follows: <ul style="list-style-type: none"> <li><b>KAPS® STATE WEBSITE SOLUTION</b> – July 2019</li> <li><b>KAPS® SYSTEM IMAGING MODULE</b> – January 2020</li> <li><b>KAPS® LN Services</b> – July 2021</li> </ul> </li> </ul>
<p><b>Section 2 Roles &amp; Responsibilities</b></p>	<p>Delete Exhibit I Section 2.A: Kelmar Team Roles and Responsibilities</p> <p><b>1) Kelmar Team Project Executive</b></p>

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<p>Subsection 2.A Kelmar Team Roles and Responsibilities</p>	<p>The Kelmar Team's <b>PROJECT</b> Executives (<b>Kelmar</b> and <b>SUBCONTRACTOR PROJECT</b> Executives) shall be responsible for advising on and monitoring the quality of the <b>IMPLEMENTATION</b> throughout the <b>PROJECT</b> life cycle. The <b>PROJECT</b> Executive shall advise the <b>Kelmar Team PROJECT MANAGER</b> and the <b>STATE's PROJECT</b> leadership on the best practices for implementing the <b>Kelmar SOFTWARE SOLUTION</b> within the <b>STATE</b>. The <b>PROJECT</b> Executive shall participate in the definition of the <b>PROJECT</b> Plan and provide guidance to the <b>STATE's Team</b>.</p> <p>2) <b>Kelmar Team Project Manager</b> The Kelmar Team <b>PROJECT MANAGER</b> shall have overall responsibility for the day-to-day management of the <b>PROJECT</b> and shall plan, track, and manage the activities of the <b>Kelmar IMPLEMENTATION</b> Team. The <b>Kelmar Team PROJECT MANAGER</b> will have the following responsibilities:</p> <ul style="list-style-type: none"><li>• Maintain communications with the <b>STATE's PROJECT MANAGER</b>;</li><li>• Work with the <b>STATE</b> in planning and conducting a kick-off meeting;</li><li>• Create and maintain the <b>WORK PLAN</b>;</li><li>• Assign <b>Kelmar Team</b> consultants to tasks in the <b>IMPLEMENTATION PROJECT</b> according to the scheduled staffing requirements;</li><li>• Define roles and responsibilities of all <b>Kelmar Team</b> members;</li><li>• Provide Weekly and monthly update progress reports to the <b>STATE PROJECT MANAGER</b>;</li><li>• Notify the <b>STATE PROJECT MANAGER</b> of requirements for <b>STATE</b> resources in order to provide sufficient lead time for resources to be made available;</li><li>• Review task progress for time, quality, and accuracy in order to achieve progress;</li><li>• Review requirements and scheduling <b>CHANGES</b> and identify the impact on the <b>PROJECT</b> in order to identify whether the <b>CHANGES</b> may require a change of scope;</li><li>• Implement scope and <b>SCHEDULE CHANGES</b> as authorized by the <b>STATE PROJECT MANAGER</b> and with appropriate <b>CHANGE CONTROL</b> approvals as identified in the <b>IMPLEMENTATION PLAN</b>;</li><li>• Inform the <b>STATE PROJECT MANAGER</b> and staff of any urgent issues if and when they arise;</li><li>• Provide the <b>STATE</b> completed <b>PROJECT DELIVERABLES</b> and obtain sign-off from the <b>STATE's PROJECT MANAGER</b>.</li></ul>
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**3) Kelmar Team Analysis**

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

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

**4) Kelmar Team Tasks**

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

Replace Exhibit I Section 2.A. **Kelmar Team Roles and Responsibilities** with the following inclusive of a new subsection 5):

**1) Kelmar Team Project Executive**

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

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	<p>2) <b>Kelmar Team Project Manager</b> The <b>Kelmar Team PROJECT MANAGER</b> shall have overall responsibility for the day-to-day management of the <b>PROJECT</b> and shall plan, track, and manage the activities of the <b>Kelmar IMPLEMENTATION Team</b>. The <b>Kelmar Team PROJECT MANAGER</b> will have the following responsibilities:</p> <ul style="list-style-type: none"><li>• Maintain communications with the <b>STATE's PROJECT MANAGER</b>;</li><li>• Work with the <b>STATE</b> in planning and conducting a kick-off meeting;</li><li>• Create and maintain the <b>WORK PLAN</b>;</li><li>• Assign <b>Kelmar Team</b> consultants to tasks in the <b>IMPLEMENTATION PROJECT</b> according to the scheduled staffing requirements;</li><li>• Define roles and responsibilities of all <b>Kelmar Team</b> members;</li><li>• Provide Weekly and monthly update progress reports to the <b>STATE PROJECT MANAGER</b>;</li><li>• Notify the <b>STATE PROJECT MANAGER</b> of requirements for <b>STATE</b> resources in order to provide sufficient lead time for resources to be made available;</li><li>• Review task progress for time, quality, and accuracy in order to achieve progress;</li><li>• Review requirements and scheduling <b>CHANGES</b> and identify the impact on the <b>PROJECT</b> in order to identify whether the <b>CHANGES</b> may require a change of scope;</li><li>• Implement scope and <b>SCHEDULE CHANGES</b> as authorized by the <b>STATE PROJECT MANAGER</b> and with appropriate <b>CHANGE CONTROL</b> approvals as identified in the <b>IMPLEMENTATION PLAN</b>;</li><li>• Inform the <b>STATE PROJECT MANAGER</b> and staff of any urgent issues if and when they arise;</li><li>• Provide the <b>STATE</b> completed <b>PROJECT DELIVERABLES</b> and obtain sign-off from the <b>STATE's PROJECT MANAGER</b>.</li></ul> <p>3) <b>Kelmar Team Analysis</b></p> <ul style="list-style-type: none"><li>• The <b>Kelmar Team</b> shall conduct analysis of requirements, validate the <b>Kelmar Team's</b> understanding of the <b>STATE</b> business requirements by application, and perform business requirements mapping;</li><li>• Construct and confirm application test case scenarios;</li><li>• Produce application configuration definitions and configure the applications;</li><li>• Conduct testing of the configured application;</li><li>• Produce functional <b>SPECIFICATIONS</b> for extensions, conversions, and interfaces;</li></ul>
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	<ul style="list-style-type: none"><li>• Assist the <b>STATE</b> in the testing of extensions, conversions, and interfaces;</li><li>• Assist the <b>STATE</b> in execution of the <b>STATE's ACCEPTANCE</b> Test;</li><li>• Conduct follow-up meetings to obtain feedback, results, and concurrence/approval from the <b>STATE</b>;</li><li>• Assist with the correction of configuration problems identified during <b>SYSTEM</b>, integration and <b>ACCEPTANCE</b> Testing; and</li><li>• Assist with the transition to production.</li></ul> <p>4) <b>Kelmar Team Tasks</b></p> <ul style="list-style-type: none"><li>• The <b>Kelmar</b> team shall assume the following tasks:</li><li>• Development and review of functional and technical <b>SPECIFICATION</b> to determine that they are at an appropriate level of detail and quality;</li><li>• Development and <b>DOCUMENTATION</b> of conversion and interface programs in accordance with functional and technical <b>SPECIFICATIONS</b>;</li><li>• Development and <b>DOCUMENTATION</b> of installation procedures; and</li><li>• Development and execution of <b>UNIT TEST</b> scripts;</li><li>• Unit testing of conversions and interfaces developed; and</li><li>• <b>SYSTEM</b> Integration Testing.</li></ul> <p>5) <b>RENEWAL PERIOD Kelmar Team Roles and Responsibilities</b></p> <ul style="list-style-type: none"><li>• Work collectively with the <b>STATE</b> in answering all questions pertaining to the make-up of the website</li><li>• Deliver a <b>UAT</b> version of the <b>KAPS® STATE WEBSITE SOLUTION</b> that integrates directly with the <b>STATE's UAT</b> version of the <b>KAPS® SYSTEM</b></li><li>• Test the functionality of the <b>KAPS® STATE WEBSITE SOLUTION</b> to ensure all hyperlinks are directing to the proper location, all forms have been placed in the proper locations, electronic reports have successfully loaded into <b>KAPS® SYSTEM</b>, claims created via website are created properly in the <b>KAPS® SYSTEM</b>, and error messages are received when reports are not in the proper NAUPA format</li><li>• Make adjustments to website content as requested by the <b>STATE</b></li><li>• Train <b>STATE PERSONNEL</b> on how users of the public facing website will upload electronic files and file claims</li><li>• Deliver the final public facing version of the <b>KAPS® WEBSITE SOLUTION</b></li><li>• Deliver a discovery document to the <b>STATE</b> in order to collect and gather content regarding the <b>KAPS® IMAGING MODULE</b></li><li>• Work collectively with the <b>STATE</b> in answering all questions pertaining to the <b>KAPS® IMAGING MODULE</b></li></ul>
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	<ul style="list-style-type: none"> <li>• Provide the <b>STATE</b> with one scanner based on potential volume of images to be scanned on a daily basis</li> <li>• Deliver a UAT version of the <b>KAPS® IMAGING MODULE</b></li> <li>• Deliver training and process suggestions on imaging, viewing imaging and processing claims in a paperless environment</li> <li>• Turn on the <b>KAPS® IMAGING MODULE</b> in the <b>STATE's KAPS® Production Environment</b></li> <li>• Deliver a discovery document to the <b>STATE</b> in order to collect and gather content regarding the <b>STATE's</b> threshold for paying FastTrack claims using Kelmar's LexisNexis® Instant Verify® and LexID® verification and authentication services through the <b>KAPS® SYSTEM</b></li> <li>• Work collectively with the <b>STATE</b> in configuring the <b>KAPS® Production Environment</b> to automatically process claims that are FastTrack eligible based on the <b>STATE's</b> pre-determined criteria</li> <li>• Deliver training and process suggestion on the use of Kelmar's LexisNexis® Instant Verify® and LexID® verification and authentication services</li> <li>• Turn on LexisNexis FastTrack Authentication in the <b>STATE's KAPS® Production Environment</b></li> </ul>
<p style="text-align: center;">Section 2 Roles &amp; Responsibilities</p> <p style="text-align: center;">Subsection 2.B State Roles and Responsibilities</p>	<p>Delete Exhibit I Section 2.B: State Roles and Responsibilities</p> <p><b>B. State Roles and Responsibilities</b></p> <p>The following <b>STATE</b> resources have been identified for the <b>PROJECT</b>. The time demands on the individual <b>STATE</b> team members will vary depending on the phase and specific tasks of the <b>IMPLEMENTATION</b>. The demands on the Subject Matter Experts' time will vary based on the need determined by the <b>STATE</b> Leads and the phase of the <b>IMPLEMENTATION</b>.</p> <p><b>1) State Project Manager</b></p> <p>The <b>STATE PROJECT MANAGER</b> shall work side-by-side with the <b>Kelmar PROJECT MANAGER</b>. The role of the <b>STATE PROJECT MANAGER</b> is to manage <b>STATE</b> resources (IF ANY), facilitate completion of all tasks assigned to <b>STATE</b> staff, and communicate <b>PROJECT</b> status on a regular basis. The <b>STATE PROJECT MANAGER</b> represents the <b>STATE</b> in all decisions on <b>IMPLEMENTATION PROJECT</b> matters, provides all necessary support in the conduct of the <b>IMPLEMENTATION PROJECT</b>, and provides necessary <b>STATE</b> resources, as defined by the <b>WORK PLAN</b> and as otherwise identified throughout the course of the <b>PROJECT</b>. The <b>STATE PROJECT MANAGER</b> has the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Plan and conduct a kick-off meeting with assistance from the <b>Kelmar</b> team;</li> <li>• Assist the <b>Kelmar PROJECT MANAGER</b> in the development of a detailed <b>WORK PLAN</b>;</li> </ul>

