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for

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

Denis Goulet
Commissioner

December 7, 2017

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

REQUESTED ACTION

Authorize the Department of Information Technology, on behalf of the Public Utilities Commission (PUC), to enter into a contract with Spruce Technology Inc., of Clifton, NJ (Vendor Code 281339) in an amount not to exceed \$97,092.80 for the design, development, coordination, facilitation and documentation of the Safety Database Scheduler, Violation, Inspection and Federal Reporting, effective upon the date of Governor and Executive Council approval through December 31, 2018, with an option to renew up to two (2) times for two (2) years each upon consent of both parties and Governor and Executive Council approval.

100% Other (Agency Class 27) funds: the Agency Class 027 used by the Public Utilities Commission to reimburse DoIT is 100% Other Funds. Funding is Available in SFY 2018 as follows:

SFY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME - ACCTG UNIT NAME CLASS -OBJECT -ACCOUNT DESC	JOB #	Amount
2018	01-03-03-030010-76810000 DoIT- IT for PUC 046-500465 Consultants	03810049	\$97,092.80
GRAND TOTAL			

EXPLANATION

The Public Utilities Commission wishes to procure a cloud solution that will replace the old Public Utilities Commission Safety Division Database. The Safety Pipeline Database Scheduler, Violation, Inspection and Federal Reporting solution will be used by the Inspectors and PUC Safety Division staff to meet the PUC's Safety Division mission to protect people, property, and the environment from the risks of hazardous materials transportation.

The current system is limited in its functionality and is failing, putting strain on the reliability, completeness, and efficiency of inspection data. A replacement system will provide benefits to the NH residents as well as the state with improved efficiency and accuracy of inspection data. All will benefit from improved system security, data quality and cross-agency data sharing. PUC will see improvements surrounding identification of inspection data and non-compliance. With the current systems precarious status, the PUC has requested this project receive high priority status and a timeframe to start in October with embedded development staff working on normalizing the data with a vendor start time in December.

This contract is the result of a competitive solicitation under RFP 2018-078 Safety Database Scheduler, Violation, Inspection and Federal Reporting on September 28, 2017. Two (2) proposals were received from the RFP by the closing date of October 27, 2017. The scoring committee was comprised of six (6) state employees from two (2) different agencies, each with expertise in the RFP review process and in required areas. The scoring team determined Spruce Technology Inc. met the minimum qualifications of RFP 2018-078, provided the lowest cost and received the highest score (score summary attached). DoIT recommends Spruce Technology be awarded this contract.

Respectfully submitted,


for Denis Goulet, Commissioner

RID 30981
Contract Number: 2018-078

cc: Cindy Dotlich, IT Manager

PROPOSAL EVALUATION SUMMARY
PUC RFP 2018-078 SAFETY DATABASE

Vendor	Proposed Software Solution (300 Max Points)	Vendor's Technical, Service and Project Management Experience (150 Max Points)	Vendor Company (200 Max Points)	Staffing Qualifications (100 Max Points)	Solution Cost (Rates and Pricing) (250 Max Points)	TOTAL POINTS (1000 Max Points)
MTX B2B Solutions, LLC	244	119	146	77	237	823
Spruce Technology, Inc.	259	128	144	81	250	862

Individual Scorer - Name	Individual Scorer - Position/Agency
Randy Knepper	Director of Safety Division, PUC Project Sponsor
Eunice Landry	Business Office, PUC Steering Committee
Carolyn Stiles	Program Specialist, PUC
Cindy Dotlich	IT Manager, DoIT/ASD Supporting PUC
Randy Arrant	Systems Development, DoIT/ASD Supporting PUC
Jay Joplin	Technical Support Specialist DoIT



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Denis Goulet
Commissioner

December 4, 2017

Debra Howland, Executive Director
Public Utilities Commission
State of New Hampshire
41 Fruit Street., Suite 10
Concord, NH 03301

Dear Executive Director Howland:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract agreement with Spruce Technology Inc, of Clifton, NJ as described below and referenced DoIT No. 2018-078.

This is a request to enter into a contract agreement to procure a cloud solution that will replace the old Public Utilities Commission Safety Division Database. The Safety Pipeline Database Scheduler, Violation, Inspection and Federal Reporting solution will be used by the Inspectors and PUC Safety Division staff to meet the PUC's Safety Division mission to protect people, property, and the environment from the risks of hazardous materials transportation.

The amount of the contract is not to exceed \$97,092.80, and shall become effective upon the date of Governor and Executive Council approval through December 31, 2018.

A copy of this letter should accompany the Public Utilities Commission's submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", written over a horizontal line.

Denis Goulet

DG/kaf
DoIT #2018-078

cc: Cindy Dotlich, IT Manager, DoIT

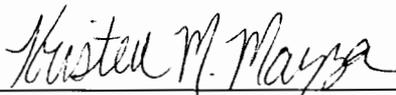
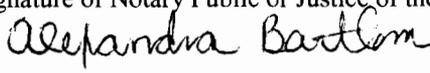
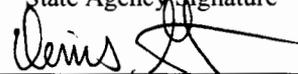
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Information Technology on behalf of Public Utilities Commission		1.2 State Agency Address 27 Hazen Drive Concord, NH 03301	
1.3 Contractor Name Spruce Technology Inc.		1.4 Contractor Address 1149 Bloomfield Ave, Ste G, Clifton, NJ	
1.5 Contractor Phone Number 862-225-9300	1.6 Account Number 01-03-03-030010-76810000 046-500465	1.7 Completion Date 12/31/2018	1.8 Price Limitation \$97,092.80
1.9 Contracting Officer for State Agency Denis Goulet, Commissioner / Chief Information Officer		1.10 State Agency Telephone Number 603-223-5703	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Kristen Mazza, Director of Contracts	
1.13 Acknowledgement: State of <u>NJ</u> , County of <u>Passaic</u> On <u>Nov. 30 2017</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		<div style="border: 2px solid black; padding: 5px; width: fit-content; margin: auto;"> ALEXANDRA N BARTLOM Notary Public, State of New Jersey My Commission Expires September 13, 2021 </div>	
1.13.2 Name and Title of Notary or Justice of the Peace Alexandra Bartlom, Notary Public			
1.14 State Agency Signature  Date: <u>12/5/2017</u>		1.15 Name and Title of State Agency Signatory Denis Goulet Commissioner & CIO	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>12/6/17</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

Agreement. This provision shall survive termination of this Agreement.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

Contractor Initials YCP
Date 11/30/17

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSION
SAFETY DATABASE
CONTRACT 2018-078
PART 2**

State of NH Contract 2018-078

IT Provisions – Part 2

Date: 11/30/17

Contractor Initials: MM

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSION
SAFETY DATABASE
CONTRACT 2018-078
PART 2 – INFORMATION TECHNOLOGY PROVISIONS**

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PUBLIC UTILITY COMMISSION
SAFETY DATABASE
CONTRACT 2018-078
PART 2 – INFORMATION TECHNOLOGY PROVISIONS**

	General Provisions, Block 1.7)
Confidential Information	Information required to be kept Confidential from unauthorized disclosure <i>under the Contract</i> .
Contract	An Agreement between the State of New Hampshire and a Vendor, which creates binding obligations for each party to perform as specified in the Contract Documents.
Contract Agreement	Part 1, 2, and 3. The Documentation consisting of the P-37 General Provisions, IT Provisions, and the Exhibits which represents the understanding and acceptance of the reciprocal legal rights and duties of the parties with respect to the Scope of Work.
Contract Conclusion	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.
Contract Documents	Documents that comprise this Contract. (See Part 2, IT Provisions – Section 1.1)
Contract Managers	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 Part 2, IT Provisions – Section 4: <i>Contract Management</i>)
Contract Price	The total, not to exceed amount to be paid by the State to Spruce Technologies Inc. for product and Services described in the Contract Agreement. This amount is listed in Part 1, P-37 General Provisions – Section 1.8: <i>Price Limitation</i> , as well as Part 3, Exhibit B – Paragraph 2: <i>Contract Price</i> .
Contractor	Spruce Technologies Inc. Spruce Technologies Inc. and its employees, subcontractors, agents and affiliates who are providing the Services agreed to under the Contract.
Contracted Vendor/Vendor	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.
Conversion Test	A test to ensure that a Data conversion process correctly takes Data from a legacy system and successfully converts it to form that can be used by the new system.
COTS	Commercial Off The Shelf
CR	Change Request
CRM/xRM	Customer/Extensible Relationship Management
Cure Period	The thirty (30) day period following written notification of a default within which a Contracted Vendor must cure the default identified.

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SAFETY DATABASE
CONTRACT 2018-078**

PART 2 – INFORMATION TECHNOLOGY PROVISIONS

	known as “code signing”.
Documentation	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
DR	Disaster Recovery
Effective Date	The Contract and all obligations of the parties hereunder shall become effective on the date the Governor and the Executive Council of the State of New Hampshire approves the Contract.
Encryption	Supports the transformation of Data for security purposes.
Enhancements	Updates, additions, modifications to, and new releases for the Software, and all changes to the Documentation as a result of Enhancements, including, but not limited to, Enhancements produced by Change Orders.
Event of Default	Any one or more of the following acts or omissions of a Vendor shall constitute an Event of Default hereunder (“Event of Default”): <ul style="list-style-type: none"> a. Failure to perform the Services satisfactorily or on Schedule; b. Failure to submit any report required; and/or c. Failure to perform any other covenant, term or condition of the Contract.
Firm Fixed Price Contract	A Firm Fixed Price Contract provides a price that is not subject to increase, i.e., adjustment on the basis of the Vendor’s cost experience in performing the Contract.
Fully Loaded	Rates are inclusive of all allowable expenses, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.
GAAP	Generally Accepted Accounting Principles.
Governor and Executive Council	The New Hampshire Governor and Executive Council.
GUI	Graphical user interface.
Harvest	Software to archive and/or control versions of Software.
HLD	High Level Design
Identification and Authentication	Supports obtaining information about those parties attempting to log on to a system or application for security purposes and the validation of those users.
Implementation	The process for making the System fully Operational for processing the Data.
Implementation Plan	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
Information Technology (IT)	Refers to the tools and processes used for the gathering, storing, manipulating, transmitting, sharing, and sensing of information including, but not limited to, Data processing, computing, information systems, telecommunications, and

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSION
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PART 2 – INFORMATION TECHNOLOGY PROVISIONS**

