



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FAMILY ASSISTANCE

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9474 1-800-852-3345 Ext. 9474
FAX: 603-271-4637 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Terry R. Smith
Director

April 10, 2013

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Family Assistance to amend an existing contract, Purchase Order #101138, with JP Morgan Electronic Financial Services Inc., of Chicago, IL (Vendor #164399), by increasing the price limitation by \$2,310,013.00, from \$4,215,740.00 to \$6,525,753.00 and extending the completion date from June 30, 2013 to June 30, 2015 by exercising the option to extend each of the two optional one-year extensions, effective the date of Governor and Council approval. Governor and Council approved the original contract on August 23, 2006, Agenda Item #77. The Purchase Order was amended, approved by Governor and Council on September 23, 2009 Agenda Item # 71, increasing the contract price for what was, at the time, rising caseloads. Funds are available in the following account in State Fiscal Year 2013 and are anticipated to be available in State Fiscal Years 2014 – 2015 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

47.44% FED 52.56% GEN

**05-95-45-450010-61250000-103-502508 DEPT. OF HEALTH AND HUMAN SVCS, HHS
TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, DIRECTOR'S
OFFICE, CONTRACTS FOR OPERATIONAL SERVICES**

State Fiscal Year	Current Modified Budget	Increased / (Decreased) Amount	Revised Modified Budget
2007	\$ 461,234.31	\$ 0.00	\$ 461,234.31
2008	\$ 481,901.53	\$ 0.00	\$ 481,901.53
2009	\$ 604,909.21	\$ 0.00	\$ 604,909.21
2010	\$ 765,984.84	\$ 0.00	\$ 765,984.84
2011	\$ 830,784.07	\$ 0.00	\$ 830,784.07
2012	\$ 853,973.02	\$ 0.00	\$ 853,973.02
2013	\$ 216,953.02	\$ 615,927.48	\$ 832,880.50
2014	\$ 0.00	\$ 843,343.46	\$ 843,343.46
2015	\$ 0.00	\$ 850,742.06	\$ 850,742.06
Total	\$ 4,215,740.00	\$ 2,310,013.00	\$ 6,525,753.00

EXPLANATION

This requested action is to provide the Division of Family Assistance with the authority to increase its Electronic Benefit Transfer contract funding to allow for continued, uninterrupted benefit distribution as well as exercise the contract's option to extend for two additional State Fiscal Years. During the period of rising caseloads in the Food Stamp and cash assistance programs that was experienced in State Fiscal Years 2009-2012 the authority to adjust between years allowed the Division to reallocate funds as needed. The contract value for State Fiscal Year 2013 is not sufficient to sustain the contract for the remainder of the year.

The Food Stamp Program mandates the use of Electronic Benefit Transfer as the benefit delivery system per Public Law 104-193, also known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), section 825 which states "...Not later than October 1, 2002, each state agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank". Without the Electronic Benefit Transfer services provided through this agreement with JP Morgan EFS, New Hampshire would not be allowed to participate in the federally funded Food Stamp program due to the failure to meet the Electronic Benefit Transfer benefit delivery requirement. This would make New Hampshire the only state in the nation that would not be participating in this 100% federally funded nutritional program. In State Fiscal Year 2012, New Hampshire issued to its citizens through the Electronic Benefit Transfer system, \$165,269,431.00 in Federal Food Stamp benefits.

Electronic Benefit Transfer also provides a low cost, electronic mechanism for the distribution of cash assistance. Without Electronic Benefit Transfer, the State would have to revert to issuing cash benefits by check, which is a costly process due to the price of postage, manual labor involved, and the loss of benefits mailed. To revert to the former check issuance process for cash assistance would require DFA to make modifications to the New HEIGHTS system and internal processes at a significant cost.

To operate Electronic Benefit Transfer, an entity must have the capability of accepting and processing financial transactions through the Automated Clearing House (ACH). Since the State of New Hampshire does not function as a bank, financial institution, or other financial agent it cannot do such transactions. Under its contract with the State of New Hampshire, JP Morgan EFS provides this processing and settlement of Electronic Benefit Transfer transactions, and also provides a complete computer system including a user interface, report mechanism, electronic files, training material, card production support, Electronic Benefit Transfer client services, Electronic Benefit Transfer merchant services, Electronic Benefit Transfer merchant equipment, and much more.

The State of New Hampshire is a member of the Northeast Coalition of States. The coalition formed in 1995 to jointly procure an Electronic Benefit Transfer contract with discounted pricing based upon the combined monthly volume of cases and transactions that the Northeast Coalition of States represented. The Northeast Coalition of States originally included the following states: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. Due to technical difficulties, both Maine and Massachusetts did not participate in the 2003 Electronic Benefit Transfer procurement. In June of 2003, the Northeast Coalition of States, with New York State as the lead state agency in the Northeast Coalition of States, began developing its Request for Proposals to obtain competitive bidding for uninterrupted Electronic Benefit Transfer services beginning September 1, 2006. The Northeast Coalition of States Request for Proposals was published on New York State's website and announced on the New York State contract reporter on August 2, 2004. Additionally, New Hampshire issued a Request for Proposals that used the same language and timeline as the Northeast Coalition of States Request for Proposals to obtain bids for services to New Hampshire only. The Division of

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
April 10, 2013
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Family Assistance used this concurrent Request for Proposals process to secure the most competitive pricing possible for the State for the continued Electronic Benefit Transfer services.

After a careful and intense review of both proposals, the Northeast Coalition of States selected JP Morgan EFS to have the opportunity to contract with each Northeast Coalition of States state. On February 24, 2005, New York State, as the lead state for the Northeast Coalition of States, sent notification to this effect to both bidders. JP Morgan EFS demonstrated its ability to provide technical support, and offered the most favorable pricing. The participating Northeast Coalition of States states voted unanimously to award the contract to JP Morgan EFS.

A Request for Proposal has been issued by the Northeast Coalition of States for a new contract to begin during SFY 2015. Proposals were received and reviewed. A vendor for that contract has been determined. New York is again the lead state agency for this contract procurement. As a member of the Northeast Coalition of States New Hampshire will be able to negotiate a contract under this Request for Proposal during SFY 2015.

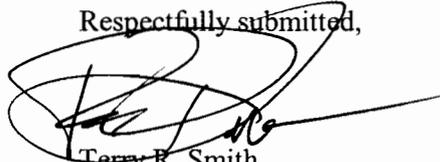
Should Governor and Council determine to deny this request, the Department of Health and Human Services, Division of Family Assistance will no longer be able to continue to maintain the electronic benefit transfer system that has been in place since 1998 serving the State of New Hampshire citizens and retailers.

Geographic area served: Statewide.

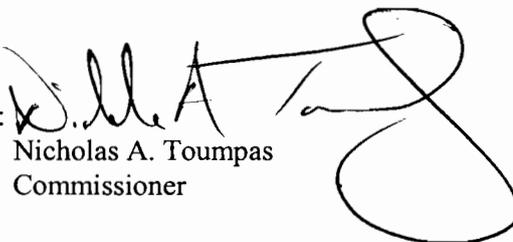
Source of Funds: Federal Funds 47.44%, and State General Funds 52.56%

In the event that the federal funds become no longer available, additional general funds will not be requested.

Respectfully submitted,



Terry R. Smith
Director

Approved by: 
Nicholas A. Toumpas
Commissioner

J.P.MORGAN ELECTRONIC FINANCIAL SERVICES, INC.

Secretary's Certificate

I, John M. Guzzi, hereby certify that I am the Secretary of J. P. Morgan Electronic Financial Services, Inc., a corporation organized and existing under the laws of the State of New York (the "Corporation") and that I have been duly appointed and am presently serving in that capacity in accordance with the By-Laws of the Corporation.

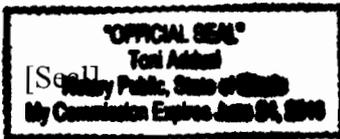
I further certify that, as of the 7th day of January 2013, Chris Paton is the President of the Corporation.

I further certify that in an action by Unanimous Written Consent of the Board of Directors of the Corporation pursuant to Section 708(b) of the Business Corporation Law of the State of New York, the following resolution was duly adopted by affirmative vote of the Board of Directors

RESOLVED, that the President or any Vice President of the Electronic Benefits Transfer Business Unit of this Corporation are hereby authorized and instructed to execute on behalf of this Corporation, contracts and such other documentation as may be required pursuant to such contracts with governmental agencies whether Federal, State or Local relative to this Corporation's providing Electronic Benefits Transfer Services or as may be otherwise related to such services.

I further certify that such resolution is in full force and effect as of the date hereof and that the Secretary and any Assistant Secretary of the Corporation is hereby authorized and empowered to certify to the State of New Hampshire and any interested third party this resolution.

IN WITNESS WHEREOF, I hereto set my hand and affixed the Corporate Seal of J. P. Morgan Electronic Financial Services, Inc. this 7th day of January, 2013.





John M. Guzzi, Secretary
J.P. Morgan Electronic Financial Services Inc.



Notary Public

Subscribed and sworn to me this 7th day of Jan, 2013.

OFFICE OF
FOR A
New York State
By Commission

AMENDMENT AND EXTENTION

This agreement (hereinafter called the "Amendment") dated this 7th day of **December, 2012**, by and between the State of New Hampshire, acting by and through its Department of Health and Human Services (hereinafter referred to as the "Department") and J.P.Morgan EFS with a place of business at Chicago, Illinois, (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an Agreement (hereinafter called the "Agreement") dated July 25, 2006, and approved by the Governor and Council on August 23, 2006, Agenda Item #77, and further amended August 24, 2009, and approved by the Governor and Council September 23, 2009, Agenda Item #71, the Contractor agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein for the length of time specified therein; and

WHEREAS, pursuant to the provisions of Section 17 of the Agreement, the Agreement may be amended, waived or discharged only by a written instrument executed by the parties thereto; and

WHEREAS, the Department and the Contractor have agreed to amend the Agreement in certain respects;

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

1. Amendment and modification of Agreement:

- a. Amend P-37 Section 1.6 Completion Date by striking June 30, 2013 and inserting in its place June 30, 2015.
- b. Amend P-37 Section 1.7 Audit Date by striking June 30, 2013, and inserting in its place June 30, 2015.
- c. Amend P-37 Section 1.8 Price Limitation by striking \$4,215,740.00 and inserting in its place \$6,525,753.00.

2. Article 1 – Agreement, Duration and Amendment

According to the provisions outlined in A.2 the Department is exercising the contractual option of two one-year extensions. The extension period will commence July 1, 2013 through June 30, 2015. In all other respects, the terms and conditions of this Agreement, as amended, remain in full force and effect.

3. Article XXVIII, Core Services Food Stamp Benefits, shall be replaced in full by the following revised schedule to reflect a new and discounted volume tier price per case month for >1,500,001 NCS Food Stamp Cases effective on the first of the month following Governor and Council approval of this amendment.

Contractor Initials: OV
Date: 1/23/13

# of Food Stamp Cases	Extension Period
<100,000	\$1.32
100,000–200,000	\$1.30
200,001–300,000	\$1.28
300,001–400,000	\$1.21
400,001–500,000	\$1.15
500,001–600,000	\$1.11
600,001–700,000	\$1.09
700,001–800,000	\$1.07
800,001–900,000	\$1.05
900,001–1,500,000	\$1.02
>1,500,001	\$0.95

4. Article XXVIII B. Optional Services and Products

Line Number 10

4.4.2.3 Card Design pricing shall be revised to reflect a new discounted price of a one-time charge of \$1,000. If the Department exercises this option a minimum of 90-day notice must be given to the Contractor of the Department’s intention.

Line 35

5.2.8.3 ARU PIN Selection/Change shall be at no cost to the Department, effective the first month following Governor and Council approval of this amendment.

New Optional Service

At the Department’s request the Contractor will provide an additional service to perform address comparison for all mailed cards with the NCOA database and provide a daily report of all addresses. This service may be invoked at any time, and discontinued at any time during the contract term with 90 days advanced written notice. Pricing for this option:

Upfront implementation: \$300.00 one time charge

Ongoing fee: \$.01 per address

E. Card Options 1. Card Production Schedule for Priority Overnight – Bulk Delivery of Cards shall be replaced in full by the following revised schedule to reflect a new discounted volume tier.

NH Card Volume for Shipping	Priority Overnight – Bulk Card’s at State’s Request
1 - 200	\$ 38.50
200 - 400	\$ 74.20

Contractor Initials: 
 Date: 1/23/12

E. Commercial Card Debit Pricing schedule shall be revised to reflect reduced cardholder fees and enhanced services and opportunities. New Debit Card Pricing:

Service	Current Proposal	Revised Proposal
ATM Cash Withdrawal		
—at Chase and Allpoint ATMs (always surcharge-free)	1 free; then \$1.50 ea	Free @ Allpoint
—at all other ATMs		1 free, then \$1.25 each
ATM Balance Inquiry		
—at Chase, Allpoint ATMs	\$0.50 each	1 Free, then \$.35
—at all other ATMs		
Retail Purchase		
—with signature	Free	Free
—with PIN (includes cash back)	Free	Free
Teller-assisted Withdrawal at Visa Bank	\$2.50 each	\$2.50
Online Bill Payment at www.myaccount.chase.com	Free	Free
ACH Transfer	N/A	\$0 .75 to non-Chase; free to Chase
Customer Service — web	Free	Free
Customer Service — phone	6 free, then \$0.25	6 free, then \$0.25
Card Replacement — standard delivery	1 free; then \$5.00	1 free; then \$5.00
Card Replacement — expedited delivery	\$15.00	\$15.00
Deposit notification via My Alerts	N/A	Free
Transaction Denied for Insufficient Funds ²	\$.50	1 free per deposit, then \$.25
Account statement — web	Free	Free
Account statement — mail	Free; e-statement default	\$1.00
International Transaction Fee	Free	2%
Inactive Account ²	\$1.00 (after 12 months)	\$1.00 (after 12 months)
Account Closure with Check Issuance	\$12.50	Free

Contractor Initials: 
 Date: 1/22/13

5. Amendment and modification of Standard Exhibit B:

a. Amend Article 2 by striking the amount \$4,215,740.00 and inserting in its place the amount \$6,525,754.10.

b. Amend Article 3 by striking the existing language and inserting in its place the following:

3. This contract is funded with funds from the New Hampshire General Fund in the amount of \$3,430,202.72 and and with federal funds made available under the following Catalog of Federal Domestic Assistance:

- CFDA #93.558 Federal Agency department of Health and Human Services, Administration for Child and Families, Program Title IV-A (TANF) in the amount of \$344,442.00
- CFDA #10.561, Federal Agency Department of Agriculture, Food and Nutrition Services, Program Title Supplemental Nutrition Assistance Program Administration in the amount of \$2,321,362.00.
- CFDA #10.561 Federal Agency Department of Agriculture, Food and Nutrition Services, Program Title Supplemental Nutrition Assistance Program, American Recovery and Reinvestment Act of 2009 in the amount of \$429,746.28.

6. This Amendment shall take effect on the date of Governor and Council approval and the contract extension shall be effective July 1, 2013 remain in effect through June 30, 2015.

7. Continuance of Agreement:

Except as specifically amended by the terms and conditions of this Amendment, the Agreement and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth here in.

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

THE STATE OF NEW HAMPSHIRE
Division of Family Assistance of the
Department of Health and Human Services

By Joyce St. Onge for Terry R. Smith
Terry R. Smith
Director, Division of Family Assistance

Agency

By Christopher J. Paton
Christopher J. Paton
J.P. Morgan EFS

Contractor Initials: COY
Date: 1/23/13

STATE OF NEW HAMPSHIRE
COUNTY OF Merrimack

On this the 25th day of March 2013, before me, Debra A. Bostean
the undersigned officer, personally appeared Joyce Stange, known to me (or satisfactorily
proven) to be the person whose name subscribed to the within instrument, and acknowledged that he/she executed
the same for purposes therein contained.
In witness thereof I hereto set my hand and official seal.

Debra A. Bostean
Notary Public
My Commission Expires 2/22/2017

STATE OF ILLINOIS
COUNTY OF Cook

On this the 23rd day of January 2013, before me, Mary E. Basek
the undersigned officer, personally appeared Chris Paton, known to me (or satisfactorily
proven) to be the person whose name subscribed to the within instrument, and acknowledged that he/she executed
the same for purposes therein contained.
In witness thereof I hereto set my hand and official seal.



Mary E. Basek
Notary Public
My Commission Expires 12/08/15

The preceding Amendment, having been reviewed by this office and is approved as to form, substance and
execution.

OFFICE OF THE ATTORNEY GENERAL

By: Jeanne P. Herrick
Jeanne P. Herrick, Attorney
Date: 25 Mar. 2013

GOVERNOR AND EXECUTIVE COUNCIL

By: _____
Date: _____

Contractor Initials: JS
Date: 1/23/13

OFFICIAL SEAL
MAY 19 1964
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

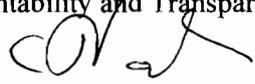
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

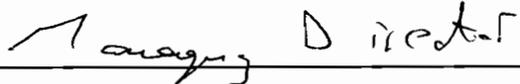
- 1) Name of entity
- 2) Amount of award
- 3) Funding agency
- 4) NAICS code for contracts / CFDA program number for grants
- 5) Program source
- 6) Award title descriptive of the purpose of the funding action
- 7) Location of the entity
- 8) Principle place of performance
- 9) Unique identifier of the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

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

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

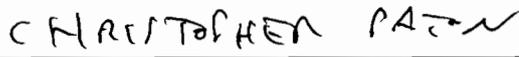
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

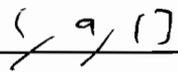




(Contractor Representative Signature)

(Authorized Contractor Representative Name & Title)

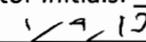




(Contractor Name)

(Date)

Contractor initials: 

Date: 

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NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

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

1. The DUNS number for your entity is: 070-049-970

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

NO

YES

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

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

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

NO

YES

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

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

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

Name: _____

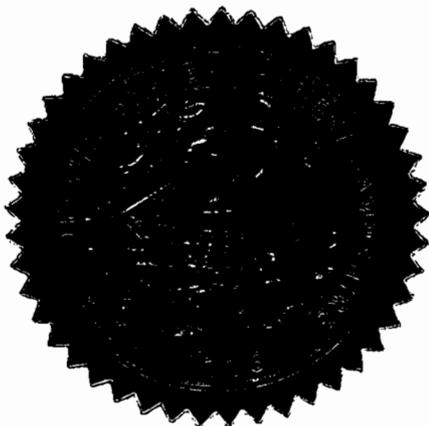
Amount: _____

Contractor initials: 
Date: 1/9/10
Page # 24 of Page # 2

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 J.P. MORGAN ELECTRONIC FINANCIAL SERVICES, INC. a(n) New York corporation, is authorized to transact business in New Hampshire and qualified on February 26, 1996. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 16th day of January, A.D. 2013

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

William M. Gardner
Secretary of State

JPMORGAN CHASE & CO.