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	<ul style="list-style-type: none"><li>• Identify and secure the <b>STATE PROJECT TEAM</b> members in accordance with the <b>WORK PLAN</b>;</li><li>• Define roles and responsibilities of all <b>STATE PROJECT TEAM</b> members assigned to the <b>PROJECT</b>;</li><li>• Identify and secure access to additional <b>STATE</b> end-user staff as needed to support specific areas of knowledge if and when required to perform certain <b>IMPLEMENTATION</b> tasks;</li><li>• Communicate issues to <b>STATE</b> management as necessary to secure resolution of any matter that cannot be addressed at the <b>PROJECT</b> level;</li><li>• Inform the <b>Kelmar PROJECT MANAGER</b> of any urgent issues if and when they arise; and</li><li>• Assist the <b>Kelmar</b> team staff to obtain requested information if and when required to perform certain <b>PROJECT</b> tasks.</li></ul> <p><b>2) State Subject Matter Expert(s) (SME)</b> The role of the <b>STATE SME</b> is to assist application teams with an understanding of the <b>STATE</b>'s current business practices and processes, provide agency knowledge, and participate in the <b>IMPLEMENTATION</b>. Responsibilities of the <b>SME</b> include the following:</p> <ul style="list-style-type: none"><li>• Be the key user and contact for their Agency or <b>DEPARTMENT</b>;</li><li>• Attend <b>PROJECT TEAM</b> training and acquire in-depth functional knowledge of the relevant applications;</li><li>• Assist in validating and documenting user requirements, as needed;</li><li>• Assist in mapping business requirements;</li><li>• Assist in constructing test scripts and <b>DATA</b>;</li><li>• Assist in <b>SYSTEM</b>, integration, and <b>ACCEPTANCE</b> Testing;</li><li>• Assist in performing conversion and integration testing and <b>DATA</b> verification;</li><li>• Attend <b>PROJECT</b> meetings when requested; and</li><li>• Assist in training end users in the use of the <b>Kelmar SOFTWARE SOLUTION</b> and the business processes the application supports.</li></ul> <p><b>3) State Technical Lead and Architect</b> The <b>STATE</b>'s Technical Lead and Architect reports to the <b>STATE</b>'s <b>PROJECT MANAGER</b> and is responsible for leading and managing the <b>STATE</b>'s technical tasks. Responsibilities include:</p> <ul style="list-style-type: none"><li>• Attend technical training as necessary to support the <b>PROJECT</b>;</li><li>• Assist the <b>STATE</b> and <b>Kelmar</b> Team <b>PROJECT MANAGERS</b> to establish the detailed <b>WORK PLAN</b>;</li><li>• Manage the day-to-day activities of the <b>STATE</b>'s technical resources assigned to the <b>PROJECT</b>;</li><li>• Work with <b>STATE</b> IT management to obtain <b>STATE</b> technical resources in accordance with the <b>WORK PLAN</b>;</li><li>• Work with the <b>Kelmar</b> Technical Lead and the <b>STATE</b>'s selected hardware vendor to architect and establish an appropriate</li></ul>
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hardware platform for the **STATE's PROJECT** development and production environments;

- Work in partnership with the **Kelmar** and lead the **STATE** technical staff's efforts in documenting the technical operational procedures and processes for the **PROJECT**. This is a **Kelmar DELIVERABLE** and it will be expected that **Kelmar** will lead the overall effort with support and assistance from the **STATE**; and
- Represent the technical efforts of the **STATE EVERY TWO WEEKS** at the **PROJECT** meetings.

Replace Exhibit I Section 2.B: State Roles and Responsibilities with the following to add a new subsection 4).

**B. State Roles and Responsibilities**

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

**1) State Project Manager**

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

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

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	<ul style="list-style-type: none"><li>• Inform the <b>Kelmar PROJECT MANAGER</b> of any urgent issues if and when they arise; and</li><li>• Assist the <b>Kelmar</b> team staff to obtain requested information if and when required to perform certain <b>PROJECT</b> tasks.</li></ul> <p><b>2) State Subject Matter Expert(s) (SME)</b> The role of the <b>STATE SME</b> is to assist application teams with an understanding of the <b>STATE's</b> current business practices and processes, provide agency knowledge, and participate in the <b>IMPLEMENTATION</b>. Responsibilities of the <b>SME</b> include the following:</p> <ul style="list-style-type: none"><li>• Be the key user and contact for their Agency or <b>DEPARTMENT</b>;</li><li>• Attend <b>PROJECT TEAM</b> training and acquire in-depth functional knowledge of the relevant applications;</li><li>• Assist in validating and documenting user requirements, as needed;</li><li>• Assist in mapping business requirements;</li><li>• Assist in constructing test scripts and <b>DATA</b>;</li><li>• Assist in <b>SYSTEM</b>, integration, and <b>ACCEPTANCE</b> Testing;</li><li>• Assist in performing conversion and integration testing and <b>DATA</b> verification;</li><li>• Attend <b>PROJECT</b> meetings when requested; and</li><li>• Assist in training end users in the use of the <b>Kelmar SOFTWARE SOLUTION</b> and the business processes the application supports.</li></ul> <p><b>3) State Technical Lead and Architect</b> The <b>STATE's</b> Technical Lead and Architect reports to the <b>STATE's PROJECT MANAGER</b> and is responsible for leading and managing the <b>STATE's</b> technical tasks. Responsibilities include:</p> <ul style="list-style-type: none"><li>• Attend technical training as necessary to support the <b>PROJECT</b>;</li><li>• Assist the <b>STATE</b> and <b>Kelmar</b> Team <b>PROJECT MANAGERS</b> to establish the detailed <b>WORK PLAN</b>;</li><li>• Manage the day-to-day activities of the <b>STATE's</b> technical resources assigned to the <b>PROJECT</b>;</li><li>• Work with <b>STATE</b> IT management to obtain <b>STATE</b> technical resources in accordance with the <b>WORK PLAN</b>;</li><li>• Work with the <b>Kelmar</b> Technical Lead and the <b>STATE's</b> selected hardware vendor to architect and establish an appropriate hardware platform for the <b>STATE's PROJECT</b> development and production environments;</li><li>• Work in partnership with the <b>Kelmar</b> and lead the <b>STATE</b> technical staff's efforts in documenting the technical operational procedures and processes for the <b>PROJECT</b>. This is a <b>Kelmar DELIVERABLE</b> and it will be expected that <b>Kelmar</b> will lead the overall effort with support and assistance from the <b>STATE</b>; and</li><li>• Represent the technical efforts of the <b>STATE EVERY TWO WEEKS</b> at the <b>PROJECT</b> meetings.</li></ul>
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	<p><b>4) RENEWAL PERIOD - STATE Project Team Roles and Responsibilities:</b></p> <ul style="list-style-type: none"><li>• Complete discovery packet including providing images, hyperlinks, forms, and static content to be used on the website for the <b>STATE</b>.</li><li>• Review and sign-off on <b>UAT</b> environment including content, claims creation, and successful uploading of electronic reports</li><li>• Designate an employee(s) who will be responsible for imaging incoming documents and complete training on the imaging system</li><li>• Review and sign-off on <b>UAT</b> environment including successful upload of images from imaging solution to the <b>KAPS® SYSTEM</b></li><li>• Work collaboratively with <b>Kelmar</b> to determine criteria for claims to pass FastTrack, provide language for automated email to claimants who pass FastTrack, and provide updates (if any) to settlement report required to distinguish FastTrack claims from non-FastTrack claims</li></ul>
<b>Exhibit J LICENSING &amp; SOFTWARE LICENSE</b>	<b>AMENDED TEXT</b>
<b>Section 1 – LICENSE GRANT</b>	<p>Delete Exhibit J Section 1: License Grant</p> <p><b>1. LICENSE GRANT</b></p> <p>Subject to the payment of applicable license fees set forth in Contract Exhibit B: <i>Price and Payment Schedule</i>, <b>Kelmar</b> hereby grants the <b>STATE</b>, and the <b>STATE</b> accepts, a limited, non-transferable, non-exclusive license to use the <b>SOFTWARE</b> under the terms and conditions stated herein for the <b>STATE</b>'s internal use in the administration of its unclaimed property program and business related thereto. The grant of rights hereunder to license and utilize the <b>SOFTWARE</b> is not a sale of the <b>SOFTWARE</b> or any portion thereof, and does not convey any rights of ownership in the <b>SOFTWARE</b>. The <b>STATE</b> may allow its agents and Contractors to access and use the <b>SOFTWARE</b>, and in such event, the <b>STATE</b> shall first obtain written agreement from such agents and Contractors that each shall abide by the terms and conditions set forth herein.</p> <p>Replace Exhibit J Section 1: License Grant</p> <p><b>1. LICENSE GRANT</b></p> <p>Subject to the payment of applicable license fees set forth in Contract Exhibit B: <i>Price and Payment Schedule</i>, <b>Kelmar</b> hereby grants the <b>STATE</b>, and the <b>STATE</b> accepts, a limited, non-transferable, non-exclusive license to use the <b>SOFTWARE</b> as part of Kelmar's <b>SaaS SOLUTION</b> under the terms and conditions stated herein for the <b>STATE</b>'s internal use in the administration of its unclaimed property program and business related thereto. The grant of</p>