Operating System	System is fully functional, all Data has been loaded into the System, is available for use by the State in its daily operations.
Operational	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.
Order of Precedence	The order in which Contract/Documents control in the event of a conflict or ambiguity. A term or condition in a document controls over a conflicting or ambiguous term or condition in a document that is lower in the Order of Precedence.
PAAS	Platform as a Services
PHMSA	US Dept. of Transportation's Pipelines and Hazardous Materials Safety Administration.
Project	The planned undertaking regarding the entire subject matter of an RFP and Contract and the activities of the parties related hereto.
Project Team	The group of State employees and Contracted Vendor's personnel responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Work Plan on time, on budget and to the required Specifications and quality.
Project Managers	The persons identified who shall function as the State's and the Vendor's representative with regard to Review and Acceptance of Contract Deliverables, invoice sign off, and Review and approval of Change Requests (CR) utilizing the Change Control Procedures (CCP).
Project Staff	State personnel assigned to work with the Vendor on the Project.
Proposal	The submission from a Vendor in response to the Request for a Proposal or Statement of Work.
PUC	Public Utilities Commission
QA	Quality Assurance
Regression Test Plan	A plan integrated into the Work Plan used to ascertain whether fixes to Defects have caused errors elsewhere in the application/process.
Review	The process of Reviewing Deliverables for Acceptance.
Review Period	The period set for Review of a Deliverable. If none is specified then the Review Period is five (5) business days.
RFP (Request for Proposal)	A Request For Proposal solicits Proposals to satisfy State functional requirements by supplying Data processing product and/or Service resources according to specific terms and conditions.
Role/Privilege Management	Supports the granting of abilities to users or groups of users

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	of a computer, application or network.
SAAS	Software as a Service
Schedule	The dates described in the Work Plan for deadlines for performance of Services and other Project events and activities under the Contract.
Services	The work or labor to be performed by the Vendor on the Project as described in the Contract.
SDLC	Software Development Life Cycle
SLA	Service Level Agreement
SME	Subject Matter Expert
Software	All Custom Software and COTS Software provided by the Vendor under the Contract.
Software Deliverables	All Custom Software and COTS Software and Enhancements.
Software License	Licenses provided to the State under this Contract.
Solution	The Solution consists of the total Solution, which includes, without limitation, Software and Services, addressing the requirements and terms of the Specifications. The off-the-shelf Software and configured Software customized for the State provided by the Vendor in response to this RFP.
Specifications	The written Specifications that set forth the requirements which include, without limitation, this RFP, the Proposal, the Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth herein.
State	STATE is defined as: State of New Hampshire Public Utilities Commission Safety Division 21 S. Fruit St., Suite 10 Concord, New Hampshire 03301 Reference to the term “State” shall include applicable agencies.
Statement of Work (SOW)	A Statement of Work clearly defines the basic requirements and objectives of a Project. The Statement of Work also defines a high level view of the architecture, performance and design requirements, the roles and responsibilities of the State and the Vendor. The Contract Agreement SOW defines the results that the Vendor remains responsible and accountable for achieving.
State’s Confidential Records	State’s information regardless of its form that is not subject to public disclosure under applicable state and federal laws

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	and regulations, including but not limited to <u>RSA chapter 91-A: Access to Governmental Records and Meetings</u> .
State Data	All Data created or in any way originating with the State, and all Data that is the output of computer processing of or other electronic manipulation of any Data that was created by or in any way originated with the State, whether such Data or output is stored on the State's hardware, Spruce Technologies Inc.'s hardware or exists in any system owned, maintained or otherwise controlled by the State or by Spruce Technologies Inc..
State Fiscal Year (SFY)	The New Hampshire State Fiscal Year extends from July 1 st through June 30 th of the following calendar year.
State Project Leader	State's representative with regard to Project oversight.
State's Project Manager (PM)	State's representative with regard to Project Management and technical matters. Agency Project Managers are responsible for Review and Acceptance of specific Contract Deliverables, invoice sign off, and Review and approval of a Change Request (CR).
Subcontractor	A person, partnership, or company not in the employment of, or owned by, the Vendor, which is performing Services under this Contract under a separate Contract with or on behalf of the Vendor.
System	All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
TBD	To Be Determined
Technical Authorization	Direction to a Vendor, which fills in details, clarifies, interprets, or specifies technical requirements. It must be: <ol style="list-style-type: none"> 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 SOW.
Test Plan	A plan, integrated in the Work Plan, to verify the code (new or changed) works to fulfill the requirements of the Project. It may consist of a timeline, a series of tests and test Data, test scripts and reports for the test results as well as a tracking mechanism.
Term	Period of the Contract from the Effective Date through termination.
Transition Services	Services and support provided when the Contracted Vendor is supporting system changes.
UI	User Interface
Unit Test	Developers create their own test Data and test scenarios to verify the code they have created or changed functions

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	properly as defined.
User Acceptance Testing (UAT)	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.
User Management	Supports the administration of computer, application and network accounts within an organization.
Vendor/ Contracted Vendor	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.
Verification	Supports the confirmation of authority to enter a computer system, application or network.
Virtual Private Network (VPN)	Extends a private network across a public network, and enables users to send and receive Data across shared or public networks as if their computing devices were directly connected to the private network
Warranty Period	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.
Warranty Releases	Code releases that are done during the Warranty Period.
Warranty Services	The Services to be provided by the Vendor during the Warranty Period.
Work Hours	Vendor personnel shall work normal business hours between 7:30 a.m. EST. and 5:00 p.m. EST., 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.
Work Plan	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: <i>System Requirements and Deliverables</i> . 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.
Written Deliverables	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 Department of Information Technology, acting on behalf of the New Hampshire Public Utility Commission Safety Division (“State”), and Spruce Technology Inc., a Corporation, (Vendor Code 281339) (“Contractor”), having its principal place of business at 1149 Bloomfield Ave, Ste G, Clifton, NJ.

RECITALS

Whereas the State desires to have Spruce Technologies Inc. provide the State of New Hampshire Public Utility Commission Safety Division comprehensive professional services to customize and develop Microsoft Dynamics 365 for the Safety Division to establish a secure auditable system that is accessible from both within the state network and remotely from field locations that allows for scheduling, inspection, violation tracking and enforcement, federal report tracking, and grant administration as well as a boot camp workshop for the State of New Hampshire.

Whereas Spruce Technologies Inc. wishes to provide the State of New Hampshire Public Utility Commission Safety Division comprehensive professional services to customize and develop Microsoft Dynamics 365 for the Safety Division to establish a secure auditable system that is accessible from both within the state network and remotely from field locations that allows for scheduling, inspection, violation tracking and enforcement, federal report tracking, and grant administration, as well as a boot camp workshop for the State of New Hampshire.

The parties therefore agree as follows:

1. CONTRACT DOCUMENTS

1.1 CONTRACT DOCUMENTS

This Contract Agreement 2018-078 is comprised of the following documents:

- A. Part 1 - Form P-37 General Provision
- B. Part 2 - Information Technology Provisions
- C. Part 3 - 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
 - Exhibit I- Work Plan

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Exhibit J- Software Agreement
Exhibit K- Warranty and Warranty Services
Exhibit L- Training Services
Exhibit M- Agency RFP with Addendums, by reference
Exhibit N- Vendor Proposal, by reference
Exhibit O- Certificates and Attachments

1.2 ORDER OF PRECEDENCE

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

- a. State of New Hampshire, Public Utility Commission Contract Agreement 2018-078, including Parts 1, 2, and 3.
- b. State of New Hampshire, Public Utility Commission – RFP Safety Database 2018-078.
- c. Vendor Proposal Response to Public Utility Commission - RFP Safety Database 2018-078 dated October 27, 2017.

2. CONTRACT TERM

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

The Contract shall begin on the Effective Date and extend through the date indicated in Part 1, P-37 General Provisions - Block 1.7: *Completion Date*. The Term may be extended up to two (2) times for up to two (2) year term each (“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 December 31, 2022.

Spruce Technologies Inc. shall commence work upon issuance of a Notice to Proceed by the State.

The State does not require Spruce Technologies Inc. to commence work prior to the Effective Date; however, if Spruce Technologies Inc. commences work prior to the Effective Date and a Notice to Proceed, such work shall be performed at the sole risk of Spruce Technologies Inc.. In the event that the Contract does not become effective, the State shall be under no obligation to pay Spruce Technologies Inc. for any costs incurred or Services performed; however, if the Contract becomes effective, all costs incurred prior to the Effective Date shall be paid under the terms of the Contract.

Time is of the essence in the performance of Spruce Technologies Inc.’s obligation under the Contract.

3. COMPENSATION

3.1 CONTRACT PRICE

State of NH Contract 2018-078
IT Provisions – Part 2
Date: 11/20/17
Contractor Initials: SM

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Inc.'s Project Manager shall perform the duties required under the Contract, including, but not limited to, those set forth in Part 3 - Exhibit I: *Work Plan*, Section 2: *Contractor Roles and Responsibilities*. Spruce Technologies Inc.'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 (or delegate) as needed. Spruce Technologies Inc.'s Project Manager must work diligently and use his/ her best efforts on the Project.

- 4.2.3** Spruce Technologies Inc. shall not change its assignment of the Project Manager without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of Spruce Technologies Inc.'s Project Manager shall not be unreasonably withheld. The replacement Project Manager shall have comparable or greater skills than of Spruce Technologies Inc.'s Project Manager being replaced; meet the requirements of the Contract; and be subject to reference and background checks described above in Part 2, IT Provisions - Section 4.2.1: *Contract Project Manager*, and in Part 2, IT Provisions - Section 4.6: *Reference and Background Checks*, below. Spruce Technologies Inc. shall assign a replacement of Spruce Technologies Inc.'s Project Manager within ten (10) business days of the departure of the prior Contractor's Project Manager, and Spruce Technologies Inc. shall continue during the ten (10) business day period to provide competent Project management Services through the assignment of a qualified interim Project Manager.
- 4.2.4** Notwithstanding any other provision of the Contract, the State shall have the option, at its discretion, to terminate the Contract, declare Spruce Technologies Inc. in default and pursue its remedies at law and in equity, if Spruce Technologies Inc. fails to assign a Project Manager meeting the requirements and terms of the Contract.
- 4.2.5** Spruce Technologies Inc. Project Manager is:

**Daniel Sacculo
1149 Bloomfield Ave, Ste. G
Clifton, NJ 07012
Tel: 862-225-9300
Email: DSacculo@SpruceTech.com**

4.3 SPRUCE TECHNOLOGY INC. CONTRACTOR PROJECT STAFF

- 4.3.1** Spruce Technologies Inc. shall assign Project Staff who meet the requirements of the Contract, and can implement the Software Solution meeting the requirements set forth in RFP Appendix C: *System Requirements and Deliverables*, Table C.3: *System Requirements and Deliverables-Vendor Response Checklist*. The State may conduct reference and background checks on Spruce Technologies Inc.'s Project Staff. The State reserves the right to require removal or reassignment of Spruce Technologies Inc.'s Project Staff who are found unacceptable to the State. Any background checks shall be performed in accordance with Part 2, IT Provisions - Section 4.6: *Background Checks*.