Re: Liability Insurance maintained by JPMorgan Chase & Co.

To whom it may concern:

Under service, lease or customer agreements, JPMorgan Chase may be required to maintain liability insurance coverage which is extended to the interest of these third parties as required by a signed agreement. To fully represent the existence and currency of JPMC's insurance, we have arranged for our insurance broker to provide you with an Evidence of Coverage (EOC), which can be viewed and printed from the following website:

<https://aonline.aon.com>

using log in User Name EOCJPMC-Liab and Password Jpmc2279 (please note the password is case sensitive).

As you will note, the EOC confirms that the following provisions are part of JPMC's Commercial General Liability insurance policy and that our service, lease or customer agreement obligations extend coverage to protect other interests have been satisfied:

- A. Blanket Additional Insured where required
- B. Coverages are primary and non-contributory where required
- C. Blanket Contractual Liability
- D. Host Liquor Liability is included in the General Liability policy
- E. Waiver of Subrogation is included where required
- F. The Clients, Landlord, Landlords Agent(s), Landlords Lender(s), Ground Lessor(s), and any other party as required by the signed service, lease, or customer agreement are listed as additional insured as their interests may appear and when applicable.

The existence of more than one Insured or other interests shall not serve to increase the limits of liability of the policy.

Thank you.

JPMorgan Chase & Co.

FAQs Regarding Evidence of Coverage for JPMorgan Chase & Co.

1. What is an Evidence of Coverage (EOC)?
An EOC is an ACORD certificate of insurance that is available on the internet. The certificate is issued to the Named Insured rather than to a Certificate Holder.
2. What are the key benefits of an EOC document?
 - It is available 24 hours a day, 7 days a week (subject to web site maintenance and updates).
 - No waiting for verification of coverage.
 - The online process simplifies the generally paper-intensive Certificate process, although a recipient can print a hard copy EOC if desired.
 - Neither our client nor Aon need to track or respond to requests.
3. How long will the EOC be available for access?
For the duration of the policy, unless otherwise requested by JPMorgan Chase & Co. or Aon.
4. What happens at renewal time when coverage expires?
Based on instructions to the Aon service team by JPMorgan Chase & Co., Aon will post a new EOC when coverage renews. The policies stated in the EOC are in force as of the date printed on the EOC. The username and password will remain unchanged unless our client has requested this and you are thus provided with a new one.
5. What if the EOC does not meet my needs and I require a certificate to be issued with my firm as the certificate holder?
Contact information is provided on the EOC page for each client. Please contact those listed to discuss your needs.
6. Can the EOC document be printed?
Yes. Click on the Printer icon from the Adobe menu bar and the page is formatted to print on 8 ½" x 11" paper.
7. When was the standard ACORD form introduced for EOC?
Beginning in January 2012, EOCs are produced in the format of a standard ACORD certificate form.
8. How do I know if I have Additional Insured status if my company's name does not appear on the EOC?
If Additional Insured status is granted, it is granted by a blanket Additional Insured Endorsement to the policy. Insurance maintained by JPMorgan Chase & Co. provides Additional Insured status where required, per the terms of signed contracts, leases and/or agreements. The EOC indicates that the insurance policies have been extended to provide Additional Insured status to those entities with whom JPMorgan Chase & Co. has a written contract in place. Please review the Description of Operations section of the EOC carefully as it lists a number of specific policy provisions provided to those parties that have a written contract in place with JPMorgan Chase & Co., including:
 - A. Blanket Additional Insured where required**
 - B. Coverages are primary and non-contributory where required**
 - C. Blanket Contractual Liability**
 - D. Host Liquor Liability is included in the General Liability policy**
 - E. Waiver of Subrogation is included where required**
 - F. The Landlord, Landlords Agent(s), Landlords Lender(s), Ground Lessor(s), Vendors, Clients, and any other party as required by the signed contract, lease and/or agreement are listed as additional insured as their interests may appear and when applicable.**
9. What are the financial ratings of the carriers listed on the EOC?
Ratings are available through A.M. Best Company at www.ambest.com. The financial ratings of the carriers are not guaranteed.



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
4/1/12-6/1/13

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

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

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (847) 953-5390		
	E-MAIL ADDRESS:		
INSURED JPMorgan Chase & Co. and subsidiary, affiliated, and associated companies thereof 270 Park Avenue New York NY 10017-2070 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Liberty Mutual Fire Ins Co		23035
	INSURER B: Liberty Insurance Corporation		42404
	INSURER C: National Union Fire Ins Co of Pittsburgh		19445
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER: 570049433766** **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. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Blanket Contractual Liability <input checked="" type="checkbox"/> Host Liquor Liability included GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			TB2621004667162 United States	04/01/2012	06/01/2013	EACH OCCURRENCE \$5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) Excluded PERSONAL & ADV INJURY \$5,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COMP/OP AGG \$5,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			AS2-621-004667-282	04/01/2012	06/01/2013	COMBINED SINGLE LIMIT (Ea accident) \$5,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10,000			BE21376737 SIR applies per policy terms & conditions	04/01/2013	04/01/2014	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WA762D004667202 (AOS) WA762D004667263 (MN) WC7621004667132 (OR WI) WA762D004667303 (IN)	04/01/2012 04/01/2013 04/01/2012 04/01/2013	06/01/2013 06/01/2013 06/01/2013 06/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000

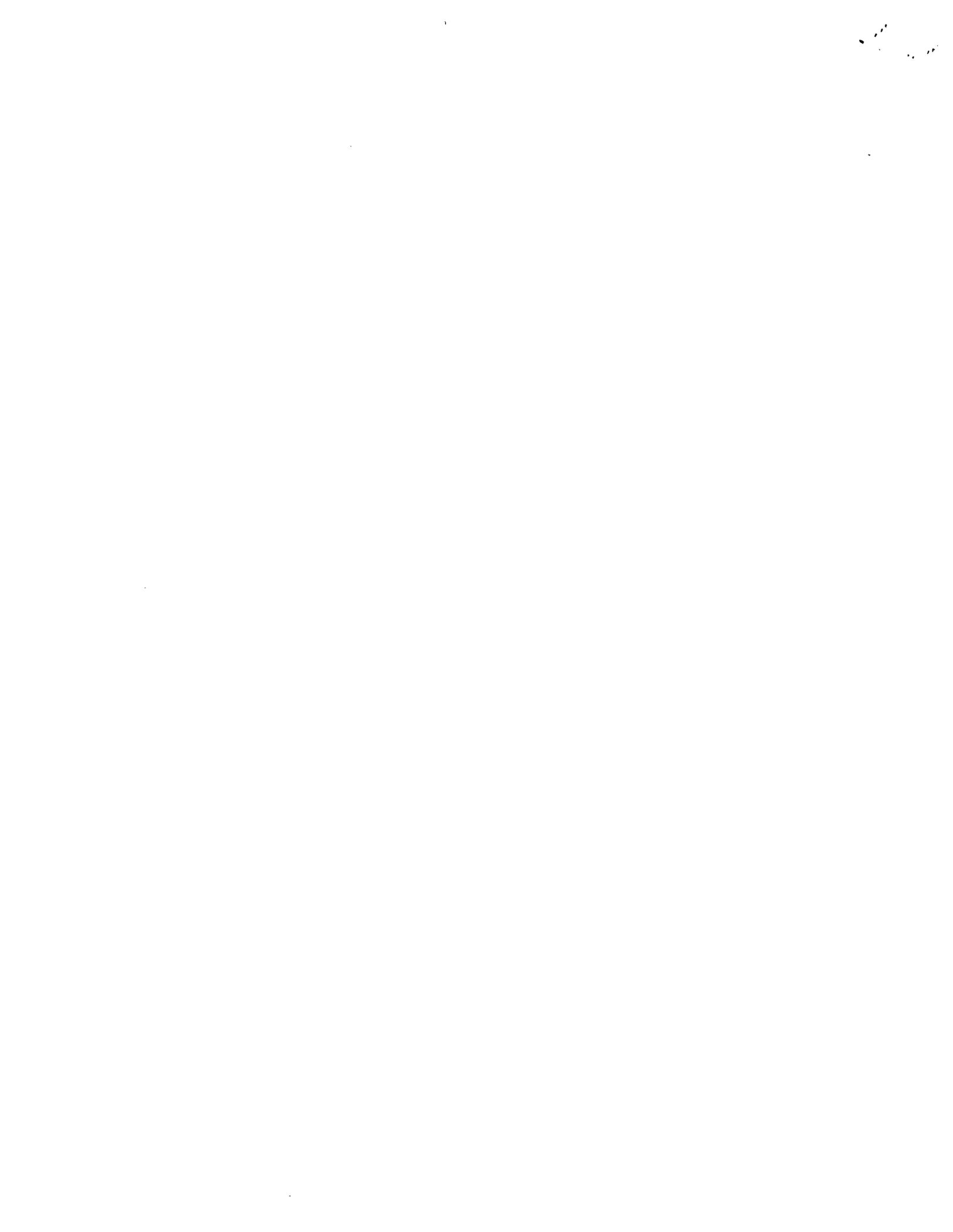
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The Insurance maintained by JPMorgan Chase & Co. provides for the following coverage enhancements in keeping with the terms of the signed contracts, leases and/or agreements in place: Blanket Additional Insured where required. Coverages are primary and Non-contributory where required. Blanket Contractual Liability, Host Liquor Liability is included in the General Liability policy, Waiver of subrogation is included where required. The Landlord, Landlords Agent(s), Landlords Lender(s), Ground Lessor(s), Vendor(s), Clients and any other party as required by the signed contract, lease and/or agreement are listed as additional insured as their interests may appear and when applicable.

CERTIFICATE HOLDER Evidence of Insurance for JPMorgan Chase & Co. and subsidiary, affiliated and associated companies thereof	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast, Inc.</i>
--	--

Holder Identifier :

Certificate No : 570049433766





STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICE
 DIVISION OF FAMILY ASSISTANCE

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-4580 1-800-852-3345 Ext. 4580
 FAX: 603-271-4637 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
 Commissioner

Terry R. Smith
 Director

NH RECOVERY
 putting new Hampshire to work

9/2 to DAS
 G+C 9/23/09
 #71

August 19, 2009

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Division of Family Assistance (DFA) to amend its contract #101138 with JP Morgan Electronic Financial Services Inc. (JP Morgan EFS), 300 S. Riverside Plaza, 16th Floor, Chicago, IL 60606 (Vendor #164399), to increase the cost of the contract by \$371,655.00 from \$3,844,085.00 to \$4,215,740.00, retroactively effective July 1, 2009 through June 30, 2013, to provide Electronic Benefit Transfer (EBT) services. The original contract received Governor and Executive Council approval on August 23, 2006, Agenda Item #77. This requested action is contingent upon approval by Governor and Executive Council on September 9, 2009, of the request approved by the legislative Fiscal Committee on August 27, 2009, to accept and expend funds awarded under the American Recovery and Reinvestment Act of 2009 (ARRA) by the Department of Agriculture, Food and Nutrition Services, Supplemental Nutrition Assistance Program (SNAP), and Food Stamp Bonus funds awarded to the State of New Hampshire, DHHS-DFA. Funds are anticipated in the following account(s) upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust between fiscal years through the Director, Division of Accounting Services, if needed and justified.

**05-95-45-450010-612500-103-502508 DHHS, DFA,
 Contracts for Operational Services, EBT Contract Services**

State Fiscal Year	Current Modified Budget	Increased / (Decreased) Amount	Revised Modified Budget
2007	\$ 461,234.74	\$.00	\$ 461,234.74
2008	\$ 481,901.53	\$.00	\$ 481,901.53
2009	\$ 655,945.47	\$ (10,768.00)	\$ 645,177.47
2010	\$ 558,540.00	\$ 246,166.00	\$ 804,706.00
2011	\$ 580,914.00	\$ 90,021.00	\$ 670,935.00
2012	\$ 582,716.00	\$.00	\$ 582,716.00
2013	\$ 522,833.26	\$ 46,236.00	\$ 569,069.26
Total	\$ 3,844,085.00	\$ 371,655.00	\$ 4,215,740.00

EXPLANATION

The Department of Health and Human Services' Mission is to join communities and families in providing opportunities for citizens to achieve health and independence.

This requested action is to provide the Division of Family Assistance with the authority to increase its Electronic Benefit Transfer (EBT) contract funding to allow for continued, uninterrupted benefit distribution during this period of rising caseloads in the Food Stamp and cash assistance programs.

The requested increase to this contract will be supported in part with funds awarded through the American Recovery and Reinvestment Act of 2009 (ARRA) by the United States Department of Agriculture, Food and Nutrition Services (USDA-FNS), Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program. The Federal Fiscal Year 2009 SNAP ARRA funding is \$351,941 and we anticipate that \$351,941 will also be made available to New Hampshire for Federal Fiscal Year 2010. The total ARRA funds anticipated from this source are \$703,882.00. Use of these ARRA funds is restricted to allowable administrative costs associated with the operation of the Supplemental Nutrition Assistance Program. The Division of Family Assistance proposed to the USDA-Food and Nutrition Services the use of the ARRA funding to support the costs within the competitively procured contract with JP Morgan EFS for the delivery of Food Stamp benefits through Electronic Benefit Transfer (EBT). USDA-Food and Nutrition Services provided approval on July 1, 2009, for this use of the ARRA funds. However, the ARRA SNAP funds may not be used to support the increased costs associated with the delivery of cash assistance benefits via the EBT contract. The use of the available ARRA funds will supplant existing contract funding as well as provide for increased spending in support of the EBT SNAP benefit delivery system. Because the ARRA funds may only be used in support of the SNAP portion of the EBT services, a portion of the General Funds supplanted by this appropriation is required to support anticipated increases in the cost to deliver the cash assistance benefits through EBT. Use of the SNAP ARRA funding is not expected to create new jobs.

In addition to the use of SNAP ARRA funds, the increase in cost to support the cash assistance distribution elements of the contract will be funded with \$223,175.00 of Food Stamp Bonus Funds earned by the Division of Family Assistance. The Division of Family Assistance may use the high performance bonus funds to support its ongoing business and receive federal matching funds from other benefiting federal programs such as Medicaid, Temporary Assistance to Needy Families, as well as the Food Stamp Program.

The Food Stamp Program mandates the use of EBT as the benefit delivery system per Public Law 104-193, also known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), section 825 which states "...Not later than October 1, 2002, each state agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank". Without the EBT services provided through this agreement with JP Morgan EFS, New Hampshire would not be allowed to participate in the federally funded Food Stamp program due to the failure to meet the EBT benefit delivery requirement. This would make New Hampshire the only state in the nation that would not be participating in this 100% federally funded nutritional program. In State Fiscal Year 2009, New Hampshire issued to its citizens through the EBT system, \$101,059,330.00 in Federal Food Stamp benefits.

EBT also provides a low cost, electronic mechanism for the distribution of cash assistance. Without EBT, the State would have to revert to issuing cash benefits by check, which is a costly process due to the price of postage, manual labor involved, and the loss of benefits mailed. To revert to the former check issuance process for cash assistance would require DFA to make modifications to the New HEIGHTS system and internal processes at a significant cost.

The continued operation of the EBT contract is essential to the efficiency and profitability of New Hampshire's Retail and Banking community. Prior to EBT, banks had to work with Food Stamps as a legal tender. Banks had to produce cancellation stamps that retailers had to buy, batch the Food Stamps, and fill out cumbersome forms for reimbursement. EBT created a faster turn around time on Food Stamp redemption; now

instead of weeks, it only takes 48 hours for local retailers to receive payment for their Food Stamp sales. Additionally, if New Hampshire discontinues the Food Stamp Program, food retailers would be impacted by the loss of business realized through the Food Stamp Program. The banking community also benefits through the use of EBT for cash assistance benefits. To revert to issuing bi-monthly checks for cash assistance, would cause the banking community to bear the responsibility of cashing assistance checks for individuals, some of which do not have a bank account at the representative bank.

To operate EBT, an entity must have the capability of accepting and processing financial transactions through the Automated Clearing House (ACH). Since the State of New Hampshire does not function as a bank, financial institution, or other financial agent it cannot do such transactions. Under its contract with the State of New Hampshire, JP Morgan EFS provides this processing and settlement of EBT transactions, and also provides a complete computer system including a user interface, report mechanism, electronic files, training material, card production support, EBT client services, EBT merchant services, EBT merchant equipment, and much more.

The State of New Hampshire is a member of the Northeast Coalition of States (NCS). The coalition formed in 1995 to jointly procure an EBT contract with discounted pricing based upon the combined monthly volume of cases and transactions that the NCS represented. The NCS originally included the following states: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. Due to technical difficulties, both Maine and Massachusetts did not participate in the 2003 EBT procurement. In June of 2003, the NCS, with New York State as the lead state agency in the NCS, began developing its Request for Proposals (RFP) to obtain competitive bidding for uninterrupted EBT services beginning September 1, 2006. The NCS RFP was published on New York State's website and announced on the New York State contract reporter on August 2, 2004. Additionally, New Hampshire issued an RFP that used the same language and timeline as the NCS RFP to obtain bids for services to New Hampshire only. The Division of Family Assistance used this concurrent RFP process to secure the most competitive pricing possible for the State for the continued EBT services.

Proposals for both RFPs were due on November 5, 2004. The NCS RFP received two qualified proposals, JP Morgan EFS and ACS State and Local Solutions, Inc., and the New Hampshire only RFP received only one qualified proposal from JP Morgan EFS. An evaluation team comprised of three (3) committees evaluated the NCS proposals. The three committees were: Technical Committee, Financial Committee, and Selection Committee. The RFP prescribed the evaluation process and a predetermined structured evaluation format to complete evaluations of all proposals. The Technical Committee did not receive the financial proposal nor did the Financial Committee receive the technical proposal until the Selection Committee made the vendor selection. All States had an equal voice in the selection of the vendor with one (1) representative on the Selection Committee. The Selection Committee oversaw the administration of the procurement and evaluated the reports and suggestions of the Technical and Financial Committees. New Hampshire placed three (3) representatives on the technical committee and one (1) on the financial committee. The Technical Committee reviewed the response from a technical standpoint, evaluating such items as the vendor's technical solution, merchant services, cardholder support services, and other technical aspects of the RFP. The Financial Committee reviewed and evaluated the financial response using a predefined evaluation tool. Since the NCS and the New Hampshire only RFPs were identical, the evaluation of the New Hampshire only RFP was conducted at a much higher level on the technical side as the reason for issuing a separate RFP was to obtain the best pricing for the State of New Hampshire. A detailed comparison of cost between the NCS selected vendor and New Hampshire's only vendor was conducted.