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	<p>rights hereunder to license and utilize the <b>SOFTWARE</b> is not a sale of the <b>SOFTWARE</b> or any portion thereof, and does not convey any rights of ownership in the <b>SOFTWARE</b>. The <b>STATE</b> may allow its agents and Contractors to access and use the <b>SOFTWARE</b> provided such agents and Contractors (a) are not competitors of Kelmar who offer similar unclaimed property services and/or <b>SOFTWARE</b>; and (b) utilize and access the <b>KAPS SYSTEM</b> via the State's IP address, and in such event, the <b>STATE</b> shall first obtain written agreement from such agents and Contractors that each shall abide by the terms and conditions set forth herein.</p> <p>As a condition to the <b>STATE</b>'s license to utilize Kelmar's <b>KAPS® LN Services</b> through the <b>KAPS® SYSTEM</b>, the <b>STATE</b> shall abide by the subscription terms and conditions set forth in <b>Exhibit P</b>, attached hereto and incorporated herein by reference.</p>
<p><b>Exhibit P</b></p> <p><b>KAPS® SUBSCRIPTION TERMS &amp; CONDITIONS</b></p>	<p><b>NEWLY ADDED EXHIBIT TO PART 3 OF THE CONTRACT</b></p>
<p><b>KAPS® Subscription Terms &amp; Conditions -Lexisnexis® Instant Verify® &amp; Lexid® Authentication Services</b></p>	<p><b>AMEND the Contract to include Exhibit P, as follows:</b></p> <p style="text-align: center;"><b>Exhibit P</b></p> <p style="text-align: center;"><b>KAPS® SUBSCRIPTION TERMS &amp; CONDITIONS – LEXISNEXIS® INSTANT VERIFY® &amp; LEXID® AUTHENTICATION SERVICES</b></p> <p>The following subscription terms and conditions shall apply solely to data received by the <b>STATE</b> in connection with its license to utilize Kelmar's LexisNexis® Instant Verify® and LexID® verification and authentication services. In the event of a conflict between the terms of the Contract and this Exhibit P, the subscription terms and conditions contained in this Exhibit P shall supersede and govern the aforementioned services.</p> <p>1. <b>RESTRICTED LICENSE.</b> Kelmar hereby grants to the <b>STATE</b> a restricted license to use the LexisNexis® Instant Verify® and LexID® Identification and Authentication Services (collectively hereinafter the "KAPS® LN Services") and any data contained therein, subject to the restrictions and limitations set forth below:</p> <p>(i) <b>Generally.</b> Kelmar hereby grants to the <b>STATE</b> a restricted license to use the <b>KAPS® LN Services</b> solely for the <b>STATE</b>'s own internal government purposes. The <b>STATE</b> represents and warrants that all of the <b>STATE</b>'s use of the <b>KAPS® LN Services</b> shall be for only legitimate government purposes, including those specified by the <b>STATE</b> in connection with a specific information request, relating to the administration of the <b>STATE</b>'s unclaimed</p>

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property program and as otherwise governed by the Agreement. The STATE shall not use the KAPS® LN Services for marketing purposes or to resell or broker the KAPS® LN Services to any third party and shall not use the KAPS® LN Services for personal (non-government) purposes. The STATE shall not use the KAPS® LN Services to provide data processing services to third-parties or evaluate the data of or for third-parties. The STATE agrees that if Kelmar determines or reasonably suspects that continued provision of KAPS® LN Services to the STATE entails a potential security risk, or that the STATE is engaging in marketing activities, reselling, brokering or processing or evaluating the data of or for third-parties, or using the KAPS® LN Services for personal (non-government) purposes or using the KAPS® LN Services' information, programs, computer applications, or data, or is otherwise violating any provision of this Agreement, or any of the laws, regulations, or rules described herein, Kelmar may take immediate action, including, without limitation, terminating the delivery of, and the license to use, the KAPS® LN Services. The STATE shall not access the KAPS® LN Services from Internet Protocol addresses located outside of the United States and its territories without Kelmar's prior written approval. The STATE shall comply with all laws, regulations and rules which govern the use of the KAPS® LN Services and information provided therein. Kelmar may at any time mask or cease to provide the STATE access to any KAPS® LN Services or portions thereof which Kelmar may deem, in Kelmar's sole discretion, to be sensitive or restricted information.

(ii) **GLBA Data.** Some of the information contained in the KAPS® LN Services is "nonpublic personal information," as defined in the Gramm-Leach-Bliley Act (15 U.S.C. § 6801, et seq.) and related STATE laws, (collectively, the "GLBA"), and is regulated by the GLBA ("GLBA Data"). The STATE shall not obtain and/or use GLBA Data through the LN Services, in any manner that would violate the GLBA, or any similar STATE or local laws, regulations and rules. The STATE acknowledges and agrees that it may be required to certify its permissible use of GLBA Data falling within an exception set forth in the GLBA at the time it requests information in connection with certain KAPS® LN Services and will recertify upon request by Kelmar. The STATE certifies with respect to GLBA Data received through the KAPS® LN Services that it complies with the Interagency Standards for Safeguarding Information issued pursuant to the GLBA.

(iii) **DPPA Data.** Some of the information contained in the KAPS® LN Services is "personal information," as defined in the Drivers Privacy Protection Act (18 U.S.C. § 2721, et seq.) and related STATE laws, (collectively, the "DPPA"), and is regulated by the DPPA ("DPPA Data"). The STATE shall not obtain and/or use DPPA Data through the LN Services in any manner that would violate the DPPA. The STATE acknowledges and agrees that it may be required to certify its permissible use of DPPA Data at the time it requests information in connection with certain KAPS® LN Services and will recertify upon request by Kelmar.

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	<p>(iv) <b>Social Security and Driver's License Numbers.</b> Kelmar may in its sole discretion permit the STATE to access QA Data (as defined as Social Security or Driver's License numbers). If the STATE is authorized by Kelmar to receive QA Data, and the STATE obtains QA Data through the KAPS® LN Services, the STATE certifies it will not use the QA Data for any purpose other than as expressly authorized by Kelmar's policies, the terms and conditions herein, and applicable laws and regulations. In addition to the restrictions on distribution otherwise set forth in <u>Paragraph 2</u> below, the STATE agrees that it will not permit QA Data obtained through the KAPS® LN Services to be used by an employee or contractor that is not an Authorized User with an Authorized Use. The STATE agrees it will certify, in writing, its uses for QA Data and recertify upon request by Kelmar. The STATE may not, to the extent permitted by the terms of this Agreement, transfer QA Data via email or ftp without Kelmar's prior written consent. However, the STATE shall be permitted to transfer such information so long as: (a) a secured method (for example, sftp) is used, (b) transfer is not to any third party, and (c) such transfer is limited to such use as permitted under this Exhibit P. Kelmar may at any time and for any or no reason cease to provide or limit the provision of QA Data to the STATE.</p> <p>(v) <b>Copyrighted and Trademarked Materials.</b> The STATE shall not remove or obscure any trademarks, copyright notices or other notices contained on materials accessed through the KAPS® LN Services.</p> <p>(vi) <b>National Change of Address Database.</b> Kelmar is a licensee of the United States Postal Service's NCOALINK database ("NCOA Database"). The information contained in the NCOA Database is regulated by the Privacy Act of 1974 and may be used only to provide a mailing list correction service for lists that will be used for preparation of mailings. If the STATE receives all or a portion of the NCOA Database through the KAPS® LN Services, the STATE hereby certifies to Kelmar that it will not use such information for any other purpose.</p> <p>(vii) <b>Additional Terms.</b> Certain materials contained within the KAPS® LN Services are subject to additional obligations and restrictions. Without limitation, these services include news, business information (e.g., Dun &amp; Bradstreet reports), and federal legislative and regulatory materials. To the extent that the STATE receives such materials through the KAPS® LN Services, the STATE agrees to comply with the Supplemental Terms and Conditions for Use of KAPS® LN Services contained at the following website: <a href="http://www.lexisnexis.com/terms/supplemental.aspx">www.lexisnexis.com/terms/supplemental.aspx</a> (the "Supplemental Terms"). The Supplemental Terms are hereby incorporated into this Agreement by reference.</p> <p>(viii) <b>Fair Credit Reporting Act.</b> The KAPS® LN Services provided pursuant to this Agreement are not provided by "consumer reporting agencies," as that term is defined in the Fair Credit Reporting Act, (15 U.S.C. §1681, et seq.), (the "FCRA"), and do not constitute "consumer reports" as that term is defined in the FCRA. Accordingly, the KAPS® LN Services may</p>
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not be used in whole or in part as a factor in determining eligibility for credit, insurance, employment or another purpose in connection with which a consumer report may be used under the FCRA. Further, (a) the STATE certifies that it will not use any of the information it receives through the KAPS® LN Services to determine, in whole or in part an individual's eligibility for any of the following products, services or transactions: (1) credit or insurance to be used primarily for personal, family or household purposes; (2) employment purposes; (3) a license or other benefit granted by a government agency; or (4) any other product, service or transaction in connection with which a consumer report may be used under the FCRA or any similar STATE statute, including without limitation apartment rental, check-cashing, or the opening of a deposit or transaction account; (b) by way of clarification, without limiting the foregoing, the STATE may use, except as otherwise prohibited or limited by this Agreement, information received through the KAPS® LN Services for the following purposes: (1) to verify or authenticate an individual's identity; (2) to prevent or detect fraud or other unlawful activity; (3) to locate an individual; (4) to review the status of a legal proceeding; (5) to collect a debt, provided that such debt collection does not constitute in whole or in part, a determination of an individual consumer's eligibility for credit or insurance to be used primarily for personal, family or household purposes; or (6) to determine whether to buy or sell consumer debt or a portfolio of consumer debt in a commercial secondary market transaction, provided that such determination does not constitute in whole or in part, a determination of an individual consumer's eligibility for credit or insurance to be used primarily for personal, family or household purposes; (c) specifically, if the STATE is using the KAPS® LN Services in connection with collection of a consumer debt on its own behalf, or on behalf of a third party, the STATE shall not use the KAPS® LN Services: (1) to revoke consumer credit; (2) to accelerate, set or change repayment terms; or (3) for the purpose of determining a consumer's eligibility for any repayment plan; provided, however, that the STATE may, consistent with the certification and limitations set forth in this Subparagraph (viii), use the KAPS® LN Services for identifying, locating, or contacting a consumer in connection with the collection of a consumer's debt or for prioritizing collection activities; and (d) the STATE shall not use any of the information it receives through the KAPS® LN Services to take any "adverse action," as that term is defined in the FCRA.