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4.3.2 Spruce Technologies Inc. shall not change any of Spruce Technologies Inc. Project Staff commitments without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of Spruce Technologies Inc.'s Project Staff will not be unreasonably withheld. The replacement of Spruce Technologies Inc.'s Project Staff shall have comparable or greater skills than of Spruce Technologies Inc.'s Project Staff being replaced; meet the requirements of the Contract, including but not limited to the requirements set forth in RFP Appendix C: *System Requirements and Deliverables* and be subject to reference and background checks described in Part 2, IT Provisions - Section 4.6: *Reference and Background Checks*.

4.3.3 Notwithstanding any other provision of the Contract to the contrary, the State shall have the option to terminate the Contract, declare Spruce Technologies Inc. in default and to pursue its remedies at law and in equity, if Spruce Technologies Inc. fails to assign Project Staff meeting the requirements and terms of the Contract or if it is dissatisfied with Spruce Technologies Inc.'s replacement Project staff.

4.3.3.1 Spruce Technologies Inc. Project Staff shall consist of the following individuals in the roles identified below:

Spruce Technologies Inc.'s Project Staff:

Member(s)	Title
Emir Sadikovic	Technical Architect
Bose Baggavarapu	Dynamics 365 Developer
Samantha Kenney	Lead Analyst
TBD	Quality Assurance Analyst

4.4 STATE CONTRACT MANAGER

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

Randy Knepper
Director of Safety & Security
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301
Tel: 603-271-2431
Email: Randy.Knepper@puc.nh.gov

4.5 STATE PROJECT MANAGER

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

- a.** Leading the Project;
- b.** Engaging and managing all Contractors;
- c.** Managing significant issues and risks;
- d.** Reviewing and accepting Contract Deliverables;

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- e. Invoice sign-offs;
- f. Review and approval of Change Request; and
- g. Managing stakeholders' concerns.

The State Project Manager is:

**Cindy Dotlich
IT Manager
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301
Tel: 603-271-6320
Email: Cindy.Dotlich@doit.nh.gov**

4.6 REFERENCE AND BACKGROUND CHECKS

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

The State may, at its sole expense, conduct reference and background screening of Spruce Technology Inc. Contractor Project Manager and Spruce Technologies Inc. Project Staff. The State shall maintain the Confidentiality of background screening results in accordance with Part 2, IT Provisions - Section 11: *Use of State's Information, and Confidentiality*.

5. DELIVERABLES

5.1 SPRUCE TECHNOLOGIES INC.'S RESPONSIBILITIES

Spruce Technologies Inc. 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.

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

5.2 DELIVERABLES AND SERVICES

Spruce Technologies Inc. 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 Part

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Part 3 - Exhibit G: *System Maintenance and Support* are not applicable to this Contract.

6.5 WARRANTY SERVICES

Spruce Technologies Inc. shall provide the State with Warranty Services set forth in the Contract, and particularly described in Part 3 - Exhibit K: *Warranty & Warranty Services*.

6.6 TRAINING SERVICES

Spruce Technologies Inc. shall provide the State with training Services set forth in the Contract, and particularly described in Part 3 - Exhibit L: *Training Services*.

7. WORK PLAN DELIVERABLE

Spruce Technologies Inc. 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 Part 3 - Exhibit I: *Work Plan*. Spruce Technologies Inc. shall update the Work Plan as necessary, but no less than every two weeks, to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. Any such updates to the Work Plan must be approved by the State, in writing, prior to final incorporation into Part 3 - Exhibit I: *Work Plan*. The updated Part 3 - Exhibit I: *Work Plan*, as approved by the State, is incorporated herein by reference.

Unless otherwise agreed in writing by the State, changes to the Part 3 - Exhibit I: *Work Plan* shall not relieve Spruce Technologies Inc. from liability to the State for damages resulting from Spruce Technologies Inc.'s failure to perform its obligations under the Contract, including, without limitation, performance in accordance with the Schedule.

In the event of any delay in the Schedule, Spruce Technologies Inc. must immediately notify the State in writing, identifying the nature of the delay, i.e., specific actions or inactions of Spruce Technologies Inc. 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 Spruce Technologies Inc. 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 Spruce Technologies Inc.'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 Spruce Technologies Inc.'s Work Plan or elements within the Work Plan.

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8. CHANGE ORDERS

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

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

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

9. INTELLECTUAL PROPERTY

9.1 SOFTWARE TITLE

Title, right, and interest (including all ownership and intellectual property rights) in the Software, and its associated Documentation, shall remain with the State of New Hampshire.

Upon successful completion and/or termination of the Implementation of the Project, the State of New Hampshire shall own and hold all, title, and rights in any Software modifications developed in connection with performance of obligations under the Contract, or modifications to the State of New Hampshire's provided Software, and their associated Documentation.

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

9.2 STATE'S DATA AND PROPERTY

All rights, title and interest in State Data shall remain with the State. All Data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason. Spruce Technologies Inc. shall not access State user accounts or State Data, except:

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1. in the course of Data center operations,
2. in response to service or technical issues,
3. as required by the express terms of this Contract, or
4. at the State's written request.

9.3 CONTRACTOR'S MATERIALS

Subject to the provisions of this Contract, Spruce Technologies Inc. may develop for itself, or for others, materials that are competitive with, or similar to, the Deliverables. In accordance with the provision of this Contract, Spruce Technologies Inc. shall not distribute any products containing or disclose any State Confidential Information. Spruce Technologies Inc. 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 Spruce Technologies Inc. employees or third party consultants engaged by Spruce Technologies Inc..

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: Access to Government Records and Meetings, 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.

9.4 STATE WEBSITE COPYRIGHT

WWW Copyright and Intellectual Property Rights

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

9.5 CUSTOM SOFTWARE SOURCE CODE

In the event that the State purchases Software development Service, which results in Custom Software, Spruce Technologies Inc. shall provide the State with a copy of the source code for the Custom Software, which shall be subject to the License rights. The State shall receive a worldwide, perpetual, irrevocable, non-exclusive paid – up right and license to use, copy, modify and prepare derivative works of any custom developed Software. This section does not apply to Spruce Technologies Inc.'s proprietary Software code.

9.6 SURVIVAL

This Contract Agreement – Part 2, IT Provisions - Section 9: *Intellectual Property* shall survive the termination of the Contract.

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10. USE OF STATE’S INFORMATION AND CONFIDENTIALITY

10.1 USE OF STATE’S INFORMATION

In performing its obligations under the Contract, Spruce Technologies Inc. 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 Government Records and Meetings (see e.g. RSA Chapter 91-A: 5 Exemptions). Spruce Technologies Inc. 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 Spruce Technologies Inc.’s performance under the Contract.

10.2 STATE CONFIDENTIAL INFORMATION

Spruce Technologies Inc. shall maintain the Confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively “release”), all State Confidential Information that becomes available to Spruce Technologies Inc. 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:

- a. shall have otherwise become publicly available other than as a result of disclosure by the receiving party in Breach hereof;
- b. 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;
- c. 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
- d. 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. Spruce Technologies Inc. shall immediately notify the State if any request, subpoena or other legal process is served upon Spruce Technologies Inc. regarding the State Confidential Information, and Spruce Technologies Inc. shall cooperate with the State in any effort the State undertakes to contest the request, subpoena or other legal process, at no additional cost to the State.

In the event of the unauthorized release of State Confidential Information, Spruce Technologies Inc. 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.

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10.3 CONTRACTOR CONFIDENTIAL INFORMATION

Insofar as Spruce Technologies Inc. seeks to maintain the Confidentiality of its Confidential or proprietary information, Spruce Technologies Inc. must clearly identify in writing all information it claims to be Confidential or proprietary. Notwithstanding the foregoing, the State acknowledges that Spruce Technologies Inc. considers the Software and Documentation to be Confidential Information. Spruce Technologies Inc. acknowledges that the State is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A: Access to Government Records and Meetings. 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: Access to Government Records and Meetings. In the event the State receives a request for the information identified by Spruce Technologies Inc. as Confidential, the State shall notify Spruce Technologies Inc. and specify the date the State will be releasing the requested information. At the request of the State, Spruce Technologies Inc. shall cooperate and assist the State with the collection and review of Spruce Technologies Inc.'s information, at no additional expense to the State. Any effort to prohibit or enjoin the release of the information shall be Spruce Technologies Inc.'s sole responsibility and at Spruce Technologies Inc.'s sole expense. If Spruce Technologies Inc. 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 Spruce Technologies Inc., without any liability to Spruce Technologies Inc..

10.4 SURVIVAL

This Contract Agreement – Part 2 IT Provisions - Section 11, *Use of State's Information, and Confidentiality*, shall survive termination or Conclusion of the Contract.

11. LIMITATION OF LIABILITY

11.1 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 Spruce Technologies Inc. shall not exceed the total Contract price set forth in Contract Agreement – Part 1, P-37 General Provisions - Block 1.8: *Price Limitation*.

11.2 CONTRACTOR

Subject to applicable laws and regulations, in no event shall Spruce Technologies Inc. be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and Spruce Technologies Inc.'s liability to the State shall not exceed two times (2X) the total Contract price set forth in Part 1 – P-37, General Provisions - Block 1.8: *Price Limitation*.

Notwithstanding the foregoing, this limitation of liability shall not apply to Spruce Technologies Inc.'s indemnification obligations set forth in the Contract Agreement – Part 1, P-37 General Provisions - Section 13: *Indemnification* and Confidentiality obligations in Part 2, IT Requirements - Section 11: *Use of State's Information, and Confidentiality*, which shall be unlimited.

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11.3 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.

11.4 SURVIVAL

This Contract Agreement – Part 2, IT Provisions - Section 12: *Limitation of Liability* shall survive termination or Contract Conclusion.

12. TERMINATION

12.1 TERMINATION FOR DEFAULT

Any one or more of the following acts or omissions of Spruce Technologies Inc. shall constitute an Event of Default hereunder (“Event of Default”):

- a. Failure to perform the Services satisfactorily or on Schedule;
- b. Failure to submit any report required; and/or
- c. Failure to perform any other covenant, term or condition of the Contract.