After a careful and intense review of both proposals, the NCS selected JP Morgan EFS to have the opportunity to contract with each NCS state. On February 24, 2005, New York State, as the lead state for the NCS, sent notification to this effect to both bidders. JP Morgan EFS demonstrated its ability to provide technical

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
August 19, 2009
Page 4 of 4

support, and offered the most favorable pricing. The participating NCS states voted unanimously to award the contract to JP Morgan EFS.

As a result of the economic downturn, the Division of Family Assistance has experienced a 26% caseload increase in the Food Stamp program and a 14% increase in its cash assistance programs over the past twelve months. EBT is the only method of benefit delivery for the Food Stamp Program and it is the primary method of benefit delivery for the cash assistance programs that include Old Age Assistance, Aid to the Needy Blind, Aid to the Permanently and Totally Disabled, and Financial Assistance to Needy Families, which includes the Temporary Assistance to Needy Families and the solely state-funded program for 2-Parent Families. Costs in the contract include cost per case month charges assessed monthly based on the number of cases in each category of assistance, transaction based costs for the use of automated teller machines (ATM) for access to cash assistance benefits, EBT card stock, payphone surcharges, and other operational expenses. Because of the caseload growth experienced to date, and the growth anticipated through June 2011, it is necessary to anticipate and budget for the additional costs to most efficiently deliver the associated nutritional and cash assistance benefits.

The approval of this contract amendment will allow the Department of Health and Human Services, Division of Family Assistance to continue to maintain the electronic benefit transfer system that has been in place since 1998 serving the State of New Hampshire citizens and retailers.

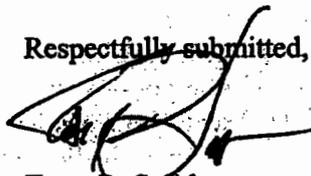
Retroactive approval of this amendment is requested to ensure the use of available SNAP-ARRA funds for funding of this contract amendment. Unless these ARRA funds are obligated by September 30, 2009, the State of New Hampshire will lose its opportunity to access the funds. The USDA-FNS provided its approval of this use of ARRA funding on July 1, 2009.

Geographic area served: Statewide.

Source of Funds: Federal Funds 47.9%, Food Stamp Bonus Funds 5.3%, and State General Funds 46.8%

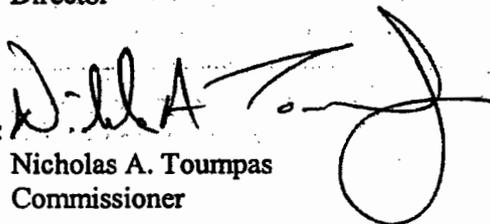
In the event that the federal funds become no longer available, additional general funds will not be requested.

Respectfully submitted,



Terry R. Smith
Director

Approved by:



Nicholas A. Toumpas
Commissioner

AMENDMENT

This agreement (hereinafter called the "Amendment") dated this 6th day of **July, 2009**, by and between the State of New Hampshire, acting by and through its Department of Health and Human Services (hereinafter referred to as the "Department") and J.P.Morgan EFS with a place of business at Chicago, Illinois, (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an Agreement (hereinafter called the "Agreement") dated July 25, 2006, and approved by the Governor and Council on August 23, 2006, Agenda Item #77, the Contractor agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein for the length of time specified therein; and

WHEREAS, pursuant to the provisions of Section 17 of the Agreement, the Agreement may be amended, waived or discharged only by a written instrument executed by the parties thereto; and

WHEREAS, the Department and the Contractor have agreed to amend the Agreement in certain respects;

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

1. Amendment and modification of Agreement:
 - a. Amend P-37 Section 1.5 Account No. by striking 010-045-6125-090-0252 and inserting in its place 05 95 45 450010 6125 103 502508
 - b. Amend P-37 Section 1.8 Price Limitation by striking \$3,844,085.00 and inserting in its place \$4,215,740.00.
2. Amendment to Exhibit C, Special Requirements
 - a. Amend Exhibit C to add Item 4, Whistleblower Protection Notice, and include the following language thereunder:

ARRA Section 1553 establishes whistleblower protections that apply to the contractor/grantee, and any sub-contractor/subgrantee pursuant to this agreement. The Contractor shall post notice of employees rights and remedies for whistleblower protections provided under section 1553 of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). The Contractor shall include the substance of this clause including this paragraph in all subcontracts. The posted notice required by this clause shall include contact information to report fraud, waste, or abuse to the Inspector General of the federal department that is the source of the ARRA funds for this contract/grant, fraud to the New Hampshire Attorney General's Office Criminal Bureau, and waste or abuse to the Office of Economic Stimulus. A notice for this purpose is available at <http://www.nh.gov/recovery/>.
3. Amendment and modification of Standard Exhibit B:
 - a. Amend Article 2 by striking the amount \$3,844,085 and inserting in its place the amount \$4,215,740.00.
 - b. Amend Article 3 by striking the existing language and inserting in its place the following:

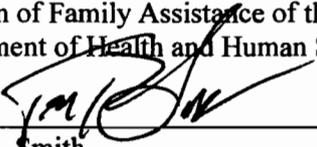
Contractor Initials: 
Date: 8/4/09

3. This contract is funded with funds from the New Hampshire General Fund in the amount of \$2,195,689.00 and with federal funds made available under the following Catalog of Federal Domestic Assistance:
- CFDA #93.558 Federal Agency department of Health and Human Services, Administration for Child and Families, Program Title IV-A (TANF) in the amount of \$344,442.
 - CFDA #10.561, Federal Agency Department of Agriculture, Food and Nutrition Services, Program Title Supplemental Nutrition Assistance Program Administration in the amount of \$1,244,432.
 - CFDA #10.561 Federal Agency Department of Agriculture, Food and Nutrition Services, Program Title Supplemental Nutrition Assistance Program, American Recovery and Reinvestment Act of 2009 in the amount of \$431,177.
4. This Amendment shall take effect on July 1, 2009, and remain effective through June 30, 2013.
5. Continuance of Agreement:

Except as specifically amended by the terms and conditions of this Amendment, the Agreement and the obligations of the parties thereunder, shall remain in full force and effect in accordance with the terms and conditions set forth here in.

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

THE STATE OF NEW HAMPSHIRE
Division of Family Assistance of the
Department of Health and Human Services

By 
Terry R. Smith
Director, Division of Family Assistance

Agency

By 
John Simeone
J.P. Morgan EFS

STATE OF NEW HAMPSHIRE
COUNTY OF Merrimack

On this the 24th day of August 2009, before me, Linda E. White
the undersigned officer, personally appeared Terry R. Smith, known to me (or
satisfactorily proven) to be the person whose name subscribed to the within instrument, and
acknowledged that he/she executed the same for purposes therein contained.

In witness thereof I hereto set my hand and official seal.

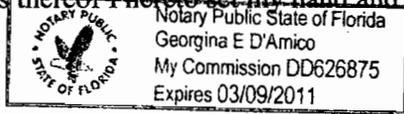

Notary Public
My Commission Expires May 21, 2013

Contractor Initials: 
Date: 8/4/09

STATE OF **FLORIDA**
COUNTY OF Alachua

On this the 5th day of August 2009, before me, John S. Moore
the undersigned officer, personally appeared John S. Moore, known to me (or
satisfactorily proven) to be the person whose name subscribed to the within instrument, and
acknowledged that he/she executed the same for purposes therein contained.

In witness whereof I hereto set my hand and official seal.



[Signature]
Notary Public
My Commission Expires March 9, 2011

(Georgina E D'Amico)
March 9, 2011

The preceding Amendment, having been reviewed by this office and is approved as to form, substance
and execution.

OFFICE OF THE ATTORNEY GENERAL

By: [Signature]

Date: 8/26/09

GOVERNOR AND EXECUTIVE COUNCIL

By: _____

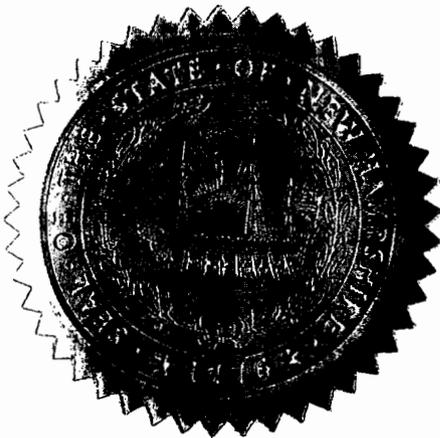
Date: _____

Contractor Initials: [Signature]
Date: 8/4/09

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 J.P. MORGAN ELECTRONIC FINANCIAL SERVICES, INC., a(n) New York corporation, is authorized to transact business in New Hampshire and qualified on February 26, 1996. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 20th day of August, A.D. 2009

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

William M. Gardner
Secretary of State

J.P.MORGAN ELECTRONIC FINANCIAL SERVICES, INC.

Secretary's Certificate

I, John M. Guzzi, hereby certify that I am the Secretary of J. P. Morgan Electronic Financial Services, Inc., a corporation organized and existing under the laws of the State of New York (the "Corporation") and that I have been duly appointed and am presently serving in that capacity in accordance with the By-Laws of the Corporation.

I further certify that, as of the 4th day of August, 2009, Brian Claire is the Vice President and Chief Operating Officer of the Corporation.

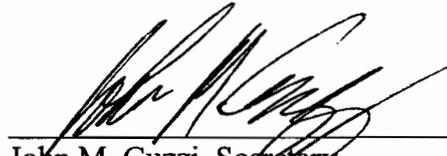
I further certify that in an action by Unanimous Written Consent of the Board of Directors of the Corporation pursuant to Section 708(b) of the Business Corporation Law of the State of New York, the following resolution was duly adopted by affirmative vote of the Board of Directors

RESOLVED, that the President or any Vice President of the Electronic Benefits Transfer Business Unit of this Corporation are hereby authorized and instructed to execute on behalf of this Corporation, contracts and such other documentation as may be required pursuant to such contracts with governmental agencies whether Federal, State or Local relative to this Corporation's providing Electronic Benefits Transfer Services or as may be otherwise related to such services.

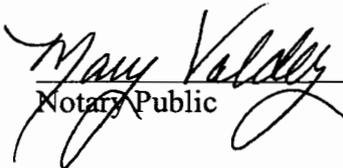
I further certify that such resolution is in full force and effect as of the date hereof and that the Secretary and any Assistant Secretary of the Corporation is hereby authorized and empowered to certify to the State of New Hampshire and any interested third party this resolution.

IN WITNESS WHEREOF, I hereto set my hand and affixed the Corporate Seal of J. P. Morgan Electronic Financial Services, Inc. this 4th day of August, 2009.

[Seal]

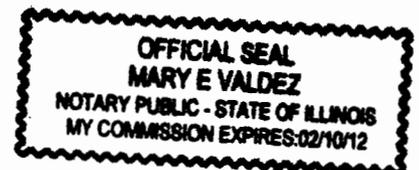


John M. Guzzi, Secretary
J.P. Morgan Electronic Financial Services Inc.



Notary Public

Subscribed and sworn to me this 4th day of August, 2009.





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/04/2009

Page 1 of 2

PRODUCER Willis of New York, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	877-945-7378	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE		NAIC#
INSURED JPMorgan Chase & Co. and Subsidiary, affiliated and associated companies thereof 270 Park Avenue New York, NY 10017	INSURER A: Liberty Mutual Fire Insurance Company		23035-001
	INSURER B: ACE American Insurance Company		22667-001
	INSURER C: Liberty Insurance Corporation		42404-001
	INSURER D:		
	INSURER E:		

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	TB2621004667169	4/1/2009	4/1/2010	EACH OCCURRENCE	\$ 5,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$
					PERSONAL & ADV INJURY	\$ 5,000,000
					GENERAL AGGREGATE	\$ 5,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	\$ 5,000,000
	POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/>					
A	AUTOMOBILE LIABILITY	AS2621004667189	4/1/2009	4/1/2010	COMBINED SINGLE LIMIT (Ea accident)	\$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS					
	<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
B	EXCESS / UMBRELLA LIABILITY	XOOG23886479	4/1/2009	4/1/2010	EACH OCCURRENCE	\$ 10,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 10,000,000
						\$
						\$
	DEDUCTIBLE					\$
	RETENTION \$					\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WA762D004667209	4/1/2009	4/1/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
C	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	WA762D004667269	4/1/2009	4/1/2010	E.L. EACH ACCIDENT	\$ 1,000,000
C	If yes, describe under SPECIAL PROVISIONS below	WC7621004667139	4/1/2009	4/1/2010	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
C	OTHER	WC7621004667149	4/1/2009	4/1/2010	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
C	Excess WC for OH	EW762N004667199	4/1/2009	4/1/2010		\$1,000,000 Limit

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Re: Contract for Electronic Benefits Transfer ("EBT") Services

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire Department of Health and Human Services 6 Hazen Drive Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FAMILY ASSISTANCE

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4580 1-800-852-3345 Ext. 4580
FAX: 603-271-4637 TDD Access: 1-800-735-2964

John A. Stephen
Commissioner

Terry R. Smith
Director

*B+C 8/23/06
#77
CE 190579*

July 14, 2006

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Division of Family Assistance (DFA), to enter into an agreement with JP Morgan Electronic Financial Services Inc. (JP Morgan EFS), 300 S. Riverside Plaza, 16th Floor, Chicago, IL 60606 (Vendor #16074) to provide Electronic Benefits Transfer (EBT) Services effective August 1, 2006, or the date of Governor and Council approval, whichever is later, through June 30, 2013 in an amount not to exceed \$3,844,085. Funding for State Fiscal Years 2007 through 2013 are anticipated to be available in the following account with authority to adjust amounts through the Comptroller, if needed and justified, between fiscal years.

<u>SFY</u>	<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
2007	010-045-6125-090-0252	EBT Contract Services	\$ 491,482
2008	010-045-6125-090-0252	EBT Contract Services	\$ 487,581
2009	010-045-6125-090-0252	EBT Contract Services	\$ 550,266
2010	010-045-6125-090-0252	EBT Contract Services	\$ 558,540
2011	010-045-6125-090-0252	EBT Contract Services	\$ 580,914
2012	010-045-6125-090-0252	EBT Contract Services	\$ 582,716
2013	010-045-6125-090-0252	EBT Contract Services	\$ 592,586
Total			\$ 3,844,085

EXPLANATION

This requested action will provide the Department of Health and Human Services with the services necessary to operate an Electronic Benefit Transfer (EBT) benefit distribution system for food stamp and cash assistance for the period of August 23, 2006 to June 30, 2013. If requested by the Department and by mutual agreement of the Parties, this contract provides for two (2), 12-month extensions, with the approval of the Governor and Executive Council.

The agreement between JP Morgan EFS and DHHS is for the support services necessary to run and maintain the Electronic Benefit Transfer (EBT) distribution system of cash assistance and food stamp benefits in the State of New Hampshire. The Division of Family Assistance administers the EBT program and it facilitates the electronic redemption of government issued benefits. Currently, the distribution of both food stamp benefits and cash assistance is conducted through EBT. Cash assistance is inclusive of the following programs: Temporary Assistance to Needy Families (TANF), Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), and Aid to the Needy Blind (ANB).

The Food Stamp Program mandates the use of EBT as the benefit delivery system per Public Law 104-193, also known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), section 825 which states "...Not later than October 1, 2002, each state agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank". Without the EBT services provided through this agreement with JP Morgan EFS, New Hampshire would not be allowed to participate in the federally funded food stamp program due to the failure to meet the EBT benefit delivery requirement. This would make New Hampshire the only state in the nation that would not be participating in this 100% federally funded nutritional program. During state fiscal year 2005, New Hampshire issued \$48.7 million in Federal Food Stamp benefits to its citizens through its EBT system.

The EBT program provides a low cost electronic mechanism for the distribution of State cash assistance. Without EBT, the State would have to revert to issuing cash benefits by check which is a costly process due to the price of postage, manual labor involved, and the loss of benefits mailed. To revert to the former check issuance process for cash assistance would require DFA to make modifications to the New HEIGHTS system and internal processes at a significant cost.

The continued operation of the EBT program is essential to the efficiency and profitability of New Hampshire's Retail and Banking community. Prior to EBT banks had to work with Food Stamps as a legal tender. Banks had to produce cancellation stamps that retailers had to buy, batch the Food Stamps, and fill out cumbersome forms for reimbursement. EBT has created faster turn around times on Food Stamp redemption; now instead of weeks, it only takes 48 hours for local retailers to receive payment for their Food Stamp sales. Additionally, if New Hampshire discontinues the Food Stamp Program, food retailers would be impacted by the loss of business realized through the Food Stamp Program. If this agreement is not approved, the banking community will have to bear the responsibility of cashing assistance checks for individuals, some of which do not have a bank account at the representative bank.

To operate EBT, an entity must have the capability of accepting and processing financial transactions through the Automated Clearing House (ACH). Since New Hampshire's business is not a bank, financial institution, or other financial agent it cannot do such transactions. JP Morgan EFS provides this processing and settlement of EBT transaction services, and also provides a complete computer system including a user interface, report mechanism, electronic files, training material, card production support, EBT client services, EBT merchant services, EBT merchant equipment, and much more.

The State of New Hampshire is a member of the Northeast Coalition of States (NCS). The coalition formed in 1995 to jointly procure an EBT contract with discounted pricing based upon the combined monthly volume of cases and transactions that the NCS represented. The NCS originally included the following states: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. Due to technical difficulties, both Maine and Massachusetts did not participate in the current EBT procurement. In June of 2003, the NCS, with New York State being the lead state agency in the NCS, began developing its Request for Proposals (RFP) to obtain competitive bidding for uninterrupted EBT services beginning September 1, 2006. The NCS RFP was published on New York State's website and announced on the New York State contract reporter on August 2, 2004. Additionally, New Hampshire issued an RFP that used the same language and timeline as the NCS RFP to obtain bids for services to New Hampshire only. The Division used this concurrent RFP process to secure the most competitive pricing possible for the State for the continued EBT services.