(ix) **MVR Data.** If the STATE is permitted to access Motor Vehicle Records ("MVR Data") from Kelmar, without in any way limiting the STATE's obligations to comply with all STATE and federal laws governing use of MVR Data, the following specific restrictions apply and are subject to change:

(a) The STATE shall not use any MVR Data provided by Kelmar, or portions of information contained therein, to create or update a file that the STATE uses to develop its own source of driving history information.

(b) As requested by Kelmar, the STATE shall complete any STATE forms that Kelmar is legally or contractually bound to obtain from the STATE before providing the STATE with MVR Data.

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(c) Kelmar (and certain third party vendors) may conduct reasonable and periodic audits of the STATE's use of MVR Data. Further, in response to any audit, the STATE must be able to substantiate the reason for each MVR Data order.

(ix) **HIPAA.** The STATE represents and warrants that the STATE will not provide Kelmar with any Protected Health Information (as that term is defined in 45 C.F.R. Sec. 160.103) or with Electronic Health Records or Patient Health Records (as those terms are defined in 42 U.S.C. Sec. 17921(5), and 42 U.S.C. Sec. 17921(11), respectively) or with information from such records without the execution of a separate agreement between the Parties.

(x) **Retention of Records.** For uses of GLB Data, DPPA Data and MVR Data, as described in Paragraphs 1(ii), 1(iii) and 1(ix), the STATE shall maintain for a period of five (5) years a complete and accurate record (including consumer identity, purpose and, if applicable, consumer authorization) pertaining to every access to such data.

2. **SECURITY.** The STATE acknowledges that the information available through the KAPS® LN Services may include personally identifiable information and it is the STATE's obligation to keep all such accessed information confidential and secure. Accordingly, the STATE shall: (a) restrict access to KAPS® LN Services to those employees who have a need to know as part of their official duties; (b) ensure that none of its employees shall (i) obtain and/or use any information from the KAPS® LN Services for personal reasons, or (ii) transfer any information received through the KAPS® LN Services to any party except as permitted hereunder; (c) keep all user identification numbers, and related passwords, or other security measures (collectively, "User IDs") confidential and prohibit the sharing of User IDs; (d) immediately deactivate the User ID of any employee who no longer has a need to know, or for terminated employees on or prior to the date of termination; (e) in addition to any obligations under Paragraph 1, take all commercially reasonable measures to prevent unauthorized access to, or use of, the KAPS® LN Services or data received therefrom, whether the same is in electronic form or hard copy, by any person or entity; (f) maintain and enforce data destruction procedures to protect the security and confidentiality of all information obtained through LN Services as it is being disposed; (g) unless otherwise required by law, purge all information received through the KAPS® LN Services and stored electronically or on hard copy by the STATE within ninety (90) days of initial receipt; (h) be capable of receiving the KAPS® LN Services where the same are provided utilizing "secure socket layer," or such other means of secure transmission as is deemed reasonable by Kelmar; (i) not access and/or use the KAPS® LN Services via mechanical, programmatic, robotic, scripted or other automated search means, other than through batch or machine-to-machine applications approved by Kelmar; and (j) take all steps to protect their networks and computer environments, or those used to access the KAPS® LN Services, from compromise. The STATE agrees that on at least a quarterly basis it will review searches performed by its User IDs to ensure that such searches were performed for a legitimate business purpose and in

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compliance with all terms and conditions herein. The STATE will implement policies and procedures to prevent unauthorized use of User IDs and the KAPS® LN Services and will immediately notify Kelmar, in writing to Kelmar if the STATE suspects, has reason to believe or confirms that a User ID or the KAPS® LN Services (or data derived directly or indirectly therefrom) is or has been lost, stolen, compromised, misused or used, accessed or acquired in an unauthorized manner or by any unauthorized person, or for any purpose other than legitimate business reasons. The STATE shall remain solely liable for all costs associated therewith and shall further reimburse Kelmar for any expenses it incurs due to the STATE's failure to prevent such impermissible use or access of User IDs and/or the KAPS® LN Services, or any actions required as a result thereof. Furthermore, in the event that the KAPS® LN Services provided to the STATE include personally identifiable information (including, but not limited to, social security numbers, driver's license numbers or dates of birth), and to the extent such personally identifiable information is stored or otherwise maintained by the STATE or its employees outside of the KAPS® System, the following shall apply: The STATE acknowledges that, upon unauthorized acquisition or access of or to such personally identifiable information, including but not limited to that which is due to use by an unauthorized person or due to unauthorized use (a "Security Event"), the STATE shall, in compliance with law, notify the individuals whose information was potentially accessed or acquired that a Security Event has occurred, and shall also notify any other parties (including but not limited to regulatory entities and credit reporting agencies) as may be required in Kelmar's reasonable discretion. The STATE agrees that such notification shall not reference Kelmar or the product through which the data was provided, nor shall Kelmar be otherwise identified or referenced in connection with the Security Event, without Kelmar's express written consent. The STATE shall be solely responsible for any other legal or regulatory obligations which may arise under applicable law in connection with such a Security Event and shall bear all costs associated with complying with legal and regulatory obligations in connection therewith. The STATE shall remain solely liable for claims that may arise from a Security Event, including, but not limited to, costs for litigation (including attorneys' fees), and reimbursement sought by individuals, including but not limited to, costs for credit monitoring or allegations of loss in connection with the Security Event. The STATE shall provide samples of all proposed materials to notify consumers and any third-parties, including regulatory entities, to Kelmar for review and approval prior to distribution. In the event of a Security Event, Kelmar may, in its sole discretion, take immediate action, including suspension or termination of the STATE's account, without further obligation or liability of any kind.

3. **PERFORMANCE.** Kelmar will use commercially reasonable efforts to deliver the KAPS® LN Services requested by the STATE and to compile information gathered from selected public records and other sources used in the provision of the KAPS® LN Services; provided, however, that the STATE accepts all information "AS IS." The STATE acknowledges and agrees that Kelmar obtains its data from third party sources, which may or may not be

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completely thorough and accurate, and that the STATE shall not rely on Kelmar for the accuracy or completeness of information supplied through the KAPS® LN Services. Without limiting the foregoing, the criminal record data that may be provided as part of the KAPS® LN Services may include records that have been expunged, sealed, or otherwise have become inaccessible to the public since the date on which the data was last updated or collected. The STATE understands that the STATE may be restricted from accessing certain KAPS® LN Services which may be otherwise available. Kelmar reserves the right to add materials and features to, and to discontinue offering any of the materials and features that are currently a part of, the KAPS® LN Services.

**4. INTELLECTUAL PROPERTY; CONFIDENTIALITY.** The STATE agrees that the STATE shall not reproduce, retransmit, republish, or otherwise transfer for any commercial purposes the KAPS® LN Services' information, programs or computer applications. The STATE shall use such materials in a manner consistent with Kelmar's interests and the terms and conditions herein, and shall notify Kelmar of any threatened or actual infringement of Kelmar's rights. Notwithstanding anything in this Agreement to the contrary, Kelmar or Kelmar's data provider shall own the STATE's search inquiry data used to access the KAPS® LN Services (in the past or future) and may use such data for any purpose consistent with applicable federal, STATE and local laws, rules and regulations. The STATE and Kelmar acknowledge that they each may have access to confidential information of the disclosing party ("Disclosing Party") relating to the Disclosing Party's business including, without limitation, technical, financial, strategies and related information, computer programs, algorithms, know-how, processes, ideas, inventions (whether patentable or not), schematics, Trade Secrets (as defined below) and other information (whether written or oral), and in the case of Kelmar's information, product information, pricing information, product development plans, forecasts, data contained in KAPS® LN Services, and other business information ("Confidential Information"). "Trade Secret" shall be deemed to include any information which gives the Disclosing Party an advantage over competitors who do not have access to such information as well as all information that fits the definition of "trade secret" set forth in the Delaware Uniform Trades Secrets Act, Del. Code Ann. Title 6 Secs. 2001 *et seq.*. Each receiving party ("Receiving Party") agrees not to divulge any Confidential Information or information derived therefrom to any third party and shall protect the confidentiality of the Confidential Information with the same degree of care it uses to protect the confidentiality of its own confidential information and trade secrets, but in no event less than a reasonable degree of care. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information solely to the extent required by subpoena, court order or other governmental authority, provided that the Receiving Party shall give the Disclosing Party prompt written notice of such subpoena, court order or other governmental authority so as to allow the Disclosing Party to have an opportunity to obtain a protective order to prohibit or restrict such disclosure at its sole cost and expense. Confidential Information disclosed pursuant to subpoena, court order or other governmental authority shall otherwise remain subject to the terms applicable

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to Confidential Information. Each Party's obligations with respect to Confidential Information shall continue for the term of this Agreement and for a period of five (5) years thereafter, provided however, that with respect Trade Secrets, each party's obligations shall continue for so long as such Confidential Information continues to constitute a Trade Secret.

5. **WARRANTIES/LIMITATION OF LIABILITY.** Neither Kelmar, nor its subsidiaries and affiliates, nor any third party data provider (for purposes of indemnification, warranties, and limitations on liability, Kelmar, its subsidiaries and affiliates, and its data providers are hereby collectively referred to as "Kelmar") shall be liable to the STATE (or to any person claiming through the STATE to whom the STATE may have provided data from the KAPS<sup>®</sup> LN Services) for any loss or injury arising out of or caused in whole or in part by Kelmar's acts or omissions in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the KAPS<sup>®</sup> LN Services. If, notwithstanding the foregoing, liability can be imposed on Kelmar, then the STATE agrees that Kelmar's aggregate liability for any and all losses or injuries arising out of any act or omission of Kelmar in connection with anything to be done or furnished under this Agreement, regardless of the cause of the loss or injury, and regardless of the nature of the legal or equitable right claimed to have been violated, shall never exceed One Hundred Dollars (\$100.00); and the STATE covenants and promises that it will not sue Kelmar for an amount greater than such sum even if the STATE and/or third parties were advised of the possibility of such damages and that it will not seek punitive damages in any suit against Kelmar. Kelmar does not make and hereby disclaims any warranty, express or implied with respect to the KAPS<sup>®</sup> LN Services. Kelmar does not guarantee or warrant the correctness, completeness, merchantability, or fitness for a particular purpose of the KAPS<sup>®</sup> LN Services or information provided therein. In no event shall Kelmar be liable for any indirect, incidental, or consequential damages, however arising, incurred by the STATE from receipt or use of information delivered using the KAPS<sup>®</sup> LN Services or the unavailability thereof. Due to the nature of public record information, the public records and commercially available data sources used in KAPS<sup>®</sup> LN Services may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. KAPS<sup>®</sup> LN Services are not the source of data, nor are they a comprehensive compilation of the data. Before relying on any data, it should be independently verified.