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

- a. Unless otherwise provided in the Contract, the State shall provide Spruce Technologies Inc. written notice of default and require it to be remedied within, in the absence of a greater or lesser Specification of time, within thirty (30) days from the date of notice, unless otherwise indicated within by the State (“Cure Period”). If Spruce Technologies Inc. fails to cure the default within the Cure Period, the State may terminate the Contract effective two (2) days after giving Spruce Technologies Inc. notice of termination, at its sole discretion, treat the Contract as Breached and pursue its remedies at law or in equity or both.
- b. Give Spruce Technologies Inc. a written notice specifying the Event of Default and suspending all payments to be made under the Contract and ordering that the portion of the Contract price which would otherwise accrue to Spruce Technologies Inc. during the period from the date of such notice until such time as the State determines that Spruce Technologies Inc. has cured the Event of Default shall never be paid to Spruce Technologies Inc..
- c. Set off against any other obligations the State may owe to Spruce Technologies Inc. any damages the State suffers by reason of any Event of Default.

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- d. Treat the Contract as Breached and pursue any of its remedies at law or in equity, or both.
- e. Procure Services that are the subject of the Contract from another source and Spruce Technologies Inc. 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.

12.1.2 Spruce Technologies Inc. shall provide the State with written notice of default, and the State shall cure the default within thirty (30) days.

12.2 TERMINATION FOR CONVENIENCE

12.2.1 The State may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days written notice to Spruce Technologies Inc.. In the event of a termination for convenience, the State shall pay Spruce Technologies Inc. the agreed upon price, if separately stated in this Contract, for Deliverables for which Acceptance has been given by the State. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated under the Contract shall be paid, in whole or in part, generally in accordance with Contract Part 3 - Exhibit B, *Price and Payment Schedule*, of the Contract.

12.2.2 During the thirty (30) day period, Spruce Technologies Inc. shall wind down and cease Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the State from such winding down and cessation of Services.

12.3 TERMINATION FOR CONFLICT OF INTEREST

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

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

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

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12.4 TERMINATION PROCEDURE

12.4.1 Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require Spruce Technologies Inc. to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

12.4.2 After receipt of a notice of termination, and except as otherwise directed by the State, Spruce Technologies Inc. shall:

- a. The State shall be entitled to any post-termination assistance generally made available with respect to the Service, unless a unique Data retrieval arrangement has been established as part of the SLA;
- b. Stop work under the Contract on the date, and to the extent specified, in the notice;
- c. Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and subContracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subContracts, with the approval or ratification of the State to the extent required, which approval or ratification shall be final for the purpose of this Section;
- d. Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Spruce Technologies Inc. and in which the State has an interest;
- e. During any period of Service suspension, Spruce Technologies Inc. shall not take any action to intentionally erase any State Data;
- f. Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State;
- g. Provide written Certification to the State that Spruce Technologies Inc. has surrendered to the State all said property; and
- h. Assist in Transition Services, as reasonably requested by the State at no additional cost.

12.4.3 In the event of termination of any Service or Agreement in entirety, Spruce Technologies Inc. shall not take any action to intentionally erase any State Data for a period of:

- a. 10 days after the Effective Date of termination, if the termination is in accordance with the Contract period.
- b. 30 days after the Effective Date of termination, if the termination is for convenience.

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- c. 60 days after the Effective Date of termination, if the termination is for cause.

12.4.4 After such period, Spruce Technologies Inc. shall have no obligation to maintain or provide any State Data and shall thereafter, unless legally prohibited, delete all State Data in its Systems or otherwise in its possession or under its control:

- a. Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State;
- b. Spruce Technologies Inc. shall implement an orderly return of State Data in a CSV or another mutually agreeable format at a time agreed to by the parties and the subsequent secure disposal of State Data;
- c. Spruce Technologies Inc. shall securely dispose of all requested Data in all of its forms, such as disk, CD/ DVD, backup tape and paper, when requested by the State. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST)-approved methods. Certificates of destruction shall be provided to the State; and
- d. Provide written Certification to the State that Spruce Technologies Inc. has surrendered to the State all said property.

12.5 SURVIVAL

This Contract Agreement – Part 2 - IT Provisions - Section 13: *Termination* shall survive termination or Contract Conclusion.

13. CHANGE OF OWNERSHIP

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

14. ASSIGNMENT, DELEGATION, AND SUBCONTRACTS

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

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- 14.2** Spruce Technologies Inc. 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 Spruce Technologies Inc. of any of its obligations under the Contract nor affect any remedies available to the State against Spruce Technologies Inc. that may arise from any Event of Default of the provisions of the Contract. The State shall consider Spruce Technologies Inc. to be the sole point of contact with regard to all Contractual matters, including payment of any and all charges resulting from the Contract.
- 14.3** Notwithstanding the foregoing, nothing herein shall prohibit Spruce Technologies Inc. from assigning the Contract to the successor of all or substantially all of the assets or business of Spruce Technologies Inc. provided that the successor fully assumes in writing all obligations and responsibilities under the Contract. In the event that Spruce Technologies Inc. should change ownership, as permitted under Part 2, IT Provisions - Section 14: *Change of Ownership*, the State shall have the option to continue under the Contract with Spruce Technologies Inc., its successors or assigns for the full remaining term of the Contract; continue under the Contract with Spruce Technologies Inc., its successors or assigns for such period of time as determined necessary by the State; or immediately terminating the Contract without liability to Spruce Technologies Inc., its successors or assigns.

15. DISPUTE RESOLUTION

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

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

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Dispute Resolution Responsibility and Schedule Table

LEVEL	SPRUCE TECHNOLOGY INC.	STATE	<u>CUMULATIVE ALLOTTED TIME</u>
Primary	Daniel Sacculo Project Manager	Cindy Dotlich State Project Manager (PM)	5 Business Days
First	Emir Sadikovic Senior Director of Technology Services	Randy Knepper Director of SafetyNH	10 Business Days
Second	James Mahoney Vice President, Solutions & Professional Services	Debra Howland Executive Director	15 Business Days

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

16. IT STANDARDS AND PROCEDURES

All work done must conform to standards and procedures established by the Department of Information Technology and the State.

16.1 COMPUTER USE

In consideration for receiving access to and use of the computer facilities, network, licensed or developed Software, Software maintained or operated by any of the State entities, Systems, equipment, Documentation, information, reports, or Data of any kind (hereinafter "Information"), Spruce Technologies Inc. understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall Spruce Technologies Inc. access or attempt to access any information without having the express authority to do so.
- c. That at no time shall Spruce Technologies Inc. access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or Agreements relating to System entry/access.
- d. That all Software Licensed, developed, or being evaluated by the State cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that

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at all times Spruce Technologies Inc. must use utmost care to protect and keep such Software strictly Confidential in accordance with the license or any other Agreement executed by the State. Personal Software (including but not limited to palmtop sync Software) shall not be installed on any State equipment.

- e. That if Spruce Technologies Inc. is found to be in violation of any of the above-stated rules, the User may face removal from the State Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.

16.2 EMAIL USE

Mail and other electronic communication messaging Systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as “internal Email Systems” or “State-funded Email Systems”. Spruce Technologies Inc. understand and agree that use of email shall follow State standard policy (available upon request).

16.3 INTERNET/INTRANET USE

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

16.4 REGULATORY GOVERNMENT APPROVALS

Spruce Technologies Inc. shall obtain all necessary and applicable regulatory or other governmental approvals necessary to perform its obligations under the Contract.

17. GENERAL CONTRACT REQUIREMENTS

17.1 INSURANCE CERTIFICATE

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

17.2 EXHIBITS

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

17.3 VENUE AND JURISDICTION

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

17.4 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 RFP Appendix H – Section H-25.12-14: *Confidential Information*; Part 1, P-37 General Provisions – Section 7: *Personnel*; Part 1, P-37 General Provisions – Section 13: *Indemnification*; Part 2, IT Requirements -

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stringent than the measures Spruce Technologies Inc. applies to its own Personal Data and Non-Public Data of similar kind.

- b. All Data obtained by Spruce Technologies Inc. in the performance of this Contract shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, Spruce Technologies Inc. is responsible for Encryption of the Personal Data.
- d. Unless otherwise stipulated, Spruce Technologies Inc. shall encrypt all Non-Public Data at rest and in transit. The State shall identify Data it deems as Non-Public Data to Spruce Technologies Inc.. The level of protection and Encryption for all Non-Public Data shall be identified and made a part of this Contract.
- e. At no time shall any Data or processes — that either belong to or are intended for the use of the State or its officers, agents or employees — be copied, disclosed or retained by the Spruce Technologies Inc. or any party related to Spruce Technologies Inc. for subsequent use in any transaction that does not include the State.
- f. Spruce Technologies Inc. shall not use any information collected in connection with the Service issued from this Proposal for any purpose other than fulfilling the Service.

18.2 DATA LOCATION

The Contractor shall provide its Services to the State and its end users solely from Data centers in the U.S. Storage of State Data at rest shall be located solely in Data centers in the U.S. the Contractor shall not allow its personnel or Contractors to store State Data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. Data centers. the Contractor shall permit its personnel and Contractors to access State Data remotely only as required to provide technical support.

18.3 SECURITY INCIDENT OR DATA BREACH NOTIFICATION

The Contractor shall inform the State of any Security Incident or Data Breach in accordance with NH RSA Chapter 359-C:20: Notice of Security Breach.

- a. Incident Response: the Contractor may need to communicate with outside parties regarding a Security Incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing Security Incidents with the State should be handled on an urgent as-needed basis, as part of the Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the Contract.
- b. Security Incident Reporting Requirements: the Contractor shall report a Security Incident to the appropriate State Identified Contact immediately as defined in the SLA.
- c. Breach Reporting Requirements: If the Contractor has actual knowledge of a confirmed Data Breach that affects the security of any State content that is subject to applicable

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Data Breach notification law, the Contractor shall:

- a. Promptly notify the appropriate State Identified Contact within 24 hours or sooner, unless shorter time is required by applicable law; and
- b. Take commercially reasonable measures to address the Data Breach in a timely manner.

18.4 BREACH RESPONSIBILITIES

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

18.4.1 The Contractor, unless stipulated otherwise, shall immediately notify the appropriate State Identified Contact by telephone in accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a Security Incident.

18.4.2 The Contractor, unless stipulated otherwise, shall promptly notify the appropriate State Identified Contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it confirms that there is, or reasonably believes that there has been a Data Breach. the Contractor shall:

- a. cooperate with the State as reasonably requested by the State to investigate and resolve the Data Breach,
- b. promptly implement necessary remedial measures, if necessary, and
- c. document responsive actions taken related to the Data Breach, including any post-incident Review of events and actions taken to make changes in business practices in providing the Service, if necessary.