Proposals for both RFPs were due on November 5, 2004. The NCS RFP received two qualified proposals, JP Morgan EFS and ACS State and Local Solutions, Inc. and the New Hampshire only RFP received only one qualified proposal from JP Morgan EFS. An evaluation team comprised of three (3) committees evaluated the NCS proposals. The three committees were: Technical Committee, Financial Committee, and Selection Committee. The RFP prescribed the evaluation process and a predetermined structured evaluation format to complete evaluations of all proposals. The Technical Committee did not receive the financial proposal nor did the Financial Committee receive the technical proposal until the Selection Committee made the vendor selection. All States had an equal voice in the selection of the vendor with one (1) representative on the Selection Committee. The Selection Committee oversaw the administration of the procurement and evaluated the reports and suggestions of the Technical and Financial Committees. New Hampshire placed three (3) representatives on the technical committee and one (1) on the financial committee. The Technical Committee reviewed the response from a technical standpoint, evaluating such items as the vendor's technical solution, merchant services, cardholder support services, and other technical aspect of the RFP. The Financial Committee reviewed and evaluated the financial response using a predefined evaluation tool. Since the NCS and the New Hampshire only RFPs were identical, the evaluation of the New Hampshire only RFP was conducted at a much higher level on the technical side as the reason for issuing a separate RFP was to obtain the best pricing for the State of New Hampshire. A detailed comparison of cost between the NCS selected vendor and New Hampshire's only vendor was conducted.

After a careful and intense review of both proposals, the NCS selected JP Morgan EFS to have the opportunity to contract with each NCS state. On February 24, 2005, New York State, as the lead state for the NCS, sent notification to this effect to both bidders. JP Morgan EFS demonstrated its ability to provide technical support, and offered the most favorable pricing. The participating NCS states voted unanimously to award the contract to JP Morgan EFS.

Utilizing New Hampshire's current caseload numbers and the RFP pricing response, the cost per case per month for cash transactions proposed in the New Hampshire only proposal is \$2.93, while the similar NCS proposal using the current NCS caseload is \$.74 per case month, a difference of \$2.19 per case per month. Based on this comparison, we determined that it is most beneficial for New Hampshire to remain with the Northeast Coalition of States and to award the contract to JP Morgan EFS under the pricing of the NCS proposal. The pricing difference yields an approximate savings of \$2 million to New Hampshire.

This new contract provides New Hampshire with some enhanced features and services that were not technologically, or economically available with the first EBT contract. As with any system change the conversion from one contractor to another can be difficult. JP Morgan EFS is our incumbent contractor and converting to the new EBT system will be cost effective and virtually seamless to the EBT cardholders, retailers, banks, and State staff. Under the current contract, the EBT call center is out-sourced to India. This new contract requires the call center to be located within the United States. The new system also features a web-based interface, which at the option of the Department can provide clients with a more self-service approach. Other enhanced services include the ability for the EBT cardholder to obtain Automated Teller Machine (ATM) balance inquiries free of charge, and provides a cost reduction to the client from \$0.85 to \$0.50 for the ATM cash withdrawal fee.

JP Morgan EFS is the leading provider of Electronic Benefits Transfer (EBT) services, providing services in over 35 states and territories. JP Morgan EFS is the current New Hampshire EBT contractor and is well versed in New Hampshire's EBT practices and procedures, and the needs of the New Hampshire citizens. JP Morgan has also consistently met or exceeded the monthly performance standards outlined in the current contract.

The approval of this contract will allow the Department of Health and Human Services to continue to maintain the electronic benefit transfer system that has been in place since 1998 serving the State of New Hampshire citizens and retailers.

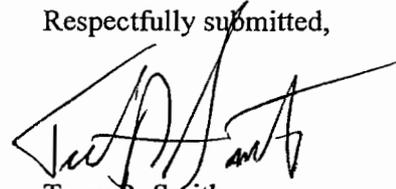
Geographic area served: Statewide.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
July 14, 2006
Page 5 of 5

Source of Funds: The majority of the cost will be eligible for 50% federal financial participation, depending upon approved cost allocation methods. Some portion of the proposed costs will be eligible for higher or lower rates, depending upon the specific allocated share based on usage. The balance of the costs will be supported with general funds.

In the event that Federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Terry R. Smith
Director

Approved by:



John A. Stephen
Commissioner

Northeast Coalition of States RFP

Company	Letter of Intent	Submitted Bid	Total Score	NCS Proposed Price	New Hampshire Final Price
1st Merchant	Yes				
ACS	Yes	Yes	88.61	\$ 168,460,413	\$3,691,993
AZTEC ATM, Inc.	Yes				
Community Food Resource Center	Yes				
e-Funds	Yes				
EVERTEC	Yes				
Information Builders	Yes				
JP Morgan EFS	Yes	Yes	100	\$ 141,087,247	\$3,844,085
MarketView	Yes				

New Hampshire Only RFP

Company	Letter of Intent	Submitted Bid	Total Score	Proposed Price	Final Price
JP Morgan EFS	Yes	Yes	N/A		\$7,827,701

Electronic Benefits Transfer Contract

	SFY 2007	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013
Caseload Pricing							
Annualized Cases	278,735	325,217	331,721	338,356	345,123	352,025	359,066
Cost Per Case Month (CPCM) *	1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02
Total Projected Food Stamp Cost	\$284,310	\$331,722	\$338,356	\$345,123	\$352,026	\$359,066	\$366,248
Annualized Cases	97,732	118,452	119,637	120,833	122,041	120,833	122,041
Cost Per Case Month (CPCM) **	0.74	\$0.77	\$0.80	\$0.80	\$0.90	\$0.90	\$0.90
Total Projected Cash Case Cost	\$72,322	\$91,209	\$95,710	\$96,667	\$109,838	\$108,750	\$109,838
Total Case Cost	\$356,632	\$422,931	\$434,066	\$441,790	\$461,864	\$467,816	\$476,086
Variable Pricing							
EBT Card Stock	6,500	6,650	6,850	7,050	7,250	7,500	7,750
ATM Usage Transaction Fee	76,500	77,500	78,500	79,500	80,500	81,500	82,500
Telephone Surcharges	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Embossing Maintenance Contract	4,700	4,700	4,700	4,700	4,700	4,700	4,700
PIN Selection Hardware				5,000	5,750		
Card Sleeves	2,000	2,100	2,200	2,300	2,400	2,500	2,600
Cardholder Training Brochure	4,750	5,000	5,250	5,500	5,750	6,000	6,250
ARU Pin Selection/Change	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Variable Pricing Cost	\$107,150	\$108,650	\$110,200	\$116,750	\$119,050	\$114,900	\$116,500
Implementation Pricing							
Purchase of Embossing Equipment	16,800						
Cardholder Training Brochure Design Fee (English)	2,000						
Cardholder Training Brochure Design Fee (Spanish)	2,900						
Performance Bond	6,000	6,000	6,000				
Startup Conversion Credit		(50,000)					
Total Implementation Costs	\$27,700	(\$44,000)	\$6,000	\$0	\$0	\$0	\$0
Total Projected Contract Costs	\$491,482	\$487,581	\$550,266	\$558,540	\$580,914	\$582,716	\$592,586
TOTAL CONTRACT PRICE	\$3,844,085						

* Based on a combined NCS caseload of 900,001 - 1,500,000; This pricing tier was based upon NCS historical caseload numbers.

** Based on a combined NCS caseload of 300,001 - 500,000; This pricing tier was based upon NCS historical caseload numbers.

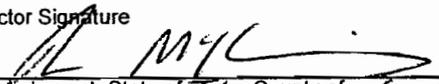
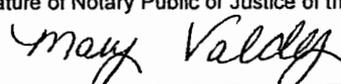
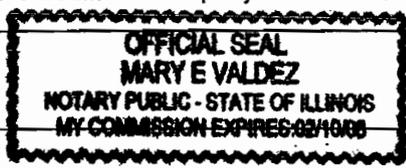
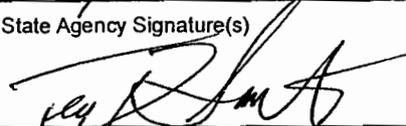
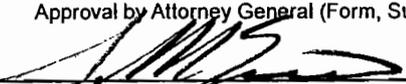
Subject: Electronic Benefit Transfer (EBT) Services

AGREEMENT

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

GENERAL PROVISIONS

1. Identification and Definitions.

1.1 State Agency Name Dept. of Health & Human Services Division of Family Assistance	1.2 State Agency Address 129 Pleasant Street Brown Building, 3 rd Floor, Concord, NH 03301
1.3 Contractor Name J.P. Morgan EFS, Inc.	1.4 Contractor Address 300 S. Riverside Plaza, 16th Floor, Chicago, IL 60606
1.5 Account No. 010-045-6125-090-0252	1.6 Completion Date June 30, 2013
1.7 Audit Date June 30, 2013	1.8 Price Limitation \$3,844,085.00
1.9 Contracting Officer for State Agency Terry R. Smith, Director	1.10 State Agency Telephone Number 603-271-4414
1.11 Contractor Signature 	1.12 Name & Title of Contractor Signor Rick McKinney, Sr. Vice President
1.13 Acknowledgment: State of <u>IL</u> County of <u>COOK</u> On <u>7/25/06</u> , before the undersigned officer, personally appeared the person identified in block 1.12., or satisfactorily proven to be the person whose name is signed in block 1.11., and acknowledged that s/he executed this document in the capacity indicated in block 1.12.	
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 	
1.13.2 Name & Title of Notary or Justice of the Peace Mary Valdez	
1.14 State Agency Signature(s) 	1.15 Name/Title of State Agency Signor(s) Terry R. Smith, Director, Div. Family Assistance
1.16 Approval by Department of Personnel (Rate of Compensation for Individual Consultants) By: _____ Director, On: _____	
1.17 Approval by Attorney General (Form, Substance and Execution) By:  Assistant Attorney General, On: <u>8/10/06</u>	
1.18 Approval by the Governor and Council By: _____ On: _____	
2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("the State"), engages contractor identified in block 1.3 ("the Contractor") to perform, and the Contractor shall perform, that work or sale of goods, or both, identified and more particularly described in EXHIBIT A incorporated herein ("the Services").	
3. EFFECTIVE DATE: COMPLETION OF SERVICES. 3.1 This agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Council of the State of New Hampshire approve this agreement, ("the Effective Date"). 3.2 If the date for commencement in Exhibit A precedes the Effective Date all services performed by Contractor between the commencement date and 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 be under no obligation to pay the contractor for any costs incurred or services performed; however that if this Agreement becomes effective all costs incurred prior to the effective date shall be paid under the terms of this Agreement. All services must be completed by the date specified in block 1.6.	
4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in 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 those 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 1.5 in the event funds in that account are reduced or unavailable.	

It is unlawful to make any alteration to the text of this document.

A signature on this document signifies that no alterations have been made to the original text or format.

5. CONTRACT PRICE: LIMITATION ON PRICE: PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in Exhibit B, incorporated herein.

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 RSA 80:7 through 7-C or any other provision of law.

5.4 Notwithstanding anything 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 of these general provisions.

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

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

7. PERSONNEL

7.1 The performance of the Services shall be carried out by employees of the Contractor. 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 The Contractor shall not hire, and shall permit no 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 has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

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.

8. EVENT OF DEFAULT, REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule; or

8.1.2 failure to submit any report required hereunder; or

8.1.3 failure to perform any other covenant 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; and

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; and

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

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 On and after the Effective Date, 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 RSA 91-A or other existing law. Disclosure pursuant to a right to know request shall require 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 to the Services, the Contractor shall deliver

to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("the Termination Report") describing in detail all Services performed, and the Contract Price earned, to and including the date of termination. To the extent possible, the form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in 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, worker's compensation or other emoluments provided by the State to its employees.

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

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or

on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor.

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

14. INSURANCE AND BOND.

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, both for the benefit of the State, the following insurance:

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

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

14.2 The policies described in subparagraph 14.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than 10 days after written notice thereof has been received by the State.

15. **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, or any subsequent Event. No express failure of 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 default on the part of the Contractor.

16. **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, above.

17. **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 Council of the State of New Hampshire.

18. **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.

19. **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.

20. **SPECIAL PROVISIONS.** The additional provisions set forth in EXHIBIT C hereto are incorporated as part of this Agreement.

21. **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 understanding.

It is unlawful to make any alteration to the text of this document.

A signature on this document signifies that no alterations have been made to the original text or format.

J.P.MORGAN ELECTRONIC FINANCIAL SERVICES, INC.

Secretary's Certificate

I, John M. Guzzi, hereby certify that I am the Secretary of J. P. Morgan Electronic Financial Services, Inc., a corporation organized and existing under the laws of the State of New York (the "Corporation") and that I have been duly appointed and am presently serving in that capacity in accordance with the By-Laws of the Corporation.

I further certify that, as of the 25th day of July, 2006, Rick McKinney is the Vice President and Chief Operating Officer of the Corporation.

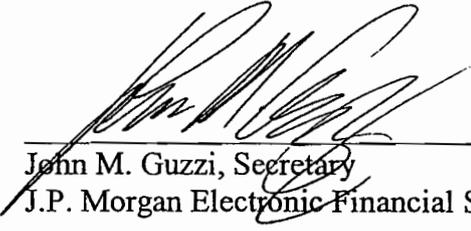
I further certify that in an action by Unanimous Written Consent of the Board of Directors of the Corporation pursuant to Section 708(b) of the Business Corporation Law of the State of New York, the following resolution was duly adopted by affirmative vote of the Board of Directors

RESOLVED, that the President or any Vice President of the Electronic Benefits Transfer Business Unit of this Corporation are hereby authorized and instructed to execute on behalf of this Corporation, contracts and such other documentation as may be required pursuant to such contracts with governmental agencies whether Federal, State or Local relative to this Corporation's providing Electronic Benefits Transfer Services or as may be otherwise related to such services.

I further certify that such resolution is in full force and effect as of the date hereof and that the Secretary and any Assistant Secretary of the Corporation is hereby authorized and empowered to certify to the State of New Hampshire and any interested third party this resolution.

IN WITNESS WHEREOF, I hereto set my hand and affixed the Corporate Seal of J. P. Morgan Electronic Financial Services, Inc. this 25th day of July, 2006.

[Seal]



John M. Guzzi, Secretary
J.P. Morgan Electronic Financial Services Inc.



Notary Public

Subscribed and sworn to me this 25th day of July, 2006.



EXHIBIT A
SPECIFICATIONS OF WORK TO BE PERFORMED

AGREEMENT

State of New Hampshire
Department of Health & Human Services
Division of Family Assistance

And

J.P. Morgan Electronic Financial Services, Inc.

Electronic Benefit Transfer Services

THIS AGREEMENT, entered into by and between THE NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES (hereinafter referred to as the "Contracting State Agency" or "CSA"), an agency of and acting on behalf of the State of New Hampshire, having its principal offices at 129 Pleasant Street, Concord, New Hampshire 03301, and J.P. MORGAN ELECTRONIC FINANCIAL SERVICES, INC. (hereinafter referred to as the "Contractor"), a wholly-owned subsidiary of JP Morgan Chase & Co., a New York Corporation qualified to do business in the State of New Hampshire, having its principal offices at 300 S. Riverside Plaza, 16th Floor, Chicago, IL 60606.

W I T N E S S E T H:

WHEREAS, the states of Connecticut, New Hampshire, New York, Rhode Island and Vermont, joined together to form the Northeast Coalition of States (NCS) for the purpose of procuring a cost effective regional Electronic Benefit Transfer (EBT) System; and

WHEREAS, the NCS issued a Request for Proposal entitled "Northeast Coalition of States (NCS) Request for Proposals to Acquire EBT Services" (referred to as the RFP) dated August 2, 2004 to secure the services of a contractor to deliver EBT services; and

WHEREAS, the Contractor having reviewed and analyzed the NCS and Contracting State Agency specific needs and requirements as contained in said RFP was selected as the successful respondent to said RFP; and

WHEREAS, the Contracting State Agency in reliance upon the expertise of the Contractor, desires to engage the Contractor to provide the services necessary to implement the EBT project under the terms and conditions hereinafter set forth.

NOW, THEREFORE, the Contracting State Agency and the contractor mutually agree as follows:

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ARTICLE I - Agreement, Duration, and Amendment

A. Contract Duration

1. This Agreement shall commence upon July 1, 2006, or the date of Governor and Executive Council Approval, whichever is later, and shall continue through June 30, 2013, subject to the termination provisions (Article XVI) and the acceptance criteria contained herein. Any reference in the Agreement to "CSA" shall be deemed to include the State on behalf of which the CSA acts; any reference to "State" shall be deemed to reference the CSA where appropriate.
2. Up to two extensions of up to 12 months each may be required at the sole discretion of the CSA. Any extension will be subject to necessary approvals by the CSA's Governor and Executive Council. Except as set forth in paragraphs B and C of this Article, the terms and conditions of this Agreement shall remain unchanged throughout the duration of any such extension. Contractor will be informed by the CSA of its decision to exercise such extension(s) no less than 90 calendar days prior to the expiration date of the contract (for the first extension), and no less than 90 calendar days prior to the termination of the first extension (for the second extension).

B. This Agreement is subject to amendment only upon mutual consent of the parties, reduced to writing and approved as required by the CSA.

C. Notwithstanding Section A of this Article, the CSA and the Contractor shall have the right to renegotiate the terms and conditions of the Agreement in the event applicable State legislative or administrative policy, rules, regulations, actions and guidelines are altered from those existing at the time this Agreement is executed in order to be in continuous compliance therewith to the extent this Agreement is impacted by any such change. The Contractor shall be entitled to reasonable compensation for increased costs to be incurred as a result of any changes pursuant to this paragraph. It shall be understood that, in the event the CSA and the Contractor are unable to mutually agree to a set of terms and conditions through renegotiations, the terms and conditions required to continue this Agreement in compliance with revised State legislative or administrative policy, rules, regulations, actions and guidelines shall be decided by the head of the CSA having executed this Agreement or his/her duly authorized representative(s) or designee(s), in accordance with Article IX of this Agreement, Interpretations and Disputes. However, should such changes to laws or regulation result in a reduction in the Contractor's responsibilities/efforts in providing services, a like reduction in pricing will be negotiated in good faith, based upon an equal sharing of contract-related savings.

D. In the event applicable Federal, Quest, or applicable cash access network policy, rules, regulations and guidelines are altered from those existing at the time this Agreement is executed and in order to be in continuous compliance therewith the Contractor must alter its performance under this Agreement, and the Contractor shall **not** have the right to renegotiate the terms and conditions of this Agreement.