6. **INDEMNIFICATION.** The STATE acknowledges and agrees Kelmar will not have any duty to indemnify, defend or hold harmless the STATE with respect to any claim of infringement resulting from (1) the STATE's misuse of the KAPS<sup>®</sup> LN Services; (2) the STATE's failure to use any corrections made available by Kelmar; (3) the STATE's use of the KAPS<sup>®</sup> LN Services in combination with any product or information not provided or authorized in writing by Kelmar; or (4) any information, direction, specification or materials provided by the STATE or any third party.

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7. **AUDIT.** The STATE understands and agrees that, in order to ensure compliance with the FCRA, GLBA, DPPA, other applicable STATE or federal laws, regulations or rules, regulatory agency requirements, this Agreement, and Kelmar's obligations under its contracts with its data providers and Kelmar's policies, Kelmar may conduct periodic reviews of the STATE's use of the KAPS® LN Services and may, upon reasonable notice, audit the STATE's records, processes and procedures related to the STATE's use, storage and disposal of LN Services and information received therefrom. The STATE agrees to cooperate fully with any and all audits and to respond to any such audit inquiry within ten (10) business days, unless an expedited response is required. Violations discovered in any review and/or audit by Kelmar will be subject to immediate action including, but not limited to, suspension or termination of the license to use the KAPS® LN Services, reactivation fees, legal action, and/or referral to federal or STATE regulatory agencies.

8. **EMPLOYEE TRAINING.** As part of the Implementation Services provided to the STATE by Kelmar, Kelmar shall conduct an initial training on the STATE's obligations under this Agreement, including, but not limited to, the licensing requirements and restrictions under Paragraph 1 and the security requirements of Paragraph 2, and make available the training materials for the STATE's continued use. Thereafter, the STATE shall train new employees prior to allowing access to KAPS® LN Services on the STATE's obligations under this Agreement, including, but not limited to, the licensing requirements and restrictions under Paragraph 1 and the security requirements of Paragraph 2. The STATE shall conduct a similar review of its obligations under this Agreement with existing employees who have access to KAPS® LN Services no less than annually. The STATE shall keep records of such training.

9. **CHANGE IN AGREEMENT.** The STATE acknowledges and agrees that upon written notice, Kelmar may alter the Restricted License granted the STATE in Paragraph 1 herein. To that end, Kelmar may, at any time, impose restrictions and/or prohibitions on the STATE's use of the LN Services or certain data. The STATE understands that such restrictions or changes in access may be the result of a modification in Kelmar policy, a modification of third party agreements, a modification in industry standards, a Security Event or a change in law or regulation, or the interpretation thereof. Upon written notification by Kelmar of such restrictions, the STATE agrees to comply with such restrictions.

10. **END USER CHANGES.** The STATE shall notify Kelmar immediately of any changes to the information on its Application for the KAPS® LN Services including, without limitation, changes in contact information, address, designated administrators, etc. If at any time the STATE no longer meets the required criteria for accessing the KAPS® LN Services, Kelmar expressly reserves its right to terminate such access.

11. **PUBLICITY.** The STATE will not name Kelmar or refer to its use of the KAPS® LN Services in any press releases, advertisements, promotional or

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	<p>marketing materials, or make any other third party disclosures regarding Kelmar or the STATE's use of the KAPS® LN Services.</p> <p>12. <b>PRIVACY PRINCIPLES.</b> With respect to personally identifiable information regarding consumers, the Parties further agree as follows: Kelmar has adopted the "Kelmar Data Privacy Principles" ("Principles"), which may be modified from time to time, recognizing the importance of appropriate privacy protections for consumer data, and the STATE agrees that the STATE (including its directors, officers, employees or agents) will comply with the Principles or the STATE's own comparable privacy principles, policies, or practices. The Principles are available at: <a href="http://www.lexisnexis.com/privacy/data-privacy-principles.aspx">http://www.lexisnexis.com/privacy/data-privacy-principles.aspx</a>.</p> <p>13. <b>ENTIRE AGREEMENT.</b> Except as otherwise provided herein, this Exhibit P constitutes the final written agreement and understanding of the Parties concerning the KAPS® LN Services and is intended as a complete and exclusive statement of the terms of the agreement with respect to the licensing of the KAPS® LN Services, which shall supersede all other representations, agreements, and understandings, whether oral or written, which relate to the use of the KAPS® LN Services. Without limiting the foregoing, the provisions related to confidentiality and exchange of information contained in this Agreement shall, with respect to the KAPS® LN Services and all matters within the scope of this Exhibit P, supersede any separate non-disclosure agreement that is or may in the future be entered into by the Parties hereto. Any new, other, or different terms supplied by the STATE beyond the terms contained herein are specifically and expressly rejected by Kelmar unless Kelmar agrees to them in a signed writing specifically including those new, other, or different terms. The terms contained herein shall supersede and govern in the event of a conflict between these terms and any new, other, or different terms in any other writing.</p>
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**Table 2: CONTRACT HISTORY**

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	G&C APPROVAL DATE	END DATE	CONTRACT AMOUNT
2014-135	Original Contract	April 23, 2014 Item #15	August 24, 2019	\$550,000.00
2014-135 Amendment A	1 <sup>st</sup> Amendment	TBD	August 24, 2024	\$972,754.69
	<b>CONTRACT TOTAL</b>			<b>\$1,522,754.69</b>

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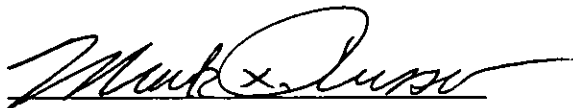
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Notwithstanding any other provision of this CONTRACT, in no event shall the total payment made by the STATE exceed One Million Five Hundred Twenty-Two Thousand, Seven Hundred Fifty-Four Dollars and Sixty – Nine Cents (\$1,522,754.69).

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

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

**Contractor: Kelmar Associates, LLC**



By: Mark X. Russo

Title: Chief Administrative Officer & Member

**Corporate Signature Notarized:**

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF MIDDLESEX

On this the 23<sup>rd</sup> day of May, 2019, before me, Mark X. Russo, the undersigned Officer, personally appeared and acknowledged her/himself to be the Chief Administrative Officer and Member, of Kelmar Associates, LLC, a Delaware corporation qualified to do business in New Hampshire, and that she/he, as such Chief Administrative Officer & Member being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as Kelmar Associates, LLC.

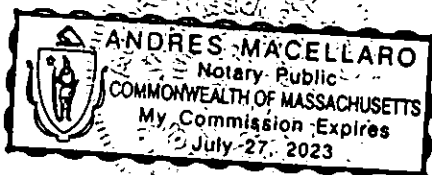
IN WITNESS WHEREOF I hereunto set my hand and official seal.



Notary Public/Justice of the Peace

My Commission Expires:

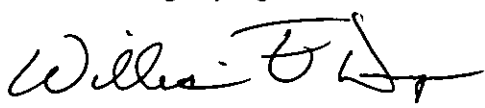

(SEAL)





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<b>1.14 STATE Agency Signature</b>  	<b>1.15 Name and Title of STATE Agency Signatory</b> William F. Dwyer, State Treasurer
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b>  By: _____ Director, On: _____	
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b>  By:  On: 6/3/19	
<b>1.18 Approval by the Governor and Executive Council</b>  By: _____ On: _____	

Current NEW and MODIFIED Application Software Requirements					
APPLICATION REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<b>GENERAL SPECIFICATIONS</b>					
A1.2	NEW: 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	
A1.3	MODIFIED: Web-based compatible and in conformance with the following W3C standards: HTML5, CSS 2.1, XML 1.1	M	Yes	Standard	
<b>APPLICATION SECURITY</b>					
A2.20	NEW: Web Services : The service provider shall use Web services exclusively to interface with the State's data in near real time when possible.	M	Yes	Standard	
Current NEW and MODIFIED TESTING Requirements					
TESTING					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<b>APPLICATION SECURITY TESTING</b>					
T1.3	Modified: 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	
T1.5	Modified: 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	
Current NEW and MODIFIED HOSTING CLOUD Requirements					

## Attachment 1A: Project Requirements

Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<b>HOSTING-CLOUD REQUIREMENTS</b>					
<b>State Requirements</b>			<b>Vendor</b>		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<b>OPERATIONS</b>					
H1.1	Modified: 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	
H1.10	Modified: 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	
<b>HOSTING SECURITY</b>					
H3.7	New: 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	
H3.8	New: Operating Systems (OS) and Databases (DB) shall be built and hardened in accordance with guidelines set forth by CIS, NIST or NSA	M	Yes	Standard	All new Operating Systems and Databases are provisioned and hardened in accordance with Kelmar-specific checklists

## Attachment 1A: Project Requirements

<b>Original Contract Application Security Requirements</b>					
<b>APPLICATION REQUIREMENTS</b>					
<b>State Requirements</b>					
<b>Req #</b>	<b>Requirement Description</b>	<b>Criticality</b>	<b>Vendor Response</b>	<b>Delivery Method</b>	<b>Comments</b>
<b>APPLICATION</b>					
A1.5	Web-based compatible and in conformance with the following W3C standards:	M	Yes	Standard	
A1.6	XHTML 1.0	M	Yes	Standard	
A1.7	CSS 2.1	M	Yes	Standard	
A1.8	XML 1.0 (fourth edition)	M	Yes	Standard	
<b>Original Contract TESTING Requirements</b>					
<b>TESTING</b>					
<b>State Requirements</b>					
<b>Req #</b>	<b>Requirement Description</b>	<b>Criticality</b>	<b>Vendor Response</b>	<b>Delivery Method</b>	<b>Comments</b>
<b>APPLICATION SECURITY TESTING</b>					
T1.3	Test for Identification and Authentication; supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users	M	Yes	Standard	
T1.5	Test for encryption; supports the encoding of data for security purposes	M	Yes	Standard	
T1.12	Prior to the System being moved into production, the Vendor shall provide results of all security testing to the Department of Information Technology for review and acceptance.	M	Yes	Standard	
<b>Original Contract Hosting- Cloud Requirements</b>					

## Attachment 1A: Project Requirements

Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<b>HOSTING-CLOUD REQUIREMENTS</b>					
<b>State Requirements</b>					
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
<b>OPERATIONS</b>					
	Many Data Center Requirements/Specifications included in original contract.				
H1.22	The Vendor shall immediately report any breach in security to the State of New Hampshire.	M	Yes	Standard	

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that KELMAR ASSOCIATES, LLC is a Delaware Limited Liability Company registered to transact business in New Hampshire on January 11, 2002. 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: 388804

Certificate Number: 0004513926



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 10th day of May A.D. 2019.