18.4.3 Unless otherwise stipulated, if a Data Breach is a direct result of the Contractor's Breach of its Contract obligation to encrypt Personal Data or otherwise prevent its release, the Contractor shall bear the costs associated with:

- a. The investigation and resolution of the Data Breach;
- b. Notifications to individuals, regulators or others required by State law;
- c. A credit monitoring Service required by State (or federal) law;
- d. A website or a toll-free number and call center for affected individuals required by State law — all not to exceed the average per record per person cost calculated for Data Breaches in the United States (currently \$201 per record/person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute¹⁷ at the time of the Data Breach; and
- e. complete all corrective actions as reasonably determined by the Contractor based on root cause; all [(a.) through (d.)] subject to this Contract's limitation of liability.

18.5 NOTIFICATION OF LEGAL REQUESTS

Spruce Technologies Inc. shall contact the State upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the State's Data under this Contract, or which in any way might reasonably require access to the Data of the State. Spruce Technologies Inc. shall not respond to subpoenas, Service of process and other legal

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Problem Statement:

The State of New Hampshire Public Utility Commission Safety Division (PUC) needs to procure comprehensive technical support services to customize and develop Microsoft Dynamics 365 to establish a secure auditable system that is accessible from both within the state network and remotely from field locations that allows for scheduling, inspection, violation tracking and enforcement, federal report tracking, and grant administration. The current system is 15 years old; failing and it does not support all the features needed to meet the evolving needs of the Safety Division. Currently report generation is inadequate demanding manual entry and duplicate efforts. The result of the current process is inaccurate, time consuming reporting that ultimately affects the civil penalties associated with the enforcement process.

Goals:

It is expected that a fully implemented system will increase efficiency and effectiveness of the current database and inspection process for the inspectors of the NH Public Utilities Commission Safety Department.

Project Overview:

The Safety Database, a ten (10) user system will be a e hosted system with CRM capabilities that will provide the business intelligence for ad-hoc reporting capabilities, scheduling, inspection, violation enforcement, and federal reporting. The proposed solution shall be secure, auditable, and will allow access from both within the state network and remotely from field locations. This will be used by inspectors, auditors, and PUC staff to meet the mission to protect people, property, and the environment from the risks of hazardous materials transportation. The PUC desires an improved Safety Database will be comprised in a manner that incorporates and allows the best practices as required by State and Federal governments. The proposed solution should be able to access and update PHMSA, NFPA, PUC 500 and 800 rules and be able to apply those rules to the violation and inspection and violation reports from tablets in the field and other devices while updating the federal reports. With multiple individuals participating in the investigations, the reports will need to have accessibility to for more than one individual for inputting information. The input should feed the necessary reports for both state and federal regulators following each respective requirement. While in the field, the inspectors gather evidence from the utilities including written procedures, pdfs, jpegs, scans of qualifications with a heavy use of attached photo documentation to determine general and specific compliance. In addition, the proposed solution needs to deliver a calendar integration that provides the ability to view, schedule, and track all inspectors' locations and hours spent on an inspection, as well as, total inspection hours for inspector certification. Furthermore, the system will need the ability for other applications to coexist for other public utilities application in future phases.

General Project Assumptions:

1. Spruce Technology Inc. will provide project tracking tools and templates to record and manage issues, risks, Change Requests, requirements, decision sheets, and other documents used in the management and tracking of the Project. The State of New Hampshire and Spruce Technology Inc.'s Project Managers will Review these tools and templates and determine which ones will be used for the Project. Training on these tools and templates will be conducted at the start of each phase in which they will be used.

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2. Prior to the commencement of work on Non-Software and Written Deliverables, Spruce Technology Inc. shall provide to the State a template, table of contents, or agenda for Review and prior approval by the State.
3. Spruce Technology Inc. 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 Part 3 - Exhibit H: *Requirements*. Spruce Technology Inc. shall provide the State resources, information, and Services on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and to safeguard the Confidentiality and integrity of State networks, Systems and Data.
4. The Deliverables are set forth in the Schedule described below in Section 2. By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.
5. Pricing for Deliverables set forth in Part 3 - Exhibit B: *Price and Payment Schedule*. Pricing will be effective for the Term of this Contract, and any extensions thereof.

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PART 3 - EXHIBIT A
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EXHIBIT A: CONTRACT DELIVERABLES

1. DELIVERABLES, MILESTONES, AND ACTIVITIES

1.1. SCOPE OF WORK

The general scope of the project is to provide the New Hampshire Public Utility Commission Safety Division with a solution to replace the failing Safety Database, a ten (10) user hosted CRM system that will provide the business intelligence to provide ad-hoc reporting capabilities, scheduling, inspection, violation enforcement, and federal reporting. The proposed solution shall be secure, auditable, and will allow access from both within the state network and remotely from field locations. This will be used by inspectors, auditors, and PUC staff to meet the mission to protect people, property, and the environment from the risks of hazardous materials transportation. The PUC desires an improved Safety Database will be comprised in a manner that incorporates and allows the best practices as required by State and Federal governments. The proposed solution should be able to access and update PHMSA, NFPA, PUC 500 and 800 rules and be able to apply those rules to the violation and inspection and violation reports from tablets in the field and other devices while updating the federal reports. With multiple individuals participating in the investigations, the reports will need to have accessibility to for more than one individual for inputting information. The input should feed the necessary reports for both state and federal regulators following each respective requirement. While in the field, the inspectors gather evidence from the utilities including written procedures, pdfs, jpegs, scans of qualifications with a heavy use of attached photo documentation to determine general and specific compliance. In addition, the proposed solution needs to deliver a calendar integration that provides the ability to view, schedule, and track all inspectors' locations and hours spent on an inspection, as well as, total inspection hours for inspector certification. Furthermore, the system will need the ability for other applications to coexist for other public utilities application in future phases.

Phase I - PIPELINE:

Provide a proven hosted cloud based inspection system with CRM capabilities that will provide the business intelligence for ad-hoc reporting capabilities, scheduling, violation enforcement, inspection, and the evolving federal reporting needs. In addition, the system will need the ability for other applications to coexist for other public utilities application in future phases.

Phase II - DIG SAFE (Future):

A similar database capture method to reestablish an excavation damage database and applicable enforcement actions that result from submission of electronic forms from multiple stakeholders and tracks the enforcement progression from report date to close with the ability to link prior history of compliances.

Phase III - ELECTRICAL SAFETY AND RELIABILITY (Future):

Long term, a similar database capture method needs to be expanded to Electrical Safety Inspection of electric service providers in New Hampshire. This would include NESC references with reference editions.

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Phase IV - PHYSICAL AND CYBER SECURITY (Future):

Expand the system to develop the application to include Cybersecurity and Security reviews/inspections of Electric and Gas Utilities. In this phase the Grant Administration will need to be developed to utilize information from the entire system application (Phase I, Phase II, Phase III, and Phase IV) to assist with Grant writing development.

1.2 DELIVERABLES, MILESTONES, AND ACTIVITIES SCHEDULE

	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date
PLANNING AND PROJECT MANAGEMENT			
1	Conduct Project Kickoff Meeting	Non-Software	12/22/2017
2	Project Status Reports	Written	Ongoing
3	Work Plan with Milestones	Written	1/3/2018
4	Security Plan	Written	1/15/2018
5	Communications and Change Management Plan	Written	1/3/2018
6	Requirements Traceability Matrix	Written	1/16/2018
7	Software Configuration Plan	Written	1/15/2018
8	Systems Interface Plan and Design/Capability	Written	1/15/2018
9	Testing Plan	Written	1/16/2018
10	Data Conversion Plan and Design	Written	2/19/2018
11	Deployment Plan	Written	2/19/2018
12	Comprehensive Training Plan and Curriculum	Written	2/19/2018
13	End User Support Plan	Written	2/19/2018
14	Business Continuity Plan	Written	2/26/2018
15	Documentation of Operational Procedures	Written	2/19/2018
INSTALLATION			
16	Provide Fully Tested Data Conversion Software	Software	2/19/2018
17	Provide Software Installed, Configured, and Operational to Satisfy State Requirements	Software	2/28/2018
TESTING			
18	Conduct Integration Testing	Non-Software	2/20/2018
19	Conduct User Acceptance Testing	Non-Software	2/28/2018
20	Perform Production Tests	Non-Software	2/28/2018
21	Test In-Bound and Out-Bound Interfaces	Software	2/28/2018
SYSTEM DEPLOYMENT			
22	Converted Data Loaded into Production Environment	Software	3/5/2018

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CONTRACT DELIVERABLES**

23	Provide Tools for Backup and Recovery of all Applications and Data	Software	3/5/2018
24	Conduct Training	Non-Software	2/26/2018
25	Cutover to New Software	Non-Software	3/5/2018
26	Provide Documentation	Written	3/12/2018
27	Execute Security Plan	Non-Software	3/5/2018
OPERATIONS			
28	Conduct Project Exit Meeting	Non-Software	3/12/2018

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PART 3 - EXHIBIT B
PRICE AND PAYMENT SCHEDULE**

EXHIBIT B: PRICE AND PAYMENT SCHEDULE

1. PAYMENT SCHEDULE

1.1 NOT TO EXCEED

This is a Not to Exceed (NTE) with a maximum Contract value indicated in the Contract Part 1, P-37 General Provisions - Block 1.8: *Price Limitation* for the period between the Effective Date through the date indicated in Part 1, P-37 General Provisions - Block 1.7: *Completion Date*. Spruce Technology Inc. shall be responsible for performing its obligations in accordance with the Contract. This Contract will allow Spruce Technology Inc. to invoice the State for the following activities, Deliverables, or milestones appearing in the price and payment tables below:

	Activity, Deliverable, or Milestone	Deliverable Type	Milestone Payment	Price
PLANNING AND PROJECT MANAGEMENT				
1	Conduct Project Kickoff	Non-Software	Milestone Payment 1	\$1,880.00
2	Project Status Reports	Written	Milestone Payment 1	\$2,080.00
3	Work Plan with Milestones	Written	Milestone Payment 1	\$1,040.00
4	Security Plan	Written	Milestone Payment 1	\$3,980.00
5	Communications and Change Management Plan	Written	Milestone Payment 1	\$520.00
6	Requirements Traceability	Written	Milestone Payment 1	\$2,100.00
7	Software Configuration Plan	Written	Milestone Payment 1	\$2,645.00
8	Systems Interface Plan and Design/Capability	Written	Milestone Payment 1	\$2,645.00
9	Testing Plan	Written	Milestone Payment 1	\$1,396.80
10	Data Conversion Plan and Design	Written	Milestone Payment 2	\$2,880.00
11	Deployment Plan	Written	Milestone Payment 2	\$1,040.00
12	Comprehensive Training Plan and Curriculum	Written	Milestone Payment 2	\$1,260.00
13	End User Support Plan	Written	Milestone Payment 2	\$520.00
14	Business Continuity Plan	Written	Milestone Payment 3	\$4,170.00
15	Documentation of Operational Procedures	Written	Milestone Payment 2	\$8,540.00
INSTALLATION				
16	Provide Fully Tested Data Conversion Software	Software	Milestone Payment 2	\$6,800.00