ARTICLE II - Standard Contract Provisions

- A. The parties agree that this Agreement shall be construed and interpreted in accordance with the laws governing the CSA. The Contractor shall be required to bring any legal proceeding against the CSA arising from this Agreement in the courts of the State on behalf of which the CSA acts. Any reference made to the laws, regulations, policies, procedures and/or executive orders of the State of New Hampshire shall be deemed to apply only to the contract entered into by the State of New Hampshire or for the CSA acting on its behalf.
 - B. Should any provision of the Agreement be declared or found to be illegal, unenforceable, ineffective, or void, then each party shall be relieved of any obligation arising from such provision; the balance of this Agreement, if capable of performance, shall remain in full force and effect.
 - C. No term or provision of this Agreement shall be deemed waived and no breach consented to, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by a party to, or waiver of, a breach under this Agreement shall not constitute or consent to, a waiver of, or excuse for any other, different or subsequent breach.
 - D. Notwithstanding the CSA's right to direct and supervise staff, it shall be understood that the Contractor is an independent contractor, and the Contractor, its agents, officers and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees of the CSA.
 - E. The CSA and the Contractor acknowledge and agree that time is of the essence in the Contractor's performance hereunder.
 - F. The State of New Hampshire is not liable for any cost incurred by the Contractor in preparation for or prior to the approval of an executed contract by the New Hampshire Governor and Executive Council. Additionally, no cost will be incurred by the State of New Hampshire for the Contractor's participation in any pre-contract award activity.
 - G. The CSA shall not be liable for the payment of any taxes resulting from this agreement however designated, levied, or imposed, unless the CSA would otherwise be liable for the payment of such taxes under the course of its normal business operations.
 - H. This Agreement and the Exhibits and Appendices attached hereto and incorporated by reference herein, constitute the entire agreement between the parties with respect to the subject matter. All other prior agreements, representations, statements, negotiations, and undertakings are superseded hereby. Unless otherwise provided, the terms, provisions, representations and warranties contained in this Agreement shall survive performance hereunder. It is understood that unless the context clearly indicates otherwise, all references herein to this Agreement shall be deemed to include the Exhibits and Appendices attached here to and incorporated.
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- I. **Change and Release Management:** The Contractor must propose a formal process that addresses change and release management in the operational phase of the EBT baseline system. Such a process is critical to the CSA and must ensure the integrity of the EBT system and minimize the risks of operational disruptions for the CSA.

Change and Release Management Plan

Subsequent to the acceptance of the CSA's EBT Detail Design Document and extending throughout the term of the Contract, all Contractor-initiated design changes, corrective actions, or system enhancements must be communicated to the CSA through a formal written process that is included in the Contractor's proposed Change and Release Management Plan. At a minimum, the plan must address the Contractor's change management approach for the following, as described in this section:

- Design Issues;
- Remedial Changes;
- Conforming Changes;
- Enhancing Changes;
- Parameter or Reference Table Changes; and
- Procedures for changes and updates to design documents and manuals.

In addition, the plan must include the Contractor's formal policy for release and distribution of software. The Release Policy must include, but is not limited to, the following:

- Quality assurance practices for testing of new releases;
- Method for tracking changes of code and versions;
- Version numbering schema;
- Frequency of release by type and release type definitions;
- How emergency releases are handled;
- Method of securing master copies of all software; and
- Name of person(s) responsible for release management.

The Contractor must submit a first draft of the Change and Release Management Plan no later than 30 calendar days after the start date of this Agreement and a final 90 calendar days after the start date of this Agreement. The Contractor must maintain and update as required

all documents included in the System Documentation Library (see Appendix C, EBT RFP, Section 6) delivered during the Design, Development, Transition/Conversion, and Operations phases, to reflect any and all changes from the established baseline system.

Change Management.

The CSA requires the Contractor to address the following elements in its change management procedures.

Design Issues

Design issues are questions or concerns that arise before the program/system baseline design is frozen, are a part of the development process, and are addressed and resolved prior to finalizing the system design. The resolution of these issues must be incorporated in program specifications, in procedures for EBT participants (e.g., authorized retailers, providers, financial institutions, local and State offices), and in general and detailed system specifications.

System Baseline

The system baseline will be established upon acceptance of the conversion and approval of all design, development and transition phase deliverables.

After the initial system baseline is established, any modifications to the system design or functionality will be defined as a change and will be documented, tracked, and managed in accordance with the approved Change and Release Management plan. As the operational phase proceeds, the definition of the baseline system will expand to include: the finalized work plan, general and detail design documents, training and disaster plans, and other approved/accepted Contractor deliverables. The baseline definition will continue to expand to include system testing results, reports, implementation plans, transition plans and documentation.

Changes to the System Baseline

Contractor-initiated or CSA-initiated changes seek to modify the baseline system, procedures, documentation, or application programs. Such requests alter the initial scope of the program, or add or modify functionality, after the system design baseline has been determined.

All changes are categorized as remedial, conforming, enhancing, or parameter/reference table. The definition for each type of change is provided below. The Contractor must work with the CSA to ensure that sufficient testing is conducted to ensure that no changes will negatively impact the EBT system functionality or the interface with the CSA's eligibility system and that changes do not unintentionally impact, at a minimum, State functionalities, file formats, screens, reporting, or performance. All changes must be fully tested and approved by the CSA before being put into production.

Remedial Changes

Remedial changes are defined as changes needed to make the system perform or function in the way it was designed and must not result in additional costs to the CSA. Either the CSA or the Contractor may identify the need for a remedial change and each party must give the other immediate notification of such need for remedial changes. The Contractor must provide immediate oral and written electronic notification but must be followed up with written documentation within seven (7) calendar days of the initial notice. Remedial changes must be tested and implemented as soon as possible or on a schedule to be approved by the CSA.

Conforming Changes

Conforming changes are defined as modifications needed to adapt the EBT system to requirements that result from Federal law, policy, program, or regulation changes, and changes to the Quest Operating Rules, or other applicable network rules. The Contractor must provide conforming changes that affect the benefit programs defined in the RFP in accordance with Article I.D of the contract terms and conditions included herein at no additional cost. Conforming changes will be CSA-initiated.

Enhancing Changes

Enhancing changes are defined as changes that are not Remedial or Conforming changes. These include, but are not limited to, changes that will enhance performance, provide new functionality; provide conformity to changes in State or local law, regulations, or policies (not required by the Federal government); improve cost-effectiveness; enhance efficiency and ongoing operation; or improve program maintenance.

System enhancements or other system changes developed by the Contractor for any NCS State or other political subdivision and determined to be advantageous to the CSA must be extended to the CSA at no additional cost for development.

Parameter or Reference Table Changes

The NCS requires that parameter or reference table changes requested by a CSA be included as part of the cost per case month fees. A parameter change or reference table change includes, but is not limited to, the addition and/or modification of local district office information; program type; benefit types; aging criteria; or any other change that accounts for less than five (5) hours of billable time.

CSA –Change Request Process

Change requests initiated by the CSA requesting Conforming or Enhancing changes will be initiated through a Change Request Form. The CSA will designate all Change Requests as high or low priority, and the Contractor's proposal must outline proposed timeframes for initiating changes based on priority ranking. The CSA's EBT Program Director will forward a signed Change Request Form to the Contractor's designee for analysis of the request for potential impacts on existing system processes, other schedule changes, resources, hours, and applicable costs.

The Contractor will return the Change Request Form and the results of the analysis to the CSA's EBT Program Director within 14 calendar days of receipt. The Contractor must provide the CSA with a proposed development and implementation schedule for completing the change. Contractor responses to CSA-initiated change requests must include a price quote utilizing the change request pricing for personal services as submitted by the Contractor in response to Section 11 of the RFP (in accordance with Contract Article VI, Payment Provisions) for the requested change, including the number of hours required to perform the request. However, should such changes result in a reduction in the Contractor's responsibilities/efforts in providing services, a like reduction in pricing will be negotiated in good faith based upon an equal sharing of contract related savings.

If the CSA chooses to formally approve the change, the Change Request Form will be signed and dated by the CSA's EBT Program Director and forwarded to the Contractor. The Contractor shall not begin work on a CSA-initiated Change Request until written approval is received from the responsible CSA. The Contractor must provide a final development and implementation schedule within 14 calendar days of receipt of the approved Change Request, and must include specific dates for development and implementation consistent with the schedule being proposed.

If there are any disputes regarding any of the information or pricing provided on the Change Request Form, the dispute resolution process, as defined in Contract Article IX, Interpretations and Disputes, included herein, must be used. The Contractor must proceed with development and implementation of Conforming or Enhancing changes simultaneous with the dispute resolution.

Upon written approval of the change, the Contractor must include the change in work plans, allocate resources as appropriate, and will provide ongoing status reports, as part of the regular status report, with hour and cost accounting (if any) to the CSA. Until such time as the change has been completed and accepted by the CSA, the CSA will monitor implementation of the approved changes through scheduled status reports and information provided by the Contractor to the CSA as required by the Release Management provisions below.

Changes Initiated by the Contractor

The Contractor must provide the CSA with written, advance notification of all self-initiated, non-remedial changes to the EBT system, including gateway services. The written notification must include, at a minimum, known or anticipated impacts the changes will have on the CSA's functionality, file formats, screens, reporting, performance, and any costs or cost savings to the CSA. The Contractor must coordinate all non-remedial changes to the system with the CSA. Non-remedial changes must be implemented at a time agreed upon with the CSA, so that the availability and participation of CSA program and technical staff can be assured. All Contractor-initiated changes are subject to the prior written approval of the CSA. Upon such approval, the Contractor will provide the CSA with a proposed development and implementation schedule for completing the change, including the number of hours required to perform the request.

Updates to Manuals

As specified in RFP Section 6.5.2, if requested by the CSA, and *prior* to implementing system and operational modifications into production, the Contractor must provide drafts to the CSA of all applicable manual sections/pages requiring update.

Release Management

The Contractor must manage software releases in a manner that ensures high-quality products with minimal deficiencies.

Each year, the Contractor must provide an Annual Release Plan projecting the following:

- Frequency of releases by type (Delta or Package, see below);
- Migration schedule (for example, migrate Package releases into production monthly on the first Tuesday); and
- Contractor down times, including Continuity of Business testing and code freezes.

At the time a newly modified software version is delivered to the CSA for testing, the Contractor must provide documentation to the CSA that the Contractor has modified the correct software version. This applies to all changes, regardless of type, or whether initiated by the Contractor or the CSA. The Contractor must deliver software to the CSA in accordance with the Contractor's Release Management Policy and accompanied by a Release Impact Statement.

Release Impact Statement

For every release, the Contractor must provide a Release Impact Statement that includes the Program release number; the Program release date to baseline; and date of Program release on the production environment. The Impact statement must also include back-out plans for the release; updated reference materials and user manuals; new version(s) of software distribution instructions, if applicable; and expectations and responsibilities of the CSA during the planning and rollout of new releases.

For each individual change within a Release, the Contractor must include the following in the Release Impact Statement:

- Program name;
- Contact person;
- Type of change, including individual change #;
- Brief description;
- Interdependencies or impacts on other programs;
- Detailed description of change; and
- Any applicable costs or cost savings associated with the Release.

Release Types

The CSA expects releases will generally fall into one of two categories, as described below. However, the Contractor may propose a comparable classification methodology.

Delta (Minor or Partial) Release

A delta, minor, or partial release is one that includes only those items or modules within the release unit that have actually changed or are new since the last package or delta release. This type of release contains a limited and measurable number of changes. Generally, these are minor changes to code and do not require extensive testing.

Package (Major or Full) Release

A package release involves a more substantial change to the software and may, in fact, be several minor releases combined. A major release would entail changes that involve more than one module or unit of code that have interdependencies. Generally, this type of release requires extensive unit testing as well as complete regression testing. For example, changes to one program or suite will often require changes to be made to others. If all these changes have to be made at the same time, they should be included in the same package release.

Authorized Releases

Contractor must release into production only versions authorized by the CSA, and that conform to the Contractor's established migration policy. The Contractor must obtain prior written authorization from the CSA EBT Program Director or his/her designee.

Release Security

Master copies of all software must be kept in a secure compound in which the definitive authorized versions of all software are stored and protected. A secure compound is one or more software libraries or file-storage areas that are separate from development, test, or live file-store areas.

ARTICLE III - Assurances

- A. The Contractor warrants that it has carefully reviewed the needs of the CSA as described in the RFP as amended and its attachments and as otherwise communicated in writing by the CSA to the Contractor, and that it has familiarized itself with the RFP, the Contractor's proposal, and the other documents incorporated into the Agreement.
- B. The Contractor agrees that it will perform its obligations hereunder in accordance with all applicable laws, rules and regulations now or hereafter in effect.
- C. The Contractor warrants and affirms that the terms of this Agreement do not violate any contracts or agreements to which it is a party and that its other contractual obligations will not adversely influence its capabilities to perform under this Agreement.
- D. Within fifteen (15) business days of the CSA's approval contemplated under Article I, Section A of this Agreement, the Contractor will provide the CSA with and will maintain in force and effect for the benefit of the CSA an irrevocable Performance Bond as listed below, subject to the CSA's approval of the terms of said Performance Bond and the institution providing said Performance Bond on behalf of the Contractor, in the amount(s) listed below from the date of conversion for the life of this Agreement. Should the CSA exercise its option to extend the Agreement, the Contractor will maintain in force and effect for the benefit of the CSA, an irrevocable Performance Bond subject to the CSA's approval of the terms of said Performance Bond and the institution providing said Performance Bond on behalf of the Contractor, in the amount(s) listed below for the remaining life of the Agreement. In the event of damages occurring as a result of non-performance, and/or in the event of breach of this Agreement resulting in liquidated damages, as per the terms identified elsewhere in this Agreement, the CSA may demand disbursement of all or any portion(s) of the face value of the Performance Bond to recover said damages and/or liquidated damages. Such disbursements, pursuant to demand of all or any portion(s) of the face value of this Performance Bond may be effected by the CSA's submission of written notice(s) to the institution that issued the Performance Bond on behalf of the Contractor. Partial disbursement(s), pursuant to demand, shall not terminate the Performance Bond, but the balance shall be diminished by any amounts disbursed and shall otherwise remain in effect. Said Performance Bond will automatically expire at the end of this Agreement. In the event of breach of this Agreement resulting in liquidated damages, as per the terms identified elsewhere in this Agreement, the CSA may at its option recover said damages or liquidated damages by the deduction of such costs from monthly billing payments in amount sufficient to cover the liquidated damages or by assessment of the Performance Bond.

State	Letter of Credit or Performance Bond	Amount
New Hampshire	Performance Bond	\$1,000,000

E. In consideration of the within premises, the Contractor represents to the CSA that:

1. The Contractor and/or any subcontractors have corporate authority to perform all duties required of it by this agreement.
2. The Contractor and/or any subcontractors are qualified to do business in the NCS states.
3. The Contractor shall give immediate notice to the NCS/CSA of any event or circumstance that may affect the validity of the representations contained herein and shall take any and all actions required to preserve its legal authority to perform this Agreement.

F. The Contractor warrants that:

1. The system to be used for delivery of core services, functionality, and associated technology as required and described in the EBT RFP must be comparable among all CSAs.
2. New functionality paid for by federal or state funds will be transferable between systems and between states, as applicable and as required by said systems and/or states, without additional charge for development for such transfer. However, additional costs may apply and be charged to the NCS states for testing, installation and other related work effort specific to such transfer in accordance with the change order pricing in Article XXVIII.

New functionality will comply with the provisions and requirements of the Quest Operating Rules as adopted and amended by the Electronic Benefits and Services (EBS) Council and as approved by the NCS Regional Management Council, the CSA, and in accordance with all applicable Federal or State laws, rules and regulations now and hereafter in effect.

ARTICLE IV - Obligations of the Parties to this Agreement

A. Contractor Obligations

1. The Contractor must develop, convert, implement, and operate the EBT system and services as outlined in the RFP, the Contractor's proposal, and this Agreement, except where expressly superseded by this Agreement, complete with the equipment and software necessary for such implementation and for the ongoing operation of the system.
 2. The Contractor assumes sole and complete responsibility for the cost and timely accomplishment of all of its activities and duties required by this Agreement and will carry out those activities and duties in a competent and timely manner.
 3. The Contractor warrants that the services provided using the equipment and software identified in its proposal, or required follow-on products (software and hardware), along with support for said services and products, will be available for the term of this Agreement.
 4. The Contractor agrees that no aspect of Contractor performance under this agreement will be contingent upon State personnel or the availability of State resources with the exception of:
 - a. Any actions of the Contractor specifically identified in this Agreement that require CSA acquisition, approval, policy decisions, or policy approvals. Such actions by the CSA will not be unreasonably delayed, and except as stated specifically herein, the Contractor shall not be liable for any damages for delays caused by the CSA or other Federal, State or local agencies.
 - b. The normal cooperation, which can be expected in such a contractual relationship.
 - c. All actions required to be performed by the CSA in the authorization and approval of benefits as contemplated by this Agreement.
 - d. Exceptions stated in this Agreement.
 - e. Duties, tasks, and obligations subsequently agreed to by the parties.
 5. The Contractor recognizes and agrees that any and all work performed outside the scope of this agreement or without the consent of CSA shall not be subject to charge by the Contractor.
 6. The Contractor will cooperate fully with any other contractors who may be engaged by the CSA to carry out responsibilities associated with this Agreement.
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7. The Contractor will provide authorized representatives of the State or Federal government, with appropriate notice by the CSA to the Contractor, access at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement. All such inspections shall be in conformity with the Contractor's reasonable security procedures.
8. The Contractor will cooperate as reasonably required with the NCS Regional Management Council including attendance at meetings.
9. The Contractor will provide all necessary travel expenses for two (2) state personnel per CSA during system acceptance testing. Such travel must be compliant with the Contractor's travel policies and procedures.
10. The Contractor warrants the system to be "Year 2000" (millennium) compliant.
11. The CSA reserves the right to request replacement of key staff, regardless of their employer (Contractor or subcontractor) during the contract period if their continued presence would be detrimental to the CSA or the success of the EBT project. All requests shall comply with applicable anti-discrimination and employment laws. CSA will submit such requests in writing stating its reasons for the request and will not be unreasonable in its request(s).

The Contractor will, within seven (7) calendar days of the request, either respond with detailed objections to the CSA's request or have said person(s) removed from the project and immediately replaced with a qualified employee acceptable to the CSA.

In the event that the Contractor objects and the CSA does not withdraw its request within seven (7) calendar days of receipt of the Contractor's objections, the dispute shall be resolved by the interpretation and dispute procedure described in Article IX.