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

William M. Gardner  
Secretary of State

## **KELMAR ASSOCIATES, LLC**

### **UNANIMOUS WRITTEN CONSENT OF MANAGEMENT COMMITTEE**

The undersigned, being all of the Members of the Management Committee of Kelmar Associates, LLC, a Delaware limited liability company (the "Company"), hereby unanimously consent, approve, and adopt as of the 21<sup>st</sup> day of May, 2019 the following resolutions pursuant to Article 5.1 of the Operating Agreement:

**RESOLVED:** That the Company shall enter into Amendment A to the Abandoned Property Application Contract with the State of New Hampshire, acting through the Treasury, Abandoned Property Division (the "State") for the purpose of extending the term of the contract for a period of five (5) years (from August 25, 2019 through August 24, 2024) during which time the Company shall: (a) grant the State a non-exclusive restricted license to utilize the Company's proprietary KAPS® unclaimed property management system and KAPS® State Website Solution; (b) integrate and deliver the KAPS® LexisNexis® Instant Verify® and LexID® identification authentication services in connection with fast track claims through the KAPS® System; and (c) provide training, maintenance, and support services in connection with each of the foregoing deliverables (hereinafter, the "New Hampshire KAPS® Contract").

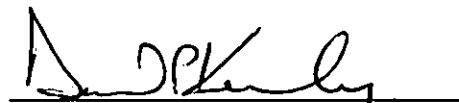
**RESOLVED:** That, pursuant to Section 5.1 (a) of the Operating Agreement, the Members hereby authorize Mark X. Russo, Chief Administrative Officer & Member of Kelmar Associates, LLC (hereinafter the "CAO") to enter into the New Hampshire KAPS® Contract. The terms of such contract shall be at the discretion of the CAO as he deems appropriate, and upon which the CAO is authorized to sign and bind the Company to the terms of the New Hampshire KAPS® Contract.

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

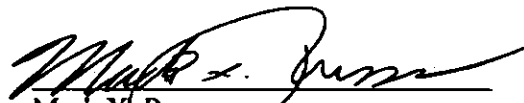
This Unanimous Written Consent of the Management Committee may be executed in one or more counterparts, and shall be filed with the minutes of the meetings of the Management Committee of the Company and shall be treated for all purposes as resolutions taken at a meeting on the 21<sup>st</sup> day of May, 2019.

**MEMBERS:**

  
Mark S. McQuillen

  
David P. Kennedy

  
Michael J. LeBlanc

  
Mark X. Russo





KELMA-1 OP ID: EH

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
05/10/2019

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

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

<b>PRODUCER</b> THE BURKE INSURANCE AGENCY 18 Brown Street Salem, MA 01970-3830 BURKE INSURANCE	<b>CONTACT NAME:</b> Eric P. Husgen, CIC, AA
	<b>PHONE (A/C, No, Ext):</b> 978-741-7800 <b>FAX (A/C, No):</b> 978-741-7805
	<b>E-MAIL ADDRESS:</b> eric@burkeins.com
	<b>INSURER(S) AFFORDING COVERAGE</b>
	<b>INSURER A:</b> CNA
	<b>INSURER B:</b> Federal Insurance Company
	<b>INSURER C:</b> Gemini Insurance Company
	<b>INSURER D:</b> Endurance American Specialty
	<b>INSURER E:</b> Ironshore Specialty Insurance
	<b>INSURER F:</b> Landmark American Insurance Co

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:		B 5092208691	09/25/2018	09/25/2019	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 Emp Ben. \$ 1,000,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		B 5092208691	09/25/2018	09/25/2019	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 checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		B 5092208738	09/25/2018	09/25/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	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				
B	Mgmt. Liability		82414520	09/25/2018	09/25/2019	See Notes
C	E&O		VCPL080665	09/25/2018	09/25/2019	E&O 5,000,000

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

State of New Hampshire Treasury Abandoned Property Division Data System  
Replacement Agreement 2014-135, as amended  
Company shall endeavor to provide written notice to the Certificate Holder listed below ten (10) days in advance of cancellation or modification of any policies.

## CERTIFICATE HOLDER

## CANCELLATION

<b>NEWHAM2</b>  New Hampshire State Treasury Abandoned Property Division 25 Capitol Street, Room 121 Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**NOTEPAD**INSURED'S NAME **KELMAR ASSOCIATES, LLC**

KELMA-1

OP ID: EH

PAGE 2

Date **05/10/2019**

B. Federal Insurance Company  
Directors & Officers \$3,000,000 Occurrence/\$5,000,000 Aggregate  
Employment Practices Liability \$5,000,000 Occurrence/\$5,000,000 Aggregate  
Fiduciary Liability \$3,000,000 Occurrence/\$5,000,000 Aggregate  
Employed Lawyers \$1,000,000 Occurrence/\$5,000,000 Aggregate  
Crime \$5,000,000 Occurrence/\$5,000,000 Aggregate  
D. Endurance American Specialty Insurance Company  
Media Liability \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Security & Privacy \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Regulatory Proceeding Sublimit \$10,000,000 Occ/\$10,000,000 Aggregate  
Privacy Breach Costs \$5,000,000 Occurrence/\$10,000,000 Aggregate  
Business Income Loss \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Digital Asset Loss \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Cyber Extortion Threat \$10,000,000 Occurrence/\$10,000,000 Aggregate  
Notification Services \$5,000,000 Occurrence/\$10,000,000 Aggregate  
E. Ironshore Specialty Insurance Company  
Excess E&O \$5,000,000 Occurrence/\$5,000,000 Aggregate  
F. Landmark American Insurance Company  
Excess Privacy Breach Coverage \$5,000,000



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
05/23/2019

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

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

<b>PRODUCER</b> AUTOMATIC DATA PROCESSING INS AGCY 76250717 71 HANOVER ROAD FLORHAM PARK NJ 07932	<b>CONTACT NAME:</b>	
	<b>PHONE</b> (877) 287-1316 (A/C, No, Ext):	<b>FAX</b> (888) 443-6112 (A/C, No):
	<b>E-MAIL ADDRESS:</b>	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A:</b> Hartford Fire and Its P&C Affiliates	
<b>INSURED</b> KELMAR ASSOCIATES, LLC 500 EDGEWATER DR STE 525 WAKEFIELD MA 01880-6222	<b>NAIC#</b> 00914	
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE
	CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>						DAMAGE TO RENTED PREMISES (Ea occurrence)
							MED EXP (Any one person)
							PERSONAL & ADV INJURY
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE
	POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/>						PRODUCTS - COMP/OP AGG
	OTHER:						
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)
	ANY AUTO						BODILY INJURY (Per person)
	ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/>						BODILY INJURY (Per accident)
	HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>						PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB EXCESS LIAB						EACH OCCURRENCE
	OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/>						AGGREGATE
	DED <input type="checkbox"/> RETENTION \$						
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			76 WEG LU0291	04/01/2019	04/01/2020	X PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$1,000,000
							E.L. DISEASE -EA EMPLOYEE \$1,000,000
							E.L. DISEASE - POLICY LIMIT \$1,000,000

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

Those usual to the Insured's Operations. Contract Reference ID: State of New Hampshire Treasury Abandoned Property Division Data System Replacement Agreement 2014-135, as amended.

**CERTIFICATE HOLDER**

New Hampshire State Treasury  
Abandoned Property Division  
25 CAPITOL ST RM 121  
CONCORD NH 03301-6312

**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

*Susan L. Castaneda*

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William F. Dwyer  
COMMISSIONER OF THE TREASURY



THE STATE OF NEW HAMPSHIRE  
STATE TREASURY

25 CAPITOL STREET, ROOM 121  
CONCORD, N.H. 03301  
603-271-2621  
FAX 603-271-3922  
E-mail: bdwyer@treasury.state.nh.us  
TDD Access: Relay NH 1-800-735-2964

April 10, 2014

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

REQUESTED ACTION

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

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

EXPLANATION

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

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

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

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

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

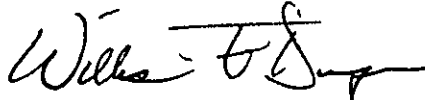
The architect of the KAPS operating system, Ken Wagers, is the primary architect behind nearly 90% of the abandoned property operating systems in use, at present, throughout the United States. Mr. Wagers, formerly employed by Xerox/ACS, designed Xerox/ACS' UPMS and its second-generation unclaimed property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

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

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

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

Respectfully requested,



William F. Dwyer  
Commissioner of the Treasury



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

Peter C. Hastings  
Commissioner

April 7, 2014

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

Dear Commissioner Dwyer:

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

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

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

Sincerely,

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

Peter C. Hastings

PCH/ltn  
RFP 2014-146

cc: Tom McAnespie, Treasury Dept  
Leslie Mason, DoIT



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

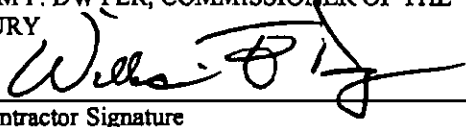


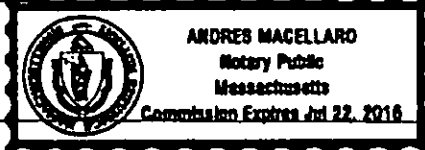
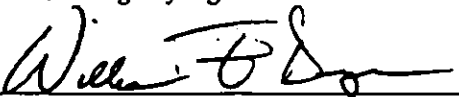
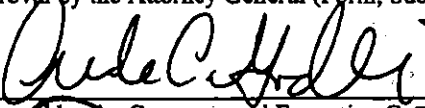

Subject: ABANDONED PROPERTY DIVISION DATA SYSTEM REPLACEMENT

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

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

**DEPUTY SECRETARY OF STATE**

**APR 23 2014**

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

## 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

## 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

## 14. INSURANCE.

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

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

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

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

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

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

#### **15. WORKERS' COMPENSATION.**

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

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

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

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

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

#### **19. CONSTRUCTION OF AGREEMENT AND TERMS.**

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective

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

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

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

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

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

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

**STATE OF NEW HAMPSHIRE  
TREASURY  
ABANDONED PROPERTY APPLICATION  
CONTRACT 2014-135  
CONTRACT AGREEMENT -PART 2**

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

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

**STATE OF NEW HAMPSHIRE  
TREASURY  
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CONTRACT 2014-135  
CONTRACT AGREEMENT -PART 2**

government agencies and municipalities.