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17	Provide Software Installed, Configured, and Operational to Satisfy State Requirements	Software	Milestone Payment 3	\$29,365.60
TESTING				
18	Conduct Integration Testing	Non-Software	Milestone Payment 2	\$3,187.20
19	Conduct User Acceptance	Non-Software	Milestone Payment 3	\$4,083.20
20	Perform Production Tests	Non-Software	Milestone Payment 3	\$2,080.00
21	Test In-Bound and Out-Bound Interfaces	Software	Milestone Payment 3	\$2,095.20
SYSTEM DEPLOYMENT				
22	Converted Data Loaded into Production Environment	Software	Milestone Payment 4	\$3,600.00
23	Provide Tools for Backup and Recovery of all Applications and Data	Software	Milestone Payment 4	\$560.00
24	Conduct Training	Non-Software	Milestone Payment 3	\$3,120.00
25	Cutover to New Software	Non-Software	Milestone Payment 4	\$3,024.80
26	Provide Documentation	Written	Milestone Payment 4	\$520.00
27	Execute Security Plan	Non-Software	Milestone Payment 4	\$1,440.00
OPERATIONS				
28	Conduct Project Exit Meeting	Non-Software	Milestone Payment 4	\$520.00
			Total	\$97,092.80

1.2 FUTURE VENDOR RATES WORKSHEET

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

Table 1.2: Future Vendor Rates Worksheet

Position Title	SFY 2018	SFY 2019	SFY 2020	SFY 2021
Delivery Lead	\$130.00	\$134.55	\$139.26	\$144.13
Lead Analyst	\$105.00	\$108.68	\$112.48	\$116.42
Developer	\$120.00	\$124.20	\$128.55	\$133.05
QA Analyst	\$87.30	\$90.36	\$93.52	\$96.79
Technical Lead	\$140.00	\$144.90	\$149.97	\$155.22

1.3 PAYMENT SCHEDULE

Accompanied by State approved deliverables, these points in the project lifecycle will also serve as payment milestones.

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Table 1.3: Payment Schedule

Milestone Payments	Not To Exceed Payment Amounts
Milestone Payment 1	\$18,286.80
Milestone Payment 2	\$24,227.20
Milestone Payment 3	\$44,914
Milestone Payment 4	\$9,664.80
Total Payment Amount	\$97,092.80

2. CONTRACT PRICE

Notwithstanding any provision in the Contract to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments made by the State exceed the amount indicated 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 Spruce Technology Inc. for all fees and expenses, of whatever nature, incurred by Spruce Technology Inc. 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. Spruce Technology Inc. must assume all reasonable travel and related expenses. All labor rates will be "Fully Loaded", including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

3. INVOICING

Spruce Technology Inc. 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. Spruce Technology Inc. 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; any other Project costs or retention amounts if applicable.

Upon Acceptance of a Deliverable as referenced in Part 3, Exhibit B, Section 1.4: *Payment Schedule*, 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 must also include the following the project information to be submitted for approval:

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PRICE AND PAYMENT SCHEDULE**

Project Information:

PUC Safety Database 2018-078

Invoices shall be sent to:

**Department of Information Technology
Accounts Payable - PUC 2018-078
27 Hazen Drive
Concord, NH 03110**

4. PAYMENT ADDRESS

4.1 All payments shall be sent to the following address:

**Spruce Technology Inc.
1149 Bloomfield Avenue, Suite G
Clifton, NJ 07012
Email: accounts@sprucetech.com**

4.2 Payments shall be made via ACH. Use the following link to enroll with the State Treasury for ACH payments: <https://www.nh.gov/treasury/state-vendors/index.htm>

5. OVERPAYMENTS TO SPRUCE TECHNOLOGY INC.

Spruce Technology Inc. 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 Spruce Technology Inc.'s invoices with appropriate information attached.

7. PROJECT HOLDBACK

The State shall withhold ten percent (10%) of the first year for each Deliverable, as set forth in the Payment Table above, until successful conclusion of the Warranty Period.

The holdback will be released to Spruce Technology Inc. when the State determines that the Defective or non-performing component of the System has been resolved.

8. LIQUIDATED DAMAGES

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In addition to the rights set forth in Section 7, the State shall have the right to assess Liquidated Damages for each day that there is a Defective or non-performing component of the System as follows:

Class A Deficiency: **\$250/DAY**

Class B Deficiency: **\$100/DAY**

Class C Deficiency: **\$25/DAY**

The state shall send a notice to the Contract by the means set forth in the Contract Agreement Part 2, IT Requirements – Section 18.6: *Notices*. Following the date of notice, Spruce Technology Inc. shall have the following time period to cure the Deficiency before Liquidated Damages are assessed:

Class A Deficiency: **24 HOURS**

Class B Deficiency: **3 BUSINESS DAYS**

Class C Deficiency: **10 BUSINESS DAYS**

The imposition of Liquidated Damages is not a punitive action against Spruce Technology Inc. The parties acknowledge that actual damages to the State based on ongoing Deficiencies would be difficult to ascertain and agree that the Liquidated Damages set forth herein are an attempt by the parties to determine a fair assessment of the damages that would be suffered by the State based on a Defect or non-performance of the system.

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PART 3 - EXHIBIT C
SPECIAL PROVISIONS**

EXHIBIT C: SPECIAL PROVISIONS

There are no changes to the terms outlined in the P-37 General Provisions

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PART 3 - EXHIBIT D
ADMINISTRATIVE SERVICES**

EXHIBIT D: ADMINISTRATIVE SERVICES

1. TRAVEL EXPENSES

Spruce Technology Inc. must assume all reasonable travel and related expenses. All labor rates will be "Fully Loaded", including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

2. SHIPPING AND DELIVERY FEE EXEMPTION

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

3. ACCESS/COOPERATION

As applicable, and subject to the applicable laws and regulations, the State will provide Spruce Technology Inc. with access to all program files, libraries, personal computer-based Systems, Software packages, network Systems, security Systems, and hardware as required to complete the Contracted Services.

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

4. STATE-OWNED DOCUMENTS AND COPYRIGHT PRIVILEGES

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

5. RECORDS RETENTION AND ACCESS REQUIREMENTS

Spruce Technology Inc. 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.

Spruce Technology Inc. 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. Spruce Technology Inc. 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

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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. Spruce Technology Inc. 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 Spruce Technology Inc.'s cost structure and profit factors shall be excluded from the State's Review unless the cost of any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

6. ACCOUNTING REQUIREMENTS

Spruce Technology Inc. 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 Spruce Technology Inc. shall maintain records pertaining to the Services and all other costs and expenditures.

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PART 3 - EXHIBIT E
IMPLEMENTATION SERVICES**

EXHIBIT E: IMPLEMENTATION SERVICES

1. STATE MEETING AND REPORTS

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

Spruce Technology Inc.'s 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 Spruce Technology Inc.'s Project Staff and State Project leaders from the Department of Information Technology and PUC. This meeting will enable leaders to become acquainted and establish any preliminary Project procedures.
- b. Kickoff Meeting:** Participants will include the State and Spruce Technology Inc.'s Project Team and major stakeholders. This meeting is to establish a sound foundation for activities that will follow.
- c. Status Meetings:** Participants will include, at the minimum, Spruce Technology Inc.'s Project Manager and the State Project Manager. These meetings will be conducted at least -weekly and address overall Project status and any additional topics needed to remain on Schedule and within budget. A status and error report from Spruce Technology Inc. shall serve as the basis for discussion.
- d. The Work Plan:** must be Reviewed at each Status Meeting and updated, at minimum, on a 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 Spruce Technology Inc. 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 Spruce Technology Inc. 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 Spruce Technology Inc.'s responsibility.

Spruce Technology Inc.'s Project Manager or Spruce Technology Inc.'s Project Staff shall submit monthly status reports in accordance with the Schedule and terms of this Contract. All status reports shall be prepared in formats approved by the State. Spruce Technology Inc.'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. Spruce Technology Inc. shall produce Project status reports, which shall contain, at a minimum, the following:

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

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

2. IMPLEMENTATION STRATEGY

2.1 KEY COMPONENTS

Spruce Technology Inc. shall employ an industry-standard Implementation strategy with a timeline set forth in accordance with the Work Plan:

- a. Spruce Technology Inc. and the State shall adopt a change management approach to identify and plan key strategies and communication initiatives.
- b. Spruce Technology Inc.'s team will provide training templates as defined in the Training Plan, which will be customized to address the State's specific requirements. Decisions regarding format, content, style, and presentation shall be made early on in the process, by the State, providing sufficient time for development of material as functionality is defined and configured.
- c. Spruce Technology Inc. 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.
- d. Spruce Technology Inc. shall adopt an Implementation time-line aligned with the State's required time-line.

2.2 TIMELINE

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

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established, and the application will be ready for Implementation in accordance with the Work Plan.

2.3 CHANGE MANAGEMENT AND TRAINING

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

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PART 3 - EXHIBIT F
TESTING SERVICES**

EXHIBIT F: IMPLEMENTATION SERVICES

Spruce Technology Inc. shall provide the following Products and Services described in Part 3 - Exhibit F: *Testing Services*, including but not limited to:

1. TESTING AND ACCEPTANCE

Spruce Technology Inc. shall bear all responsibilities for the full suite of Test Planning and preparation throughout the Project. Spruce Technology Inc. will also provide training as necessary to the State staff responsible for test activities. Spruce Technology Inc. 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, Spruce Technology Inc. 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. Spruce Technology Inc. shall also correct Deficiencies and support required re-testing.

1.1 TEST PLANNING AND PREPARATION

Spruce Technology Inc. shall provide the State with an overall Test Plan that will guide all testing. Spruce Technology Inc.'s 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 Spruce Technology Inc.'s Project Manager's Certification, in writing, that Spruce Technology Inc.'s own staff has successfully executed all prerequisite Contractor's testing, along with reporting the actual testing results, prior to the start of any testing executed by State staff. The State will be presented with a State approved Acceptance Test Plan, test scenarios, test cases, test scripts, test Data, and expected results.

The State will commence its testing within five (5) business days of receiving Certification from Spruce Technology Inc. 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

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TESTING SERVICES**

an environment independent from Spruce Technology Inc.'s development environment. Spruce Technology Inc. must assist the 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.

Spruce Technology Inc. must demonstrate that their testing methodology can be integrated with the State standard methodology.

1.2 UNIT TESTING

In Unit Testing, Spruce Technology Inc. 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.

The Spruce Technology Inc. developer, who is responsible for a specific unit of work, will be responsible for conducting the Unit Testing of their modules.