12. The Contractor recognizes that the services provided under this Agreement are vital to the CSA and must continue without interruption, and that upon the expiration or termination of this Agreement as specified herein, a successor contractor other than the Contractor may be chosen to continue these services. Contractor agrees to continue performance of the services under the terms and conditions set forth herein until any ongoing process of selecting a successor contractor is completed. The Contractor must cooperate fully with the transition for the provision of EBT services by a different contractor prior to current contract expiration and for one hundred and eighty (180) calendar days after the expiration of the contract. The provisions of this section shall survive the end of the term of this Agreement.
 13. Contractor shall upon written notice provided by the CSA (1) furnish phase-in, phase-out services for a period to be determined by the CSA or NCS, and (2) negotiate in good faith the plan developed by the successor with the NCS/CSA and the successor to determine the nature and extent of the phase-in, phase-out services required. The
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plan must specify a set date for transferring responsibility for each division of work described in the plan, including, but not limited to, a detailed schedule of jobs that will be run for the conversion and the place during the schedule when balance and reconciliation activities will take place. The plan shall be subject to the prior written approval of the CSA. The Contractor must provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Agreement are maintained at the required level of performance. Such plan must include, but not be limited to, the following transition items:

- a. Retailers/Acquirers/TPPs and EBT-Only Merchants
Incumbent contractor will provide current lists of merchants, locations of EBT-only equipment, and supplemented phone lines.
 - b. AMA/ASAP
Incumbent contractor will work with FNS, CSA and successor contractor to transfer authority to post to AMA and ASAP.
 - c. Pseudo-retailer numbers
Upon CSA and FNS approval, incumbent contractor will provide pseudo-retailer numbers to the successor contractor.
 - d. Database conversion, with provisions for check-point and back-out
Incumbent contractor will share file layouts and coordinate with the successor contractor to complete a database conversion to the successor contractor.
 - e. Database clean-up
Incumbent contractor will work with FNS, CSA and the successor contractor to create a final version of the existing database suitable for conversion.
 - f. ALERT
Incumbent contractor will coordinate with FNS, CSA and the successor contractor a switchover from the incumbent to the successor contractor input to the ALERT system.
 - g. STARS
Incumbent contractor will coordinate with FNS, CSA and the successor contractor a switchover from the incumbent to the successor contractor input to the STARS system.
 - h. Administrative functionality access
Incumbent contractor will continue to provide administrative functionality access to the CSA for the duration of the conversion to a successor contractor.
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- i. Manual authorization "holds"
Incumbent contractor will coordinate with the CSA and the successor contractor the timing of a transition of handling manual vouchers and cooperate in coordinating the routing and clearing of manual vouchers during the transition.
- j. Cards
Should cards be selected as a future option under the EBT contract, the incumbent contractor will coordinate the loading of the current card information to the successor contractor's system as part of the database conversion.
- k. PIN retention
Upon CSA approval, the incumbent contractor will share the PIN encryption algorithm so that existing PIN offsets can be loaded onto the successor contractor's host.
- l. Help Desk
Incumbent contractor will transfer the recipient help desk phone number to the successor contractor but retain the retailer help desk phone number.
- m. Reconciliation
Incumbent contractor will coordinate with the CSA and the successor contractor reconciliation information and procedures to ease the transition from the incumbent contractor to the successor contractor.
- n. Settlement
Incumbent contractor will coordinate with the CSA and the successor contractor to transfer settlement responsibilities from the incumbent to the successor contractor.

All conversion activities that are the responsibility of the Contractor must take place at times and using methods that will provide the least impact on retailers, recipients and state operations.

Any imbalances in the database values found after conversion and due to conversion that result in any liability must be the liability of the Contractor assuming responsibility for EBT host processing.

- 14. All phase-out costs associated with core services that are the responsibility of the Contractor must be included in the Cost Per Case Month. The Contractor will not be compensated for any additional phase-out costs.
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15. The Contractor must provide immediate oral and written electronic notification to the CSA of any incidents, issues, or problems including, but not limited to, system outages, customer service delays, non-compliance with performance standards or deliverable due dates. Problem notification and resolution must provide immediate and open communication between the Contractor and the individual CSA personnel to allow for maximum CSA involvement in the planning, execution, and evaluation of any action(s) taken. Immediate oral and written notification must be followed up within a reasonable amount of time, but in no instance more than seven (7) calendar days from the initial oral and electronic written notification, with specific written information documenting the nature of the problem, the necessary actions/steps to resolve/correct the problem; estimated timeframes for implementation of the resolution; and the lead Contractor personnel to assure resolution of the problem.
16. The Contractor must submit adequate advance written notification to the CSA of any planned changes that may result in any potential operational disruption to the services provided under this agreement. Operational disruptions may include, but are not limited to, the EBT system (host processing, network, settlement, etc.) the EBT gateway, retailer management, cardholder and/or retailer customer service. The required notification must include a project plan that outlines the activities, timelines, and dependencies that ensure that the proposed changes will not jeopardize or impact the operations or services of the NCS or CSA. Such project plan must have approval by the CSA prior to implementation.

B. Contracting State Agency Obligations

1. The CSA shall ensure elements of the EBT system not provided by the Contractor are delivered in a timely manner and comply with the minimum standards as set forth in the EBT Quest Operating Rules.
 2. The CSA warrants that adequate funds to meet non-federally reimbursed obligations will be available for daily settlement.
 3. Any CSA that uses a separate card production system must ensure card production services are performed in a timely manner and comply with the minimum standards as set forth in the EBT Quest Operating Rules. If the Contractor incurs expenses as a result of defects in the card system or other systems that affect the delivery of EBT services by the Contractor, the Contractor is entitled to negotiate in good faith with the CSA for reimbursement of expenses incurred or expense to mitigate the problems.
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ARTICLE V - Contract Interests, Assignments, and Subcontracts

- A. The CSA shall consider the prime contractor to be the sole contact with regard to all provisions of this Agreement. Full responsibility for the delivery of services provided by another firm, which is a subcontractor or vendor to the Contractor under this Agreement, must be assumed by the Contractor. Should the Contractor seek external financing, the CSA reserves the right to approve the assignment of the contract for financing purposes.
 - B. It shall be understood that the Contractor is an independent contractor and the contractor, its agents, officers and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees of the State or the CSA.
 - C. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, corporation or other entity, other than the parties hereto and their successors in interest and assigns, any rights or remedies under or by reason of this Agreement.
 - D. Prior written approval of the CSA is required for all subcontractors and for all subcontracts. Such approval shall not be unreasonably withheld. All subcontracts related to the performance of this Agreement shall be subject to the provisions of law set forth in individual specific state legislation as each CSA requires.
 - E. All subcontracts must be in writing and must contain provisions which are functionally identical to, and consistent with, all of the provisions of this Agreement. All subcontracts must contain a provision stating that the subcontractor agrees that the subcontract is subordinate to the Agreement with the CSA and that any and all conflicting provisions of the subcontract will be superseded by the terms of this Agreement.
 - F. Prior written approval of the CSA is required for all Contractor- initiated changes in subcontractors and for all subcontracts, such approval shall not be unreasonably withheld. When proposing to add, to replace, or to assume the responsibilities of an existing subcontractor or vendor during the contract period, the Contractor must notify the NCS of its intent to add or replace a subcontract. Such notification must include justification for the change, provide the proposed subcontractor's qualifications and experience, and provide transition work plans outlining the timeline, activities and dependencies that ensure that such action will not jeopardize or impact the operations or services of the NCS or CSA. Such transition work plans are subject to the review and approval of the CSA or NCS, as applicable. The CSA will review the plans and provide a reply to the Contractor within 15 business days. No Contractor costs or expenditures related to expenditures or obligations paid or owing to unapproved subcontracts may be asserted as damages or otherwise presented for payment in any proceeding or discussion involving the Contractor and the CSA.
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- G. The Contractor will work with the CSA to define any potential operational disruption if the prime contractor elects to terminate or change their agreements with any subcontractor or vendor. Operational disruptions may include, but are not limited to: the EBT Gateway; retailer management, cardholder/retailer customer service; training; system operations; host processing; and/or network/settlement processing.
 - H. The Contractor must modify any of the plans, as defined in the EBT RFP, if affected by a change in subcontractors or vendors. Revised plans are subject to the review and approval of the CSA or NCS, as applicable.
 - I. The Contractor shall not be relieved in any way of any responsibility, duty, or obligation of this Agreement by any subcontract.
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ARTICLE VI - Payment Provisions

- A. Monthly invoicing will be submitted to the CSA in arrears by the Contractor on a Standard Voucher in a form acceptable to the CSA. The CSA will make best efforts to process all vouchers within 30 calendar days of their receipt; however, failure to make payment within said timeframes shall not be considered a breach of contract. The laws of the State shall govern timeliness of payment and any interest to be paid to the Contractor for late payment.
 - B. The CSA may only be billed for active cases that have benefit authorizations made available during the billing month. Monthly benefits transmitted prior to the availability date shall not constitute an active case until the benefit has been made available to the cardholder (e.g., availability date of the benefit has been reached).
 - C. For invoicing purposes, an active case is defined as a case for which one or more benefit(s) has been authorized and transmitted to the EBT Contractor to be made available during the billing month. A single cardholder who has benefits authorized for both a cash program and a Food Stamp program is billable at the applicable cash cost per case-month and the applicable Food Stamp cost per case-month. Where optional services are chosen by the CSA and those services are priced on a cost per case month (CPCM) basis, the incremental CPCM will be added to the applicable cash CPCM and FS CPCM.
 - D. The documentation must provide detailed information in support of all billing charges for EBT services and for pass-through expenses in a mutually agreed upon format. Data must be provided on unduplicated case counts of cases in which benefits are made available during the billing month. Data must be broken down by benefit program (Food Stamps, cash and other programs as determined by the CSA). Cash benefits that are transferred to direct deposit accounts must not be included in the CPCM case counts.
 - E. Supporting documentation must also provide a separate accounting of any benefits made available which occur in a month other than the month of the intended available date as supplied by the CSA.
 - F. Transition/ Conversion Credit. A credit to the State of New Hampshire in the amount of \$50,000 shall be applied in a lump sum to the invoice for the first billable contract month of this contract, which will occur one month subsequent to the actual conversion to the new EBT system.
 - G. Core Services
 - 1. Pricing for core services is volume based. Monthly billings to the CSA shall be based on the quoted Cost per Case-Month (CPCM) in the pricing tier that corresponds to the total actual number of cases per case category (food stamps and cash) across the NCS.
 - 2. Core services, and Optional Core Services pricing for this agreement are effective September 1, 2006, the expiration date of the prior EBT contract.
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STATE OF NEW HAMPSHIRE
J. P. MORGAN EFS, Inc.

3. Core services pricing for cash and food stamp benefits shall be in accordance with Article XXVIII.
4. A single cardholder who has benefits made available by the CSA from both a cash program and a Food Stamp Program will be billed at the applicable cash cost per case-month and the applicable food stamp CPCM.
5. Surcharged transactions may not incur usage transaction fees (interchange and switch fees) that will be billable to the CSA.
6. The Contractor at no additional cost will provide unlimited ATM balance inquiries under the Quest network service mark to the CSA or the cardholder.
7. Effective September 1, 2006 and ending no later than 8/31/07 (Pre-Conversion Billing Period) or until the Contractor has the ability to delineate the necessary information from the system, this clause for billing, ATM withdrawals, will remain in effect. During the Pre-Conversion Billing Period, these services will be billed as optional services, at the following rates:
 - 2.1 ATM Withdrawals – ATM withdrawals will be documented by the current reporting of the EBT system by the contractor, in a methodology that is agreeable to the contractor, and the CSA. Each actual ATM Withdrawal whether surcharged or surcharge-free will be billed at the rate of:
 - 2.1.1 \$.40 per withdrawal for all state subsidized withdrawal transactions, which will consist of both surcharged and non-surcharged transactions.
 - 2.1.2 \$.85 per withdrawal for all Cardholder fee withdrawal transactions, which will consist of both surcharged and non-surcharged transactions.
8. Effective upon date of conversion to the new EBT system, but no later than September 1, 2007 the term of the contract (Post-Conversion), the following payment terms will apply in accordance with RFP Response 4.2.2.4:
 - 8.1 For cash cases, the CSA agrees to compensate the Contractor for up to four surcharge free ATM withdrawals per case per month in the amount of \$.40 per transaction fee (interchange and switch fees). Any ATM withdrawals in excess of four per case per month will be payable by the cardholder in an amount equal to \$.50 per withdrawal. The Contractor shall include a monthly report listing all transaction fees incurred by the CSA. For avoidance of doubt, the following example illustrates the accounting of billable transactions: Cardholder Withdrawal #1 is surcharge free. This transaction is counted toward the allotted 4 CSA subsidized withdrawals and is billable to the CSA. Cardholder Withdrawal #2 is surcharged. This transaction is counted toward the allotted 4 CSA subsidized withdrawals but is not billable to the CSA or the cardholder.

surcharge free. This transaction is counted toward the allotted 4 CSA subsidized withdrawals and is billable to the CSA. Cardholder Withdrawal #2 is surcharged. This transaction is counted toward the allotted 4 CSA subsidized withdrawals but is not billable to the CSA or the cardholder. Cardholder Withdrawal #5 may or may not be surcharge free. This transaction is counted whether surcharged or not as the fifth withdrawal and is billable to the Cardholder.

- 8.2 \$0.50 per withdrawal for all Cardholder fee withdrawal transactions that are not subsidized by the CSA, which will consist of both surcharged and non-surcharged transactions.
- 8.3 Surcharged transactions may not incur usage transaction fees (interchange and switch fees) that will be billable to the CSA.

H. Optional Services

1. Monthly bills must clearly delineate any optional services provided to the CSA.
2. Optional services may be required by the CSA at any time during the contract period in conformance with section 7.2.6 of the RFP. Such services may also be discontinued by the CSA with 90 days written notice at any time during the contract period, including any extensions. Implementation of optional services shall be in accordance with the requirements outlined in Section 7.2.6 of the RFP, CSA-Change Request Process.
3. Optional services pricing shall be in accordance with Article XXVIII. The CSA may elect to pay core optional start-up costs in advance or over time broken down into equal monthly payments of 84 months or by the number of months remaining in the contract duration, excluding option periods, at the time that the CSA elects to implement the option. If the latter option is selected, the interest rate will be the five-year Treasury Bill rate in effect on the date that this Agreement is signed by the Contractor. If the option is selected subsequent to contract execution, the then-current Treasury Bill rate will be applicable.
4. The Contractor will be reimbursed by the CSA for the interexchange rate for calls to the 1-800 Toll Free Customer Service number originating at public payphones during a single service month. The CSA will pay the Contractor, as a pass through in arrears on a monthly basis, the lower of 1) the Contractor's bid rate of \$.32; or 2) the Federal Communications Commission (FCC) Default rate.

The Contractor must provide the CSA with information concerning payphone call volumes and other information available to the Contractor. Such information must be submitted monthly in support of the invoicing for payphone interexchange charges.

- I. EBT processing for all core and core optional services selected as of the date of commencement of this Agreement under the terms and conditions of this Agreement must take place no later than 12 months from the date of the commencement of this Agreement, in accordance with the obligations of the parties to this Agreement specified in Article IV of this Agreement, unless an earlier date is mutually agreed upon by both the Contractor and the CSA.
 - J. Performance Bond. The Contractor shall supply a \$1,000,000 irrevocable Performance Bond to the CSA at a price of \$500 payable monthly in arrears.
 - K. All pricing is firm over the entire term of this Agreement including the two-year extension option and therefore will not be subject to escalation. Reimbursable postage charges shall be made by CSA monthly in arrears and subject to Contractor provided documentation validating all such charge. Reimbursable charges shall be payable at cost and not subject to Contractor mark up. The contractor will provide invoices from the postal service as documentation.
 - L. The CSA shall not be liable for the payment of any taxes under this Agreement however designated, levied or imposed. The CSA represents that the Contractor is not liable for the payment of any transfer taxes including, but not limited to, sales taxes upon goods or services purchased for or provided for the CSA.
 - M. Change and Release Management. The CSA may authorize the Contractor to perform changes as described in Section 7 of the RFP. For personal services, payments to the Contractor shall be based on the change request rates included in Article XXVIII. Any applicable non-personal services charges shall be billed at cost as evidenced by invoicing or other such reasonable documentation to be submitted by the Contractor plus an 8% mark-up/administrative fee.
 - N. From time to time, the CSA may also require the Contractor to perform pilot projects or other EBT-related tasks, which, although within the general scope of work required by this Agreement, are not required to be performed within the current pricing structure. For personal services, payments to the Contractor shall be based on the change request rates included in Article XXVIII. Any applicable non-personal services charges shall be billed at cost as evidenced by invoicing or other such reasonable documentation to be submitted by the Contractor plus an 8% mark-up/administrative fee. Prior written approval from the CSA shall be required for all such tasks and total expenditures within any given contract year will not exceed \$250,000. Prior to providing written approval, the CSA reserves the right to require reasonable evidence, including the requirement that the Contractor follow formal bidding procedures, that all tasks performed hereunder are obtained from the best available source, price and all other factors considered. In the event that inadequate funds are available to meet State reimbursement obligations for daily settlement, the Contractor will provide funding on a temporary basis at an interest rate equal to the then current prime rate plus 2%.
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- O. The Contractor shall be liable for interest payable to the CSA at a rate equal to the then-current prime rate plus 2% for errors made by the Contractor regarding transfers as described in the Contractor's response to section 4.7.2 Settlement and Reconciliation Procedures of the RFP (e.g. Contractor removes funds from county funding accounts twice for the same transaction).
- P. Notwithstanding any inconsistency with any of the above provisions, the Contractor agrees to provide the following services at no additional cost to the CSA:
1. RFP Section 3.4.2.2.1 Full data warehouse services, as defined in Appendix B.
 2. RFP Section 3.4.2.2.1 Travel for two state testing staff for any User Acceptance Test (UAT) work necessary during initial implementation. If such User Acceptance Test (UAT) fails, Contractor will provide travel to a subsequent User Acceptance Test.
 3. RFP Section 3.4.2.2.1 National Automated Clearing House Association (NACHA), Electronic Benefits Services Council and Electronic Funds Transfer Association (EFTA) memberships for the Northeast Coalition of States (NCS) for each year of the contract.
 4. RFP Section 4.5.2.1 Access to Archive Information.
 5. RFP Section 3.4.2.2.1 Participation of all Chase ATMs on an exclusive surcharge free basis.
 6. RFP Section 3.4.2.2.1 Card Authentication Value
 7. RFP Section 4.2.2.3 ATM Balance Inquiry
 8. RFP Section 4.4.2.1.6 Retention of Current Card Production Process
 9. RFP Section 3.4.2.2.1 Online Cardholder Account Setup and Benefit Issuance
 10. RFP Section 4.9.2.1.2 Retailer Support Services
 11. RFP Section 3.4.2.2.1 Batch File Processing
 12. RFP Section 4.9.2.1.3.2 Disaster User Profiles for FNS-Approved Disaster Issuances
 13. RFP Section 4.9.2.1.3.2 Option to support mass conversion of Food Stamps to Cash
 14. RFP Section 5.4.1.1 Cash Access Locations by Zip Code Method
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15. RFP Section 4.4.2.7.2 The contractor will provide the CSA with 32 Omni 3200 PIN selection devices during implementation of the new contract services at no additional charge.