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

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

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

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

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

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

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

**Special Concerns:**

None

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

**STATE OF NEW HAMPSHIRE  
TREASURY  
ABANDONED PROPERTY APPLICATION  
CONTRACT 2014-135  
CONTRACT AGREEMENT -PART 2**

**PART 2 - ATTACHMENT 1**

**TERMS AND DEFINITIONS**

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

<b>Acceptance</b>	Notice from the State that a Deliverable has satisfied Acceptance Test or Review.
<b>Acceptance Letter</b>	An Acceptance Letter provides notice from the State that a Deliverable has satisfied Acceptance Tests or Review.
<b>Acceptance Period</b>	The timeframe during which the Acceptance Test is performed
<b>Acceptance Test Plan</b>	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.
<b>Acceptance Test and Review</b>	Tests performed to determine that no Defects exist in the application Software or the System
<b>Access Control</b>	Supports the management of permissions for logging onto a computer or network
<b>Agreement</b>	A contract duly executed and legally binding.
<b>Appendix</b>	Supplementary material that is collected and appended at the back of a document
<b>Audit Trail Capture and Analysis</b>	Supports the identification and monitoring of activities within an application or system
<b>Best and Final Offer (BAFO)</b>	For negotiated procurements, a Vendor's final offer following the conclusion of discussions.
<b>CCP</b>	Change Control Procedures
<b>CR</b>	Change Request
<b>COTS</b>	Commercial Off-The-Shelf Software
<b>CM</b>	Configuration Management
<b>Certification</b>	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.
<b>Change</b>	A modification to the Services in the form of "New Work" or a change that would affect the Contract completion schedule set forth in the Work Plan or the amount of compensation due Kelmar.
<b>Change Control</b>	Formal process for initiating changes to the proposed solution or process once development has begun.



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

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	<p>Deliverable, the Software, or the System, not conforming to its Specifications.</p> <p><b>Class A Deficiency – Software</b> - 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><b>Class B Deficiency – Software</b> - 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><b>Class C Deficiency – Software</b> - 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>
<b>Deliverable</b>	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.
<b>Department</b>	An agency of the State
<b>Department of Information Technology (DoIT)</b>	The Department of Information Technology established under RSA 21-R by the Legislature effective September 5, 2008.
<b>Documentation</b>	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
<b>Digital Signature</b>	Guarantees the unaltered state of a file
<b>Effective Date</b>	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
<b>Encryption</b>	Supports the encoding of data for security purposes
<b>Enhancements</b>	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
<b>Firm Fixed Price Contract</b>	A Firm-Fixed-Price Contract provides a price that is not subject to

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Initial All Pages:

Kelmar's initials: AK

4/8/2014

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

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

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

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<b>State's Confidential Records</b>	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>
<b>State Data</b>	Any information contained within State systems in electronic or paper format.
<b>State Fiscal Year (SFY)</b>	The New Hampshire State Fiscal Year extends from July 1 <sup>st</sup> through June 30 <sup>th</sup> of the following calendar year
<b>State Project Leader</b>	State's representative with regard to Project oversight
<b>State's Project Manager (PM)</b>	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).
<b>Subcontractor</b>	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
<b>System</b>	All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
<b>TBD</b>	To Be Determined
<b>Technical Authorization</b>	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
<b>Test Plan</b>	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.
<b>Term</b>	Period of the Contract from the Effective Date through termination.
<b>Transition Services</b>	Services and support provided when the contracted vendor is supporting System changes.
<b>UAT</b>	User Acceptance Test
<b>UPMS</b>	Unclaimed Property Management System (present STATE unclaimed property database system.)
<b>Unit Test</b>	Developers create their own test data and test scenarios to verify the code they have created or changed functions properly as defined.
<b>User Acceptance Testing</b>	Tests done by knowledgeable business users who are familiar with the scope of the Project. They create/develop test cases to confirm the System was developed according to specific user requirements. The test cases and scripts/scenarios should be mapped to business requirements outlined in the user requirements documents.

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

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**INTRODUCTION**

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

**RECITALS**

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

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

The parties therefore agree as follows:

**1. CONTRACT DOCUMENTS**

**1.1 Contract Documents**

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

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



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**1.2 Order of Precedence**

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

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

**1.3 Contract Term**

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

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

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

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

**2. COMPENSATION**

**2.1 Contract Price**

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

**2.2 Firm Fixed Price Contract**

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

**3. CONTRACT MANAGEMENT**

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

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**3.1 Kelmar's Contract Manager**

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

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

**3.2 Kelmar's Project Manager**

**3.2.1 Contract Project Manager**

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

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

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

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

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

- 3.2.5 Kelmar's PROJECT MANAGER is:

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

### 3.3 Kelmar Key Project Staff

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

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

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

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

**Kelmar's KEY PROJECT STAFF:**

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

**3.4 State Contract Manager**

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

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

**3.5 State Project Manager**

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

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

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The STATE PROJECT MANAGER is:

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

### **3.6 Reference and Background Checks**

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

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

## **4. DELIVERABLES**

### **4.1 Vendor Responsibilities**

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

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

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**4.2 Deliverables and Services**

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

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

**4.3 Non-Software and Written Deliverables Review and Acceptance**

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

**4.4 System/Software Testing and Acceptance**

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

**4.5 Security**

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

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

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

**5. SOFTWARE**

**5.1 COTS Software and Documentation**

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

**5.2 COTS Software Support and Maintenance**

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

**5.3 Restrictions**

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

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

**5.4 Title**

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

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**6. WARRANTY**

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

**7. SERVICES**

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

**7.1 Administrative Services**

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

**7.2 Implementation Services**

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

**7.3 Testing Services**

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

**7.4 Training Services**

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

**7.5 Maintenance and Support Services**

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

**8. WORK PLAN DELIVERABLE**

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

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



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

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

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

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

## 9. CHANGE ORDERS

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

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

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

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

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

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**10. INTELLECTUAL PROPERTY**

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

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

**10.1 State's Data**

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

**10.2 Kelmar's Materials**

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

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

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**10.3 Survival**

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

**11. USE OF STATE'S INFORMATION, CONFIDENTIALITY**

**11.1 Use of State's Information**

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

**11.2 State Confidential Information**

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

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

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

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

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

**11.3 Vendor Confidential Information**

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

**11.4 Survival**

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

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**12. LIMITATION OF LIABILITY**

**12.1 State**

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

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

**12.2 Kelmar**

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

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

**12.3 State's Immunity**

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

**12.4 Survival**

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

**13. TERMINATION**

This Section 13 shall survive the termination or CONTRACT CONCLUSION.

**13.1 Termination for Default**

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

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

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

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

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

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

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

**13.2 Termination for Conflict of Interest**

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

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

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

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**13.3 Termination Procedure**

**13.3.1** After receipt of a notice of termination, and except as otherwise directed by the STATE, Kelmar shall:

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

**14. CHANGE OF OWNERSHIP**

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

**15. ASSIGNMENT, DELEGATION AND SUBCONTRACTS**

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



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

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

15.3 Notwithstanding the foregoing, nothing herein shall prohibit Kelmar from assigning the **CONTRACT** to the successor of all or substantially all of the assets or business of Kelmar provided that the successor fully assumes in writing all obligations and responsibilities under the **CONTRACT**. In the event that Kelmar should change ownership, as permitted under this Contract Agreement Part 2, Section 14: *Change of Ownership*, the STATE shall have the option to continue under the **CONTRACT** with Kelmar, its successors or assigns for the full remaining **TERM** of the **CONTRACT**; continue under the **CONTRACT** with Kelmar, its successors or assigns for such period of time as determined necessary by the STATE; or immediately terminating the **CONTRACT** without liability to Kelmar, its successors or assigns.

## **16. DISPUTE RESOLUTION**

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

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

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

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

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

## **17 GENERAL PROVISIONS**

### **17.1 Travel Expenses**

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

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

### **17.2 Shipping and Delivery Fee Exemption**

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

### **17.3 Project Workspace and Office Equipment**

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

### **17.4 Access/Cooperation**

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

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

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

**17.5 Required Work Procedures**

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

**17.6 Regulatory Government Approvals**

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

**17.7 Force Majeure**

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

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

**17.8 Insurance**

**17.8.1 The Contracted Vendor Insurance Requirement**

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

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

**17.9 Exhibits**

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

**17.10 Venue and Jurisdiction**

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

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**17.11 Survival**

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

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CONTRACT DELIVERABLES

**1. DELIVERABLES, MILESTONES AND ACTIVITIES**

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

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

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

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

**2. DELIVERABLES, MILESTONES, AND ACTIVITIES SCHEDULE**

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

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

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	Table column listing for all data to be converted, with mapping information to the KAPST <sup>TM</sup> table and column, or indication that the data element is to be abandoned		
	Record counts for all UPMS tables to be converted and final record counts in KAPST <sup>TM</sup> tables post conversion		
	Numerical totals for all dollar and share columns for all UPMS tables, and final numerical totals in KAPST <sup>TM</sup> tables post conversion		
8	Deployment Plan	Written	60 days
9	Comprehensive Training Plan and Curriculum	Written	60 days
10	End User Support Plan	Written	60 days
11	Fully Tested Data Conversion Software	Software	120 days
12	Software Installed, Configured, and Operational to satisfy State requirements	Software	120 days
13	Conduct Unit and System Testing	Non-Software	120 days
14	Conduct Integration Testing	Non-Software	120 days
15	Conduct User Acceptance Testing	Non-Software	120 days
16	Perform Production Tests	Non-Software	120 days
17	Share all Penetration test results with the STATE	Non-Software	120 days
18	Converted Data Loaded into Production Environment	Software	120 days
19	Conduct Training/1.43	Non-Software	120 days
20	Cutover to New Software	Non-Software	120 days
21	All Operating System Software	Software	120 days
22	Project Status Reports	Written	Every two weeks
23	Conduct Project Exit Meeting	Non-Software	150 days
24	Electronic Documentation including but not limited to: System functional documentation System workflow documentation Documented support process Online issue tracking and management system		90 days
* Days elapsed from starting date of contract award.			