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

1.3 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 Spruce Technology Inc. team(s) to confirm that the Application integrates with any interfaces. The test emphasizes end-to-end business

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processes and the flow of information across applications. It includes all key business processes and interfaces being implemented, confirms Data transfers with external parties, and includes the transmission or printing of all electronic and paper documents.

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

1.4 MIGRATION 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 Data through the Software Solution. As the Software Solution is interfaced to legacy or third-party applications/interfaces, testing verifies that the resulting flow of the converted Data through these interface points performs correctly.
Contractor Team Responsibilities	For conversions and interfaces, Spruce Technology Inc.'s 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 Data to be converted in the Data conversions.
Work Product Description	Validation-Tested Conversion Programs. These programs include conversion programs that have been tested to verify that the resulting converted legacy Data performs correctly in the entire suite of the Application.

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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.

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

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

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

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

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

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1.7 REGRESSION TESTING

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

In designing and conducting such Regression Testing, Spruce Technology Inc. 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, Spruce Technology Inc. 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.

- a. For each minor failure of an Acceptance Test, the Acceptance Period shall be extended by corresponding time defined in the Test Plan.
- b. Spruce Technology Inc. shall notify the State no later than five (5) business days from Spruce Technology Inc.'s receipt of written notice of the test failure when Spruce Technology Inc. expects the corrections to be completed and ready for retesting by the State. Spruce Technology Inc. will have up to five (5) 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 Spruce Technology Inc. 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. Spruce Technology Inc. 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. Spruce Technology Inc. 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.

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TESTING SERVICES**

1.8 SECURITY REVIEW AND TESTING

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

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

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a System or application for security purposes and the validation of users.
Access Control	Supports the management of permissions for logging onto a computer or network.
Encryption	Supports the encoding of Data for security purposes at rest and in motion.
Intrusion Detection	Supports the detection of illegal entrance into a computer System.
Verification	Supports the confirmation of authority to enter a computer System, application or network.
Digital Signature	Guarantees the unaltered state of a file.
User Management	Supports the administration of computer, application and network accounts within an organization.
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network.
Audit Trail Capture and Analysis	Supports the Identification and monitoring of activities within an application or System.
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.

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.

Prior to the System being moved into production Spruce Technology Inc. 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.

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TESTING 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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PART 3 - EXHIBIT G
MAINTENANCE AND SUPPORT SERVICES**

EXHIBIT G: MAINTENANCE AND SUPPORT SERVICES

Exhibit G – Not Applicable to this Contract

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PART 3 - EXHIBIT H
REQUIREMENTS**

EXHIBIT H: REQUIREMENTS

ATTACHMENT 1: Project Requirements is hereby incorporated within.

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WORK PLAN**

EXHIBIT I: WORK PLAN

Spruce Technology Inc.'s Project Manager and the State Project manager shall finalize the Work Plan for Implementation within five (5) business 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 Spruce Technology Inc.'s plan to implement the System. Continued development and management of the Work Plan is a joint effort on the part of Spruce Technology Inc. and State Project Managers.

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

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

1. ASSUMPTIONS

1.1 GENERAL

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

1.2 PROJECT MANAGEMENT

- The State shall approve the Project Management Methodology used for the Project.
- The State shall provide the Project Team with reasonable access to the State personnel as needed to complete Project tasks.
- A Project folder created within the State System shall be used for centralized storage and retrieval of Project documents, work products, and other material and information relevant to the success of the Project and required by Project Team members. This central repository is secured by determining which team members have access to the Project folder and granting either view or read/write privileges. Spruce Technology Inc.'s Project Manager will establish and maintain this folder. The State Project Manager shall approve access for the

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State team. Documentation can be stored locally for Spruce Technology Inc. and State team on a "shared" network drive to facilitate ease and speed of access. Final versions of all Documentation shall be loaded to the State System.

- Spruce Technology Inc. assumes that an Alternate Project Manager may be appointed from time to time to handle reasonable and ordinary absences of the Project Manager.

1.3 PROJECT SCHEDULE

Deployment is planned to begin on February 28, 2018 with a planned go-live date of March 5, 2018.

1.4 CONVERSIONS

Spruce Technology Inc. Team's proposal is based on the assumption that the State's technical team is capable of implementing, with assistance from Spruce Technology Inc.'s technical team, a subset of the conversions. Spruce Technology Inc.'s Team shall lead the State with the mapping of the legacy Data to Spruce Technology Inc.'s applications.

Additionally, Spruce Technology Inc.'s Team shall:

- Provide the State with Contractor's application Data requirements and examples, of Data mappings, conversion scripts, and Data loaders. Spruce Technology Inc.'s Team shall identify the APIs the State should use in the design and development of the conversion and/or Java scripts.
- Provide guidance and assistance with the use of the Data loaders and conversion scripts provided.
- Lead the Review of functional and technical Specifications.
- Assist with the resolution of problems and issues associated with the development and Implementation of the conversions.

1.5 SPRINTS

The Spruce Technology team will evaluate the overall requirements during the first stage of the State's preferred delivery approach. In collaboration with the State Project Manager, those requirements will be organized into a product backlog. Once the backlog has been assembled, the team will determine an optimal breakdown of requirements and features into configuration cycles (sprints), each lasting approximately two (2) weeks. This sprint schedule will inform the overall project plan, allowing the Spruce Technology Delivery Lead to complete the MS Project Gantt chart for review and approval by the State's Project Manager.

1.6 REPORTING

Spruce Technology Inc. shall conduct weekly status meetings, and provide reports that include, but are not limited to, minutes, action items, test results, and Documentation.

1.7 USER TRAINING

- Spruce Technology Inc.'s Team shall lead the development of the end-user training plan.
- 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.

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1.8 PERFORMANCE AND SECURITY TESTING

- Spruce Technology Inc.'s Team shall provide a performance test workshop to identify the key scenarios to be tested, the approach and tools required, and best practices information on performance testing.
- The State shall work with Spruce Technology Inc. on all testing as set forth in Part 3 - Part 3 - Exhibit F: *Testing Services*.

2. CONTRACTOR ROLES AND RESPONSIBILITIES

2.1 CONTRACTOR'S TEAM PROJECT EXECUTIVE

Spruce Technology Inc. Team's Project Executives (Contractor and Subcontractor Project Executives) shall be responsible for advising on and monitoring the quality of the Services throughout the Project life cycle. The Project Executive shall advise Spruce Technology Inc. Team Project Manager and the State's Project leadership on the best practices for implementing Spruce Technology Inc. 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.

2.2 CONTRACTOR'S TEAM PROJECT MANAGER

Spruce Technology Inc. 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 Spruce Technology Inc.'s Implementation Team. Spruce Technology Inc. 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 Spruce Technology Inc. Team consultants to tasks in the Implementation Project according to the scheduled staffing requirements;
- Define roles and responsibilities of all Spruce Technology Inc. Team members;
- Provide weekly update progress reports to the State Project Manager;
- Notify the State Project Manager of requirements for State resources in order to provide sufficient lead time for resources to be made available;
- Review task progress for time, quality, and accuracy 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;
- Manage handoff to PUC operational staff;
- Manage Transition Services as needed.

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2.3 CONTRACTOR'S TEAM ANALYSIS

Spruce Technology Inc. Team shall conduct analysis of requirements, validate Spruce Technology Inc. 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.

2.4 CONTRACTOR'S TEAM TASKS

Spruce Technology Inc. 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;
- Unit testing of conversions and interfaces developed; and
- System Integration Testing.

3. 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.

3.1 STATE PROJECT MANAGER

The State Project Manager shall work side-by-side with Spruce Technology Inc.'s 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:

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- Plan and conduct a kick-off meeting with assistance from Spruce Technology Inc.'s team;
- Assist Spruce Technology Inc.'s 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 Spruce Technology Inc.'s Project Manager of any urgent issues if and when they arise;
- Assist Spruce Technology Inc.'s team staff to obtain requested information if and when required to perform certain Project tasks;
- Manage handoff to State operational staff; and
- Manage State staff during Transition Services as needed.

3.2 STATE SUBJECT MATTER EXPERT(S) (SME)

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

- Be the key user and contact for their Agency or Department;
- Attend Project Team training and acquire in-depth functional knowledge of the relevant applications;
- Assist in validating and documenting user requirements, as needed;
- Assist in mapping business requirements;
- Assist in developing 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 Spruce Technology Inc.'s Software Solution and the business processes the application supports.

3.3 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 Spruce Technology Inc.'s 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;

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- Work with State IT management to obtain State technical resources in accordance with the Work Plan;
- Work in partnership with Spruce Technology Inc. and lead the State technical staff's efforts in documenting the technical operational procedures and processes for the Project. This is a Contractor Deliverable and it will be expected that Spruce Technology Inc. will lead the overall effort with support and assistance from the State; and
- Represent the technical efforts of the State at Project meetings.

3.4 STATE TESTING ADMINISTRATOR

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

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

4. SOFTWARE APPLICATION

Microsoft Dynamics 365 - 10 License copies purchased by the State of New Hampshire PUC through a state vendor.

5. CONVERSIONS

The following Table 5.1 identifies the conversions within the scope of this Contract.

Table 5.1: Planned Conversions

Conversion	Components, If applicable	Lead Responsibility	Description
Safety Database	Pipeline Safety	Spruce Architect and State System Developer	Take all the fields and data currently in the legacy system and incorporate into the new Safety Database
PHSMA Rules	N/A	Spruce Architect and State System Developer	Upload and integrate as required from pipeline inspection business requirements as outlined in Exhibit H, Attachment 1
NFPA	N/A	Spruce Architect and State System Developer	Upload and integrate as required from pipeline inspection business requirements as outlined in Exhibit H, Attachment 1

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Conversion	Components, If applicable	Lead Responsibility	Description
PUC 500/800	N/A	Spruce Architect and State System Developer	Upload and integrate as required from pipeline inspection business requirements as outlined in Exhibit H, Attachment 1

A. CONVERSION TESTING RESPONSIBILITIES

- Spruce Technology Inc.'s Team and the State, based on their assigned conversion responsibilities, as set forth in Part 3 - 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.
- Spruce Technology Inc.'s 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.
- Spruce Technology Inc.'s Team and the State, based on their assigned conversion responsibilities, shall develop and Unit Test their assigned conversions.
- The State and Spruce Technology Inc.'s Teams shall jointly conduct System and Integration Testing, verifying and validating the accuracy and completeness of the conversions.
- The State and Spruce Technology Inc.'s Teams shall jointly verify and validate the accuracy and completeness of the conversions for Acceptance Testing and production.

6. INTERFACES

Interfaces shall be implemented in cooperation with the State. The following Table 6.1 identifies the interfaces within the scope of this Contract and their relative assignment.