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ARTICLE VII - Rights of the State

A. License/Ownership/Title of Products Furnished

1. The Federal government retains the rights to use and authorize others to use, any software products developed with Federal funding. This is a non-exclusive, royalty free right to these products, and does not include ownership or copyrights to the material. The CSA(s) may copyright such material if they so choose; however, any Federal rights to use the material would not be affected by the State copyright.
2. Contractor warrants that it has full ownership, clear title or perpetual license rights to any and all tangible or intangible products furnished, used or modified by the Contractor or third parties on behalf of the State pursuant to contract award, and Contractor shall be solely liable for the full cost of acquisition associated therewith. Contractor shall provide the State with appropriate documentation indicating the vesting of such rights in Contractor, and/or the right to transfer or transfer of such rights, as requested by State. The cost of obtaining such rights for continued perpetual use of such product(s) by the CSA upon project completion shall be deemed to have been included by Contractor in its proposal. Such products include, without limitation, all hardware, commodities, custom programming or third party software, training modules, printed materials, source codes, or any other products or services furnished pursuant to a contract award. The Contractor fully indemnifies the CSA for any loss, damages or actions arising from a breach of said warranty in accordance with Article X herein.

B. Title of Proprietary Information Furnished for Evaluation Purposes

1. Any and all proprietary written documentation, information, object or source code and software provided to the CSA for use in conjunction with a Contract award evaluation including any pre-award benchmark testing, shall remain the property of Contractor.
2. Contractor hereby grants the CSA a personal, non-transferable and non-exclusive license for the duration of the contract to use all such documentation, technical information, confidential business information and all software and related documentation, in whatever form recorded (all hereinafter designated "property"), which are furnished to the State.

C. Ownership/Title to Custom Products/Programming Deliverables

1. It is anticipated that Deliverables under this contract may include "existing" and/or "custom" materials.
 2. "Existing Materials" include, without limitation, such things as: programs, program listings, programming tools, documentation, reports, drawings, data, modules,
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components, utilities, interfaces, templates, subroutines, algorithms, formulas and technical information, existing prior to the contract award, and/or independently developed by Contractor or another Third Party other than as a result of an Order Letter, including components transferred under perpetual license pursuant to this Article, above (hereinafter "Existing Materials(s)").

3. "Custom Materials" include, without limitation, such things as programs or programming tools, source code, object code, user or training manuals, programming, reports, drawings and any other materials, preliminary, final and otherwise, created, prepared, written or developed, whether jointly or individually, for the CSA under an Order letter (hereinafter "Custom Material(s)").
 4. Title to all Existing Material(s), whether or not embedded in or operating in conjunction with Custom Materials, shall remain with Contractor or such Third Party, who shall have all right, title and interest (including ownership or copyrights). Contractor will deliver as directed Existing Material(s) to the CSA and hereby grants an irrevocable, non-exclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, and distribute Existing Materials to Authorized Users. The CSA agrees to reproduce the copyright notice and any other legend of ownership on any copies made under the licenses granted under this paragraph.
 5. Title to Custom Material(s), excluding Existing Materials, shall be the sole and exclusive property of the CSA, who shall have all right, title and interest, including ownership and copyrights, and the rights to use, copy, modify and prepare derivative works of the Custom Materials. The CSA retains the right to sell Custom Materials, or to license them on an exclusive or non-exclusive basis. Contractor hereby agrees to take all necessary and appropriate steps to ensure that the Custom Materials are protected against unauthorized copying, reproduction and marketing by or through the Contractor.
 6. Nothing herein shall preclude the Contractor from using the related or underlying general knowledge, skills and experience developed in the course of providing the Project Deliverables and intellectual property in the course of Contractor's business.
- D. Nothing in this Agreement shall preclude Contractor from developing for itself, or for others, materials that are competitive with those produced or a result of the services provided hereunder, irrespective of their similarity to items, which may be delivered to CSA pursuant to this Agreement.
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ARTICLE VIII - Document Incorporation and Order of Precedence

- A. This Agreement consists of:
 - 1. The body of this Agreement execution;
 - 2. The Exhibits attached to this Agreement body; and
 - 3. The appendices attached to or incorporated by reference in this Agreement body.

- B. In the event of any inconsistency in or conflict among the document elements of this Agreement identified in this Article, such inconsistency or conflict shall be resolved by giving precedence to the document elements in the following order:
 - A. First, the State of New Hampshire Standard State Contract (Form P-37) and Exhibits A through I;
 - B. Second, the Request For Proposal (incorporated as Appendix A); and
 - C. Third, the Contractor's Proposal, including clarification correspondence (incorporated as Appendix B).

- C. This Agreement as defined in this Article constitutes the entire agreement between the parties with respect to the subject matter. All prior agreements, representations, statements, negotiations and undertakings are superseded hereby. The terms, provisions, representations and warranties contained in this Agreement shall survive performance hereunder.

ARTICLE IX - Interpretations and Disputes

- A. Except as otherwise provided for in the Agreement, any dispute, which is not disposed of by agreement, shall be submitted in writing to and decided by the administrative dispute resolution procedure of the Contracting State Agency. Except as otherwise provided for in the Agreement, any dispute, which is not disposed of by agreement, shall be submitted in writing to and decided by the Commissioner of New Hampshire, Department of Health and Human Services or his/her duly authorized representative(s) or designee(s).

If the Contractor is unwilling to accept the decision of the Commissioner or a decision is not made in ninety (90) days, it may then pursue its normal legal remedies de novo, but it is specifically agreed that any and all reports made by the Commissioner upon the disagreement at issue shall be admissible as evidence in any court action taken with respect to the matter. Pending conclusion of any dispute or disagreement by whatever procedure, the construction placed upon the Agreement by the State shall govern operation there under and the Contractor and the CSA shall continue to perform under the Contract.

The Contractor shall be required to bring all legal proceedings relating to this Agreement against the CSA or the State of New Hampshire in the Courts of the State of New Hampshire. If the Contractor is unwilling to accept the decision rendered through such procedure or a decision is not made in ninety (90) days, it may then pursue its normal legal remedies, but it is specifically agreed that any and all reports made as a result of the Contracting State Agency's dispute resolution procedure upon the disagreement at issue shall be admissible in accordance with the rules of evidence in any court action taken with respect to the matter. Pending conclusion of any disagreement by whatever procedure, the construction placed upon the Agreement by the Contracting State Agency shall govern operation there under and the Contractor shall continue to perform under this Agreement.

- B. Nothing herein shall be construed as authorizing court action if that remedy is not generally available to the Contractor.
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ARTICLE X - Indemnification for Damages

- A. In performance of its duties pursuant to this Agreement, Contractor shall fully defend indemnify and save harmless the CSA from suits, actions, damages and costs of every name and description relating to personal injury, damage to real or personal tangible or intangible property, or any other claim for direct damages arising as a result of negligent acts or omissions or willful misconduct of Contractor, its officers, employees, subcontractors, partners or agents.
- B. The CSA may, in addition to other remedies available to them at law, retain such monies from amounts due Contractor, or may proceed against any performance and payment bond under the Contract award Definition/Specifications, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them; provided, however, that the Contractor shall not indemnify to the extent that any claim, loss or damage arising hereunder is caused by the negligent act or failure to act of the CSA.
- C. The State shall provide Contractors with prompt notice of any claims for which indemnification may be sought hereunder, shall reasonably co-operate with Contractor in connection with any such claim and, shall be responsible for its compliance with any laws and regulations associated with any deliverables supplied by Contractor hereunder. Defense and indemnification obligations in this Article are in addition to and not in limitation of any other defense and indemnification obligations of the Contractor under this Agreement.

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ARTICLE XI - Force Majeure

- A. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting directly or indirectly from acts of God, civil or military authority, acts of public enemy, wars, riots, civil disturbances, insurrections, accidents, fire, explosions, earthquakes, flood, the elements, acts or omissions of public utilities, or strikes, work stoppages, slow downs or other labor interruptions due to labor/management disputes involving entities other than the parties to this Agreement, or any other causes not reasonably foreseeable or beyond the control of a party. The parties are required to use best efforts to eliminate or minimize the effect of such events during performance of this Agreement.

ARTICLE XII - Record Retention

- A. The Contractor during the course of this Agreement and for a period of six (6) years following its termination, or final payment hereunder, whichever occurs later, agrees to maintain and make available for audit by duly authorized representatives of the CSA, the individual states, and the United States Government all financial records or documentation arising hereunder or relating hereto.
 - B. Records involving matters in litigation or audit must be kept for a period of not less than three (3) years following the termination of the litigation or audit. Microfilm copies of any Agreement-related documents may be substituted for the originals with the prior written approval of the CSA, provided that the microfilming procedures are accepted by the CSA as reliable and are supported by an adequate retrieval system.
 - C. The Contractor shall be responsible for assuring that the provisions of this Article shall apply to any subcontract related to performance under this Agreement.
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ARTICLE XIII - Disclosure and Audit of Agreement Records

- A. The responsible NCS State agencies, United States Department of Agriculture, Food and Nutrition Service (USDA-FNS), or any other governmental agency authorized by law, reserve the right to inspect, review, investigate or audit all parts of any services provided herein by the Contractor's or any subcontractors' or vendors' facilities engaged by the prime contractor in performing EBT services. In such capacity, the NCS States, or their representative(s), must have access to facilities, records, reports, personnel and other appropriate aspects of the EBT system furnished by the contractor, except for proprietary information for which the disclosure of which would cause substantial injury to the competitive position of the Contractor's enterprise.
 - B. All records and information obtained by the CSA pursuant to the provisions of this Agreement, whether by audit or otherwise, shall be usable by the State solely for the purpose of performing this Agreement in any manner, at its sole discretion, as it deems appropriate and the Contractor shall have no right of confidentiality or proprietary interest in such use of such records or information.
 - C. Contractor hereby agrees that all documents furnished by Contractor shall be subject to public disclosure by the CSA in the normal course of business, except for proprietary information the disclosure of which would cause substantial injury to the competitive position of Contractor enterprise. Information relating to Contractor price submissions, including commercial, book or list pricing, applicable discounts or final bid price and like information, shall not be entitled to confidentiality protection whether or not submitted or designated as proprietary to Contractor. Contractor may otherwise preserve proprietary rights as to confidential or business process information, provided that (i) Contractor shall inform State prior to or with submission of its bid, in writing, that such records are being furnished, are proprietary and are not to be disclosed; and (ii) said records shall be sufficiently identified; and (iii) Contractor shall state the reasons with specificity why the information should be exempted from disclosure; and (iv) designation of said records as exempt from disclosure is reasonable and accepted by CSA.
 - D. The Contractor shall promptly notify the CSA of any request by anyone for access to any records maintained pursuant to this Agreement. Access by Federal or State bank regulatory agents, or Contractor's regular outside auditors to Contractor's financial records, pursuant to regularly scheduled or routine audits or inspection of Contractor, shall not require notification to the CSA provided that rights of confidentiality or proprietary interests are preserved.
 - E. The Contractor shall be responsible for assuring that the provisions in this Section shall apply to any subcontract related to performance under this Agreement.
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ARTICLE XIV - Confidentiality of Information

- A. The Contractor, its officers, agents and employees and subcontractors, shall treat all information, with particular emphasis on information relating to Public Assistance clients and providers of services or benefits, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws of the CSA and of the United States and any regulations promulgated there under.
 - B. Individually identifiable information relating to any eligible client or provider shall be held confidential and shall not be disclosed by the Contractor, its officers, agents and employees or subcontractors, without the prior written approval of the CSA.
 - C. All other information about or from the CSA's operations, policies, and procedures not covered by sections A or B of this Article, must be kept confidential as if it were so covered. The use of any information obtained by the contractor in the performance of its duties under this Agreement shall be limited to purposes directly connected with such duties.
 - D. The Contractor shall promptly advise the CSA of all requests made to Contractor for information related to the contract.
 - E. The Contractor shall be responsible for assuring that any agreement between the Contractor and any of its officers, agents and employees or subcontractors contains a provision that conforms to the provisions of this article.
 - F. The Contractor will use the same care and discretion to avoid disclosure, publication or dissemination of confidential information as it uses with its own similar information that it does not wish to disclose, publish or disseminate.
 - G. The obligation(s) and limitation(s) set forth herein regarding the confidential information shall not apply to information which is:
 - 1. At any time in the public domain other than by a breach of this Agreement on the part of the receiving party.
 - 2. At any time rightfully received from a third party which has the right and transmits it to the receiving party without any obligation of confidentiality.
 - 3. Rightfully known to the receiving party without any limitation on use or disclosure prior to receipt of the same from the furnishing party.
 - 4. Independently developed by personnel of the receiving party who have no access to confidential information received from the furnishing party.
 - 5. Generally made available to third parties by the furnishing party without any restriction concerning use or disclosure.
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6. Required to be disclosed by law or judicial process.
- H. Except for personal information relating to clients and providers which shall be kept confidential pursuant to requirements of the CSA and federal laws, and information relating to the business and finances of the State or the Contractor, confidential information disclosed by one party to the other continues to be subject to this Agreement for six years following termination of this Agreement. No obligation of confidentiality applies to:
1. Information the Contractor already possesses without an obligation of confidentiality.
 2. Information the Contractor develops independently from publicly available data.
 3. Information the Contractor receives without obligation of confidentiality from a third party.
 4. Information that is, or becomes, publicly available without breach of this Agreement.
- I. In the event either party receives a subpoena or other validly issued administrative or judicial process requesting confidential information of the other party, it shall, to the extent permitted by law, provide prompt notice to the other of such receipt prior to disclosure or action. The party receiving the request shall thereafter be entitled to comply with such subpoena or other process to the extent permitted or required by law.
- J. Non-Disclosure/Freedom of Information
1. While this Agreement is in effect and thereafter, the CSA will, to the extent allowable by law, protect and keep confidential the contents of the proprietary information, software and documentation which are marked confidential or proprietary to the Contractor. The CSA shall employ the same or similar precautions used for its own confidential information. The CSA will keep in confidence and protect Proprietary information from disclosure to third parties and restrict its use as provided in this Agreement. All materials containing proprietary information will be marked with "Proprietary," "Confidential," or in a manner, which gives notice of its proprietary or confidential nature. Proprietary information will not be copied, in whole or in part, except when essential for correcting, generating or modifying Proprietary information for the CSA's authorized use.
 2. Both the CSA and Contractor recognize that information provided by Contractor to the CSA may be subject to public disclosure. With respect to information which is identified as trade secret, proprietary or which might compromise the competitive position of a vendor which may be exempt from disclosure, the CSA shall make a good faith determination of applicability to the information provided by Contractor and if the CSA is compelled to provide such information, the CSA shall provide Contractor with notice of its intent to disclose such information. Unless
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circumstances beyond the control of the CSA require an earlier time of disclosure, the Department shall make reasonable efforts to provide Contractor with ten (10) working days' notice in accordance with the Notification provisions (Article XX) of this Agreement. Contractor, in its discretion, may avail itself to any and all remedies at law and equity to prevent such disclosure.

K. Rights to Information

1. Except as otherwise provided herein, the ideas, concepts, know-how or techniques developed during the course of this Agreement by Contractor personnel or jointly by Contractor and CSA can be used by either party in any way it may deem appropriate.
 2. Each invention, discovery, or improvement and specifically, new software programs and associated documentation as well as modification, improvements and enhancements to existing software which includes ideas, concepts, know-how or techniques developed in the course of this Agreement shall be treated in accordance with the following general principles:
 - a. If a modification, improvement or enhancement to software generally licensed by Contractor to end-users, then such modifications, improvements, and enhancements shall be the property of Contractor and Contractor hereby grants to the CSA a non-transferable (except to sibling state agencies to the CSA), non-exclusive, irrevocable and royalty-free license to use with a Contractor software processing unit.
 - b. If a modification, improvement, or enhancement to application software, which has not been licensed to the CSA by Contractor and is used by Contractor in its provision of services, then such modifications, improvements and enhancements shall be the property of the Contractor.
 - c. If a modification, improvement or enhancement to application software, which is owned by the CSA and has been licensed to the Contractor, then such modifications, improvements, and enhancements shall be jointly owned, without right of accounting.
 - d. If a modification, improvement or enhancement to application software developed exclusively by the Contractor for use by the CSA, then such modifications, improvements, and enhancements shall be jointly owned without right of accounting. In all other cases, such modification, improvements and enhancements shall remain the sole property of the Contractor.
 - e. If a new application software program for the CSA with development costs partially funded by the Contractor, then such application software program shall be jointly owned, without right of accounting.
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- f. If a derivative of existing applications software, that is the property of Contractor with development costs funded in whole or in part by the CSA, then such derivative application software shall be jointly owned, without right of accounting.
 - g. If a new application program for the CSA, which has been entirely funded by the CSA, then such new application software shall be the property of the CSA.
 - h. If a new application software program for the CSA with development costs partially funded by Contractor or derived from the existing application software, which is the property of the Contractor, then such applications software program shall be jointly owned, without right of accounting.
2. Notwithstanding the provisions set forth above, the parties agree that the United States Department of Health and Human Services and the United States Department of Agriculture shall be granted a royalty-free, non-exclusive and irrevocable license to produce, publish or otherwise use such documents and software and to authorize others to do so for government purposes to the extent that the services which resulted in the production of such documents and software are Federally funded. The grant excludes the proprietary products, documentation, materials and information (and derivative works thereto) of Contractor, Contractor's sub-contractors and third party product providers.
3. The CSA acknowledges that the provision of Contractor services under this Agreement does not create a license by the CSA to use any software generally licensed by the Contractor to end-users and if any such software is to be used in connection with the provision of Services hereunder, a separate license is necessary. Ownership of software modifications, improvements, and enhancements does not create any interest in or right to use underlying software, absent ownership of the underlying software or an express conveyance of rights or grant license from the party owning the underlying software.
4. The above provisions shall not preclude the Contractor from developing materials, including software, which are similar to that furnished the CSA in the course of providing services under this Agreement.
5. This article will survive termination or cancellation of this Agreement.