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**3. TRAINING DELIVERABLES**

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

**4. SOFTWARE LICENSES**

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

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PRICE AND PAYMENT SCHEDULE

**1. DELIVERABLE PAYMENT SCHEDULE**

**1.1 Firm Fixed Price**

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

**2. TOTAL CONTRACT PRICE**

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

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

**3. INVOICING**

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

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

Invoices shall be sent to:

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

**4. PAYMENT ADDRESS**

All payments shall be sent to the following address:



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

**5. OVERPAYMENTS TO Kelmar**

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

**6. CREDITS**

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

**7. PROJECT HOLDBACK**

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

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PAYMENT SCHEDULE

**1. SPECIAL PROVISIONS**

- 1.1 **Insurance.** Amend Contract Agreement Part 1 – Section 14: **Insurance** to include Section 14.1.3 cyber insurance against all claims for cyber crimes inclusive of hacking, data security & privacy losses, in amounts of not less than \$3,000,000, at no additional cost to the State.
- 1.2 **Change Order Pricing.** In the event the STATE elects, in its sole discretion, to approve a **CHANGE ORDER** or other **LICENSEE WORK**, the following hourly fee structure shall apply. This fee structure shall remain applicable throughout the Contract Agreement Term.

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

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

**Notice**

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

**TO Kelmar:**

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

**TO STATE:**

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

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ADMINISTRATIVE SERVICES**

**1. STATE MEETINGS AND REPORTS**

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

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

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

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

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

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

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

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

**2. STATE-OWNED DOCUMENTS AND DATA**

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

**3. RECORDS RETENTION AND ACCESS REQUIREMENTS**

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

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

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

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

**4. ACCOUNTING REQUIREMENTS**

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

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IMPLEMENTATION SERVICES**

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

**1. IMPLEMENTATION STRATEGY**

**1.1 Key Components**

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

**1.2 Timeline**

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

**1.2.1 Implementation**

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

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

**1.2.2 Change Management and Training**

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

**2. IMPLEMENTATION METHODOLOGY**

Kelmar will provide the following SERVICES for the CONTRACT:

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**2.1 Data Conversion.**

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

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

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

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

**DELIVERABLES:**

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

**2.2 Installation & Training.**

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

Below are details of the Initial Training and Support Plan:

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

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**Support and DOCUMENTATION DELIVERABLES:**

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

**2.3. Post Implementation Support Services.**

Post Implementation, KAPST<sup>™</sup> support will include:

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

**2.4 Help Desk and Technical Support.**

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

**2.5 Hosted Server Access**

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



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

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SECURITY AND INFRASTRUCTURE**

**1. SECURITY**

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

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EXHIBIT F  
TESTING SERVICES**

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

**1. TESTING AND ACCEPTANCE**

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

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

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

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

**1.1 Test Planning and Preparation**

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

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

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

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TESTING SERVICES**

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

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

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

### 1.2 Unit Testing


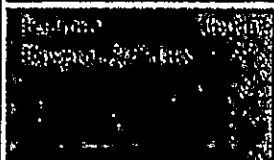
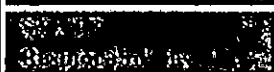
In Unit Testing, Kelmar shall test the application components on an individual basis to verify that the inputs, outputs, and processing logic of each application component functions without errors. Unit testing is performed in either the development environment or a testing environment.

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

### 1.3 System Integration Testing

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

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

	SYSTEMs Integration Testing validates the integration between the target application modules and other systems, and verifies that the new <b>SYSTEM</b> 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 <b>DATA</b> transfers with external parties, and includes the transmission or printing of all electronic and paper documents.
	<ul style="list-style-type: none"><li>• Take the lead in developing the <b>SYSTEMs</b> Integration Test SPECIFICATIONS.</li><li>• Work jointly with the <b>STATE</b> to develop and load the <b>DATA</b> profiles to support the test SPECIFICATIONS.</li><li>• Work jointly with the <b>STATE</b> to validate components of the test scripts.</li></ul>
	<ul style="list-style-type: none"><li>• Work jointly with Kelmar to develop the <b>SYSTEMs</b> Integration Test SPECIFICATIONS.</li></ul>

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

#### 1.4 Conversion Validation Testing

In Conversion Validation Testing, target application functions are validated.

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

#### 1.5 Installation Testing

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

#### 1.6 User Acceptance Testing (UAT)

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

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

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

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

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

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

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

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

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

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### 1.7 Performance Tuning and Stress Testing

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

#### 1.7.1 Scope

The scope of Performance Testing shall be to measure the SYSTEM level metrics critical for the development of the applications infrastructure and operation of the applications in the production environment. It will include the measurement of response rates of the application for end-user transactions and resource utilization (of various servers and network) under various load conditions. These response rates shall become the basis for 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.

#### 1.7.2 Test Types

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

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

#### 1.7.3 Tuning

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

#### 1.7.4 Regression Testing

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

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

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

### **1.8 Security Review and Testing**

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

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

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



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

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

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

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

**1.9 Successful UAT Completion**

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

**1.10 System Acceptance**

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

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**1. SYSTEM MAINTENANCE**

Kelmar shall maintain and support the KAPST<sup>TM</sup> SYSTEM in all material respects as described in the applicable program DOCUMENTATION.

**1.1 Kelmar's Responsibility**

Kelmar shall maintain the KAPST<sup>TM</sup> SYSTEM in accordance with the CONTRACT. Kelmar will not be responsible for maintenance or support for SOFTWARE developed or modified by the STATE.

**1.1.1 Adaptive and Preventive Maintenance Activities.**

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

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**1.1.2. Performance of Maintenance Activities.**

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

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

**1.1.3 Approval of Updates / Deliverables, in General.**

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

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

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

**1.1.3.1. Process for Approval of SOFTWARE Deliverables.**

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

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

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

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

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

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

**1.1.3.2. Acceptance.**

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

**1.1.3.3. Subsequent Systems Changes.**

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

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

**1.1.4. Documentation Updates.**

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

**2. SYSTEM SUPPORT**

**2.1 Kelmar's Responsibility**

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

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

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

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

DEFICIENCIES shall be corrected according to the following SCHEDULE:

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

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

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

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STATE OF NH REQUIREMENTS**

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

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

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

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

## 1. ASSUMPTIONS

### A. General

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

### B. Logistics

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

### C. Conversions

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



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

**D. Project Schedule**

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

**E. Reporting**

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

**F. User Training and Change Management**

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

**G. Performance and Security Testing**

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

## 2. ROLES AND RESPONSIBILITIES

**A. Kelmar Team Roles and Responsibilities**

**1) Kelmar Team Project Executive**

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

**2) Kelmar Team Project Manager**

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

- Maintain communications with the **STATE's PROJECT MANAGER**;
- Work with the **STATE** in planning and conducting a kick-off meeting;
- Create and maintain the **WORK PLAN**;
- Assign Kelmar Team consultants to tasks in the **IMPLEMENTATION PROJECT** according to the scheduled staffing requirements;
- Define roles and responsibilities of all Kelmar Team members;
- Provide Weekly and monthly update progress reports to the **STATE PROJECT MANAGER**;
- Notify the **STATE PROJECT MANAGER** of requirements for **STATE** resources in order to provide sufficient lead time for resources to be made available;
- Review task progress for time, quality, and accuracy in order to achieve progress;
- Review requirements and scheduling **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**.

**3) Kelmar Team Analysis**

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

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

**4) Kelmar Team Tasks**

The Kelmar team shall assume the following tasks:

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

**B. State Roles and Responsibilities**

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

**1) State Project Manager**

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

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

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

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

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

**3) State Technical Lead and Architect**

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

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

**3. SOFTWARE APPLICATION**

*Kelmar to provide KAPS™ SYSTEM to STATE.*

**4. CONVERSIONS**

**A. Data Conversion.**

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

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

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

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

**DELIVERABLES:**

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

**B. Conversion Testing Responsibilities**

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

**5. INTERFACES**

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

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**A. Interface Responsibilities**

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

**6. PRELIMINARY WORK PLAN**

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

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

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

Project Timeline		
Line #	Milestone	Objectives

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

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



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LICENSING  
SOFTWARE LICENSE

**1. LICENSE GRANT**

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

**2. SOFTWARE AND DOCUMENTATION COPIES**

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

**3. RESTRICTIONS**

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

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

**4. TITLE**

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

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**5. VIRUSES**

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

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

**6. AUDIT**

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

**7. SOFTWARE NON-INFRINGEMENT**

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

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

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

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

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

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WARRANTY AND WARRANTY SERVICES

1. WARRANTIES

1.1 Services

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

1.2 Software

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

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

1.3 Non-Infringement

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

1.4 Viruses; Destructive Programming

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

1.5 Compatibility

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

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WARRANTY AND WARRANTY SERVICES**

**1.6 Services**

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

**1.7 Personnel**

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

**1.8 Breach of Data**

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

**1.9 Third Party Materials**

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

**2. WARRANTY SERVICES**

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

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WARRANTY AND WARRANTY SERVICES

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

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

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

**3. WARRANTY PERIOD**

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

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

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TRAINING SERVICES

Kelmar shall provide the following Training SERVICES.

**A. TRAINING**

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

**1. Delivery Method -Instructor-Led Class Training**

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

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

**2. Project Team Developed Training**

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

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

b. Key activities of the approach are highlighted below:

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

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

c. Key User Training Approach Activities

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

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

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

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

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



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

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

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

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EXHIBIT M

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

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EXHIBIT N  
VENDOR PROPOSAL BY REFERENCE**

**Kelmar's KAPST<sup>TM</sup> SYSTEM** Introduction and Architecture Overview is attached hereto and incorporated herein by reference as Exhibit N.

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EXHIBIT O  
CERTIFICATES AND ATTACHMENTS**

Attached are:

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



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ATTACHMENT 1  
STATE OF NH REQUIREMENTS

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

ATTACHMENT 1  
STATE OF NH REQUIREMENTS

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

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

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



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

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

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

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

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

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

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



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H4.10	The Vendor shall provide fire detection and suppression system, physical security of and infrastructure security of the proposed hosting facility. The environmental support equipment of the Vendor website hosting facility: power conditioning; HVAC; UPS; generator must be acceptable to the State.	M	Yes	Standard	
<b>SERVICE LEVEL AGREEMENT</b>					
HS.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	
HS.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	
HS.3	Repair or replace the hardware or Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	Yes	Standard	
HS.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	
HS.5	The Vendor response time for support shall conform to the specific deficiency class as described below: <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	M	Yes	Standard	

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

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

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

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

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