Table 6.1: In-Scope Interfaces

Interface	Components, if applicable	Responsible Party	Description
Inbound	MS Exchange and Active Directory	Spruce Architect and State	Leveraging the State's existing cloud based environment. API to be used as required.
Outbound	MS Exchange, MS Office, and ESRI	Spruce Architect and State	Out of the box Office integration; ESRI in-scope or out-of-scope at State's discretion. API to be used as required.

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Interface	Components, if applicable	Responsible Party	Description
Import/Export Processes	PHMSA, NFPA, PUC 500, and PUC 800	Spruce Architect and State	Manual unless State's services are provided

A. INTERFACE RESPONSIBILITIES

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

7. APPLICATION MODIFICATION

To more fully address the State's requirements, Spruce Technology Inc.'s Team shall implement the following application modifications. The following Table 7.1 identifies the modifications that are within the scope of this Contract.

Table 7.1: Modifications – Contractor Developed

Requirement	Components, if applicable	Enhancement Description
Secure Auth	N/A	AD Synchronization
PUC Specific Data	Entity Framework	Custom entity configuration
PUC Specific Workflow	Dynamics 365 Workflow Engine	Custom workflow configuration

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Requirement	Components, if applicable	Enhancement Description
PUC Specific Letters	MS Office Integration	Letter template and data merge

8. PRELIMINARY WORK PLAN

The preliminary work plan is included in Spruce Technologies Inc. proposal dated October 27, 2017. This work plan will be updated by January 3, 2018.

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PART 3 - EXHIBIT J
SOFTWARE AGREEMENT

EXHIBIT J: SOFTWARE AGREEMENT

1. LICENSE GRANT

Exhibit J – Not Applicable to this Contract

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PART 3 - EXHIBIT K
WARRANTY & WARRANTY SERVICE**

EXHIBIT K: WARRANTY AND WARRANTY SERVICE

1. WARRANTIES

1.1 SYSTEM

Spruce Technology Inc. warrants that the System will operate to conform to the Specifications, terms, and requirements of the Contract.

1.2 SYSTEM SUPPORT

1.2.1 CONTRACTOR'S RESPONSIBILITY

Spruce Technology Inc. will be responsible for performing on-site or remote technical support in accordance with the Contract Documents, including without limitation the requirements, terms, and conditions contained herein.

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

- a. Class A Deficiencies – Spruce Technology Inc. shall have available to the State on-call support 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; during Department Business Hours (M – F, 7:30 a.m. – 5:00 p.m. EST), > or Spruce Technology Inc. shall provide support with remote diagnostic Services within four (4) business hours of a request;
- b. Class B & C Deficiencies – The Department shall notify Spruce Technology Inc. of such Deficiencies during Regular Business Hours and Spruce Technology Inc. shall respond back within twenty four (24) hours of notification of planned corrective action.

1.3 SOFTWARE

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

For any Breach of the above Software Warranty, the State's remedy, and Spruce Technology Inc.'s entire liability, shall be:

- a. The correction of program errors that cause Breach of the Warranty, or if Spruce Technology Inc. cannot substantially correct such Breach in a commercially reasonable manner, the State may end its program license if any and recover the fees paid to Spruce Technology Inc. for the program license and any unused, prepaid technical support fees the State has paid for the program license; or

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- b. The re-performance of the deficient Services; or
- c. If Spruce Technology Inc. cannot substantially correct a Breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to Spruce Technology Inc. for the deficient Services.

1.4 SUPPORT OBLIGATIONS AND TERM

- 1.4.1 Spruce Technology Inc. shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications and terms and requirements of the Contract., including but not limited to S1.1 through S1.20 of the Support and Maintenance Requirements in Part 3 - Exhibit H: *Requirements*, Attachment 1.
- 1.4.2 Spruce Technology Inc. shall maintain a record of the activities related to Warranty repair or maintenance activities performed for the State.
- 1.4.3 For all maintenance service calls, Spruce Technology Inc. shall ensure the following information will be collected and maintained:
 - a. Nature of the Deficiency;
 - b. Current status of the Deficiency;
 - c. Action plans, dates, and times;
 - d. Expected and actual completion time;
 - e. Deficiency resolution information;
 - f. Resolved by;
 - g. Identifying number (i.e. work order number);
 - h. Issue Identified by.
- 1.4.4 Spruce Technology Inc. must work with the Department to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information:
 - a. Mean time between reported Deficiencies with the Software;
 - b. Diagnosis of the root cause of the problem; and
 - c. Identification of repeat calls or repeat Software problems.
- 1.4.5 If Spruce Technology Inc. fails to correct a Deficiency within the allotted period of time stated above, Spruce Technology Inc. shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 1, P-37 General Provisions - Section 8: Event of Default/Remedies and Part 2, IT Requirements - Section 13.2: *Termination for Default*, as well as to return Spruce Technology Inc.'s product and receive a refund for all amounts paid to Spruce Technology Inc., including but not limited to, applicable license fees, within ninety (90) days of notification to Spruce Technology Inc. of the State's refund request.

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1.5 NON-INFRINGEMENT

Spruce Technology Inc. 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.

1.6 VIRUSES; DESTRUCTIVE PROGRAMMING

Spruce Technology Inc. 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.

1.7 COMPATIBILITY

Spruce Technology Inc. warrants that all System components, including but not limited to the components provided, including any replacement or upgraded System Software components provided by Spruce Technology Inc. to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality, unless the State permits down time to update the System with a new release.

1.8 SERVICES

Spruce Technology Inc. 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.

1.9 PERSONNEL

Spruce Technology Inc. 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.

1.10 BREACH OF DATA

Spruce Technology Inc. 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.

2. WARRANTY PERIOD

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

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PART 3 - EXHIBIT L
TRAINING SERVICES**

EXHIBIT L: TRAINING SERVICES

1. TRAINING SERVICES

Spruce Technology Inc. shall provide the following Training Services.

The Spruce Technology team will work with PUC stakeholders to better define the contents of these three training sessions and tailor the training to meet PUC's specific user needs. A training presentation and a user guide will also be developed to support the training. Training will be built into the project plan along with all other project activities. The project and training plan, to be approved by the PUC Project Owner, acts as a tool to manage expectations, coordinate resources and ensure timely, quality delivery.

For the scope of training required by the State in this engagement, Spruce Technology shall provide three (3) training classes in Phase I, and one (1) boot-camp training class in future Phase II.

1. One session focused on inspectors;
2. One session focused on non-inspection functions (including workflow and task management, reporting, and other key functions); and
3. One session that will serve as a train the trainer class where the Spruce Technology team will work with the PUC to prepare them to conduct ongoing training, as well as an introduction to more advanced features.
4. Boot Camp (Future Phase II)

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

EXHIBIT M: AGENCY RFP WITH ADDENDUMS, BY REFERENCE

PUC RFP 2018-078 Safety Database dated September 28, 2017 is hereby incorporated by reference as fully set forth herein.

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**STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSION
SAFETY DATABASE
CONTRACT 2018-078
PART 3 - EXHIBIT N
VENDOR PROPOSAL, BY REFERENCE**

EXHIBIT N: VENDOR PROPOSAL, BY REFERENCE

Spruce Technology Inc. Proposal to PUC RFP 2018-078 SAFETY DATABASE dated October 27, 2017 is hereby incorporated by reference as fully set forth herein.

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**STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSION
SAFETY DATABASE
CONTRACT 2018-078
PART 3 - EXHIBIT O
CERTIFICATES AND ATTACHMENTS**

EXHIBIT O: CERTIFICATES AND ATTACHMENTS

Attached are:

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

Remainder of this page intentionally left blank

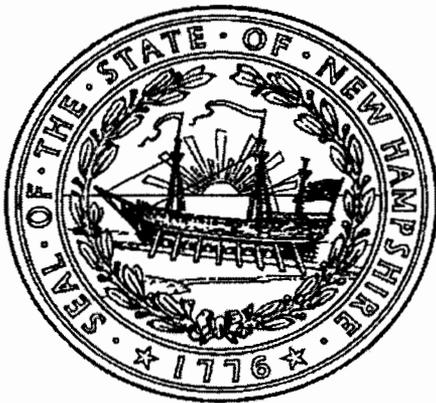
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SPRUCE TECHNOLOGY INC is a New Jersey Profit Corporation registered to transact business in New Hampshire on November 20, 2017. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 782878



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 21st day of November A.D. 2017.

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

William M. Gardner
Secretary of State

Certificate of Authority # 1

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

Corporate Resolution

I, Mutyalarao Nagubandi, hereby certify that I am duly elected Clerk/Secretary of
(Name)
Spruce Technology, Inc.. I hereby certify the following is a true copy of a vote taken at
(Name of Corporation or LLC)

a meeting of the Board of Directors/shareholders, duly called and held on Nov. 30, 2017
at which a quorum of the Directors/shareholders were present and voting.

Kristen Mazza, James Mahoney and
VOTED: That Srini Penumella (may list more than one person) is
(Name and Title)
duly authorized to enter into contracts or agreements on behalf of

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

its agencies or departments and further is authorized to execute any
documents which may in his/her judgment be desirable or necessary to effect
the purpose of this vote.

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

DATED: 11/30/2017

ATTEST: N.V.N. Mutyalarao
(Name & Title)

MUTYALARAO NAGUBANDI
SECRETARY.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/21/2017

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

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

PRODUCER J.A. Faccibene & Assoc., Inc. 100 Merrick Road Suite 526 W Rockville Centre, NY 11570 Five G Sales Inc.	516-766-3513	CONTACT NAME: JAF Associates	
			PHONE (A/C, No, Ext): 516-766-3513 FAX (A/C, No):
		E-MAIL ADDRESS: samantha@jafinsurance.com	
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A : Travelers Property & Casualty	25674
		INSURER B : Travelers Indemnity Company	25658
		INSURER C :	
		INSURER D :	
		INSURER E :	
		INSURER F :	

INSURED Spruce Technology, Inc.
1149 Bloomfield Ave. Suite G
Clifton, NJ 07012

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 INSD	SUBR 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			ZLP-15P09703	05/31/2017	05/31/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. \$ 3,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			BA2D62926A	05/31/2017	05/31/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			ZUP-15P09715	05/31/2017	05/31/2018	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			HHUB-2D60759	05/31/2017	05/31/2018	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	E&O/Cyber (1st +3rd Party)			SEE ATTACHED	05/31/2017	05/31/2018	

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

This certificate is evidencing coverage for the above named insured.

CERTIFICATE HOLDER

CANCELLATION

STATE OF State of New Hampshire, Department of Information Technology 27 Hazen Drive 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 <i>Joseph G. Faccibene</i>
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