ARTICLE XV-- Reserved --

ARTICLE XVI - Termination of the Agreement

- A. All or any part of this Agreement may be terminated by mutual written agreement of the contracting parties.
 - B. Unless otherwise excused, all or any part of this Agreement may be terminated by the CSA in the event of failure of the Contractor to perform within the time requirements set forth in this Agreement.
 - C. All or any part of this Agreement may be terminated by the CSA for cause upon the failure of the contractor to comply with the terms and conditions of this Agreement, including the attachments hereto. In the event that the Contractor is in breach of its obligations under this Agreement other than case of willful violation, the CSA shall give the Contractor written notice specifying Contractor's failure. Termination shall be immediately effective upon receipt of such notice. The Contractor agrees to incur no new obligations nor to claim any expenses made after receipt of notification of termination. Termination for cause shall create a liability upon the Contractor for legal damages.
 - D. All or any part of this Agreement may be terminated if the CSA deems that termination would be in the best interest of the CSA provided that the CSA shall give written notice to the Contractor not less than 90 calendar days prior to the date upon which termination shall become effective, such notice to be made via registered or certified mail, return receipt requested or hand-delivered with receipt made. The date of such notice shall be deemed to be the date of postmark in the case of mail or the date of Contractor's receipt for notice in the case of hand delivery. In the case of termination under this section, the CSA agrees to pay the Contractor for contract work performed and reasonable and appropriate expenses incurred in good faith. The Contractor, on its part, agrees to incur no new obligations after receipt of notification of termination and to cancel as many outstanding obligations as possible.
 - E. This Agreement may be deemed terminated immediately at the option of the CSA upon the filing of a petition in bankruptcy or insolvency, by or against the Contractor. Such termination shall be immediate and complete, without termination costs or further obligations by the CSA to the Contractor.
 - F. Should the State determine that Federal or State funds are unavailable, the CSA may terminate all or any part of the Agreement immediately upon notice to the Contractor. Such notification will be in written format. The CSA will be obligated to pay the Contractor only for the expenditures made and obligations incurred by the Contractor until such time as the Contractor receives notice of termination in writing from the CSA.
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- G. In the event of termination for any reason, the Contractor shall not incur new obligations for the terminated portion and the Contractor shall cancel as many outstanding obligations as possible. Contractor shall take all reasonable measures to mitigate any damages for which the CSA may be liable.
 - H. If this Agreement is terminated for any reason, the CSA shall have the right to award a new contract to a third party. In the event of termination for cause, the CSA shall have the right to seek recovery of damages incurred by the CSA and the reasonable costs incurred in reassigning the contract, subject to the limitations set forth in Article XXIII of this agreement.
 - I. If all or any part of this Agreement is terminated as a result of the Contractor's failure to perform as provided for in this Agreement, the CSA shall have the right to possession and use of any purchased or leased equipment, software or rights and to the services of any personnel pursuant to the terms of this Agreement, provided that payments are made to Contractor, its successors or assigns, in the amounts and manner provided for by the terms of this Agreement or in a reasonably comparable amount or manner if the terms of this Agreement do not specify the amounts and manner in which payments shall be made in the circumstances existing at the time of termination. Contractor or its successors or assigns shall not repossess or authorize the repossession on any equipment, software or rights and shall not discontinue, or authorize the discontinuance of, any services of any personnel without having first obtained a court order to such effect after having given the CSA notice and an opportunity to appear and respond in an appropriate legal forum.
 - J. The remedy set forth in this Article shall be in addition to any other remedy available to the State under this contract or under any other provisions of law.
 - K. The CSA reserves the right to terminate this contract, as amended, in the event it is found that the certification filed by the Contractor was intentionally false or intentionally incomplete. Upon such finding, the CSA may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of the contract.
 - L. Should the CSA determine that the Contractor/Subcontractor has become non-responsible, or, in the event it is found that the Contractor/Subcontractor Background Questionnaire as submitted was intentionally false or incomplete, the CSA shall advise Contractor or Contractor and Subcontractor of such finding and Contractor/Subcontractor shall have 30 days to provide evidence that the Contractor/Subcontractor is responsible or correct/resolve such issues. If, after the 30 day time period, at the CSA's sole discretion, the CSA determines that the Contractor/Subcontractor is not responsible, the CSA may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of the Agreement. In the event of assignment where the proposed Contractor/Subcontractor does not meet CSA's responsibility review, CSA may, after meeting with the Contractor and proposed Contractor/Subcontractor as described above, exercise its termination rights as specified in the Agreement.
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ARTICLE XVII - Patent/Copyright Indemnification

- A. The Contractor, at its expense, will defend any claim or suit which may be brought against the CSA for the infringement of United States patents or copyrights arising from the Contractor's or CSA's use of any equipment, materials, or information prepared or developed by the Contractor in connection with performance of this Agreement and in any suit will satisfy any final judgment for such infringement. The CSA will give the Contractor written notice of such claim or suit and full right and opportunity to conduct the defense thereof, together with full information and all reasonable cooperation.
- B. If principles of governmental or public law are involved, the CSA may participate in the defense of any such action, but no costs or expenses shall be incurred for the account of Contractor without Contractor's written consent.
- C. If in the Contractor's opinion the equipment, materials, or information mentioned above are likely to be or become the subject of a claim of infringement of a Contractor's obligation to satisfy any final award, Contractor may, with the CSA's written consent, substitute other equally suitable equipment, materials, and information or at Contractor's option and expense, obtain the right for the CSA to continue the use of such equipment, materials, and information. In the event that an action at law or in equity is commenced against the CSA arising out of a claim that the CSA's use of the software, equipment, materials or information under this Agreement infringes on any patent, copyright, or proprietary right, and such action is forwarded by the CSA to the Contractor for defense and indemnification pursuant to this paragraph, the CSA shall copy all pleadings and documents forwarded to the Contractor together with the forwarding correspondence to the Office of the Attorney General of the State of New Hampshire together with a copy of this Agreement. If upon receipt of such request for defense, or at any time thereafter, the Contractor is of the opinion that the allegations in such action, in whole or in part, are not covered by the indemnification set forth herein, the Contractor shall immediately notify the CSA and the Office of the Attorney General of the State of New Hampshire in writing and shall specify to what extent the Contractor believes they are and are not obligated to defend and indemnify under the terms and conditions of this Agreement. The Contractor shall in such event protect the interests of the State of New Hampshire and secure a continuance to permit the State of New Hampshire to appear and defend its interests in cooperation with the Contractor as is appropriate including any jurisdictional defenses which the State shall have.

- D. The Contractor shall have no liability to the CSA, hereunder or otherwise, with respect to any claims of patent or copyright infringement which are based on the use of any unit of equipment or combination of equipment or programs not supplied by the Contractor, nor shall the Contractor have any liability with respect to any claims of patent or copyright infringement based on use of any unit of equipment in a manner other than in accordance with its specifications as provided by the Contractor and the license given to the CSA herein.

- E. Defense and indemnification obligations in this Article are in addition to and not in limitation of any other defense and indemnification obligations of the Contractor under this agreement.

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ARTICLE XVIII - Lobbying Certification

- A. Section 1352 of Title 31 of the U.S. Code requires that funds appropriated to a Federal agency be subject to a requirement that any Federal Contractor or grantee (such as the State) must be required to certify that no Federal funds will be used to lobby or influence a Federal officer or a Member of Congress. The certification the State has been required to sign for the Federal Department of Health and Human Services (HHS) provides that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-clients shall certify and disclose accordingly. The certification also requires the completion of Federal lobbying reports and the imposition of a civil penalty of \$10,000 to \$100,000 for failing to make a required report. As a sub-client, the Contractor understands and agrees to the Federal requirements for certification and disclosure.
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ARTICLE XIX - Notification

- A. Any notice or other communication required by or pertaining to this Agreement shall be sent to the destinations indicated by the CSA's designated Project Director or the Contractor's designated Project Director. If no destination has been so indicated, such notices or communications may be directed to the address(es) or destination(s) at which the parties to this Agreement were located when this Agreement was executed or to the last known address or destination for such party. Contractor shall be responsible for notifying the CSA of any change of address or destination to which notices and communications should be sent.
- B. Except as otherwise specified elsewhere in this Agreement, notices or communications may be given orally or in writing and shall be effective when received. To remain effective, oral notifications must be confirmed in writing, transmitted in a manner to be received no later than fourteen (14) calendar days after the oral notification. Notices or communications may be transmitted by personal delivery, ordinary U.S. Mail, registered or certified mail, overnight delivery service, telegram, telephone, facsimile device, electronic means or any other means of transmission that results in the fixation of the information transmitted in a tangible medium of expression.
- C. Except as otherwise specified elsewhere in this Agreement, notices or communications shall be considered received on the day such receipt is acknowledged by a signed receipt or by any other means of verification that is recorded in a tangible medium of expression. Notices or communications from the CSA to the Contractor shall also be considered received as follows:
1. Oral notifications shall be considered received on the date indicated as the date of conversation in any written confirmation or on the day sworn in an affidavit to be the date of such conversation, unless contested.
 2. Notices or communications by ordinary, registered or certified U.S. Mail shall also be considered received on the first business day after five (5) calendar days following the day the transmittal is postmarked or following the day sworn in an affidavit to be the date the transmittal was deposited in a post office or an official depository.
 3. Notices or communications dispatched by overnight delivery service shall be considered received one (1) calendar day after having been dispatched.
 4. Transmissions by facsimile device or electronic means shall be considered received, upon the receipt by the CSA of a confirmation from the equipment of the Contractor indicating that the transmission was received.
 5. Notices or communications transmitted by personal delivery shall be considered received on the day the transmission is delivered to an agent of the Contractor.
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6. Any other transmissions shall be considered received no later than five (5) calendar days after transmission by the CSA is completed.

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ARTICLE XX - Conflict of Interest

- A. If during the term of this Agreement and any extension thereof the Contractor becomes aware of an actual or potential relationship which may be considered a conflict of interest or has reason to believe such relationship exists, the Contractor shall notify the CSA in writing immediately. Should the Contractor engage any current or former CSA employee as its own employee or as an independent contractor because of such employee's knowledge of State finances, operations or knowledge of the State's programs, or any current or former State employee who in the course of his State employment had frequent contact with Management level Contractor employees, the Contractor shall notify the CSA, in writing, immediately. Should the CSA thereafter determine that such employment is inconsistent with State or Federal Law, the CSA shall so advise the Contractor, in writing, specifying its basis for so determining, and may require that the contractual or employment relationship be terminated.
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ARTICLE XXI - Other Agency Use

- A. Upon request by any other New Hampshire State Agency, the Contractor shall enter into an agreement with such agency for the purchase of the goods and services that are the subject of this Agreement, which is the subject of the EBT RFP. Such new agreement shall provide that the cost of such goods and services to the agency entering into such agreement shall be the same as charged to CSA under this Agreement except that the Contractor shall be permitted to negotiate an increase in price to the extent it can show an increase in the cost of providing goods and services which can be attributed to the fact that the agency requires the contractor to be obligated to standard contractual provisions that are more onerous than those contained in the New Hampshire Standard State Contract, Form P-37, as incorporated in this agreement.

 - B. Upon request by a local social services district or its designated purchasing agent, the Contractor shall enter into an agreement with such district or agent for the purchase of the goods and services that are the subject of this Agreement. Such new agreement shall provide that the cost of such goods and services to the district/agent entering into such agreement shall be the same as charged to CSA under this Agreement except that the Contractor shall be permitted to negotiate an increase in price to the extent it can show an increase in the cost of providing goods and services which can be attributed to the fact that the municipality constituting the social services district requires the contractor to be obligated to standard contractual provisions that are more onerous than those contained in the New Hampshire Standard State Contract, Form P-37, as incorporated in this Agreement.
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ARTICLE XXII - Limitation of Liability

- A. For damages arising as a result of acts or omissions of Contractor, its officers, employees, subcontractors, partners or agents, Contractor shall be jointly and severally responsible for the actions of its agents, employees, partners, or sub-contractors, including losses arising from, but not limited to: (i) providing defective or inadequate specifications; (ii) defective or inadequate performance; (iii) losses incurred in shipping and delivery of products to site; (iv) connection, installation or removal of tangibles or intangibles, including telecommunications; (v) defective or inadequate recommendations inducing detrimental reliance by Issuing Entity; (vi) defective or inadequate maintenance and warranty service; or (vii) removal of existing equipment or acquisition of components resulting from defective specifications. The Contractor remains liable, without monetary limitation, for direct damages for personal injury, death, or damage to real property or tangible personal property attributable to the negligence or other tort of the Contractor, its officers, employees or agents.

 - B. The warranties set forth herein are in addition to all other warranties, express or implied, including but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

 - C. Where express loss liabilities set forth herein provide for a higher loss limitation liability than as set forth in this article, or where such express provisions impose Contractor liability "without limitation", such express warranties, obligations and indemnifications shall supersede the loss limitation cap contained in this Article. For any suit, action, claim, damages or costs arising under or connected to the title, patent and copyright actions by third parties, Contractor shall be fully liable for damages without limitation.
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ARTICLE XXIII - Warranty for Deliverables/Workmanship

- A. Contractor guarantees that any required deliverables, tangible or intangible, regardless of form, shall be unconditionally guaranteed for the warranty period stated in the Contract award, or a minimum of ninety calendar days from the date of completion, whichever is longer. Contractor may offer a longer warranty by setting forth the terms and costs thereof in the project Bid. This warranty will be voided by the misuse, accident, operation in other than the Specified Operating Environment, unauthorized modification of the source code, improper maintenance or failure caused by a product for which Contractor is not responsible.
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ARTICLE XXIV - Federal Requirements

- A. The Contractor agrees to provide a written document stating compliance with Federal Executive Order 11246, the Copeland "Anti-Kickback Act" (18 USC 874), Section 508 of the Federal Clean Air Act, Section 306 of the Federal Clean Water Act. This document must also certify that neither the Contractor nor its principals are debarred or suspended from Federal financial assistance programs and activities and to complete and return in pursuit of such certification any appropriate form required by the CSA (see Federal Executive Order 12549 and 7 CFR Part 3017).
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ARTICLE XXV - Performance Standards

It is the expectation of the NCS that the integrity and responsiveness of the EBT system be of the highest quality and that the requirements throughout the EBT RFP are met. Performance standards and the methods and potential dollar amounts for the assessment of liquidated damages for failure to meet performance standards are outlined below.

A. Performance Standards

The Contractor must adhere to the performance standards as set forth below and in the requirements of this contract.

The Contractor will be responsible for “self reporting” on each performance standard.

Should Contractor performance fall below the predefined standard, the NCS will reserve the right to assess liquidated damages and require that the Contractor develop and fully implement a corrective action plan. The corrective action plan must be delivered within five business days of the determination that the performance standard is not being met. The corrective action plan must be implemented no later than five days from the date the plan is approved by the CSA. The corrective action plan must be subject to acceptance.

The Contractor must immediately provide verbal or electronic notification to the NCS and/or CSA of any incidents, issues or problems as outlined in Section 6.6.2 of the EBT RFP.

NCS PERFORMANCE STANDARDS

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RJ	VT	Liquidated Damages
Host and Transaction Processing, Communications Facilities, and Hot Backup							
1. EBT System Uptime 99.9% of 24 hrs a day, 7 days a week, 365 days a year, except for scheduled downtime, measured per month, for EBT Processor, transaction switch, and EBT-Only Acquiring Third Party Processors.	Monthly File and/or Report						The CSA may assess liquidated damages pursuant to the tables below: Time of Day 7AM-7PM 60 points 7PM-7AM 30 points Downtime Hours >0 up to 2 10 points >2 up to 4 50 points >4 up to 8 100 points >8 up to 24 200 points >24 up to 36 300 points >36 up to 48 400 points > 48 500 points State Caseload Points \$ Value per Penalty Point
Note: A description of the methodology for calculating liquidated damages for this performance standard is in Section 8.2.1 below.	System Availability Report 4.2.3.3 Performance Standard Reporting 8.3	10 points \$500	5 points \$500	75 points \$500	5 points \$500	5 points \$500	
Refer to Section 4.2.1.1	Daily detail on monthly report	50% \$2,500	50% \$2,500	50% \$2,500	50% \$2,500	50% \$2,500	Penalty Calculation by Component: Time of Day 20 percent Downtime Hours 60 percent State Caseload 20 percent Fine in \$ = Sum of Penalty Points * \$ Value Per Penalty Point
2a. 98% of EBT POS Transactions via Leased Lines must be processed within 10 seconds, and 100% of these EBT transactions must be processed within 15 seconds.	Performance Standard Reporting 8.3						Percentage cap of total bill for month in which failure occurs. Value per day for each whole % point below standards for leased line communications.
Refer to Section 4.2.1.1	Daily detail on monthly reports	50% \$2,500	50% \$2,500	50% \$2,500	50% \$2,500	50% \$2,500	
2b. 95% of EBT POS Transactions via Dial Up Systems must be processed within 15 seconds, and 100% of these EBT transactions must be processed within 20 seconds.	Performance Standard Reporting 8.3						Value per day for each whole % point below standards for dial up communications.
Refer to Section 4.2.1.1							

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RI	VT	Liquidated Damages
3. 98% of EBT Administrative Functionality Transactions must be processed within 2 seconds. These transactions include but are not limited to posting of benefit and account set up records.	Monthly Host Response Time Report 4.2.3.2 Performance Standard Reporting 8.3	\$5,000	25% of the rates for system uptime (max \$20,000 per month) 7am - 6pm Mon-Sat except holidays 44-100 minutes \$250 per minute over 100 minutes \$500 per minute 6pm - 10pm Sun-Sat except holidays and 7am - 6pm on Sun and all holidays over 43 minutes \$125 per minute 10pm - 7am Mon - Sat except holidays and 6pm - 7am on Sun and all holidays over 43 minutes \$25 per minute	\$50,000	\$5,000	\$5,000	Value per month for each whole % point below standard
Refer to Section 4.2.1.1 4a. No more than 2 Inaccurate EBT Only Transactions per every 10,000 Food Stamp and other financial transactions shall occur measured on a monthly basis. Refer to Section 4.2.1.3	Monthly Performance Standard Reporting 8.3	\$5,000	\$5,000	\$10000	\$5,000	\$5,000	Value per month for each .01% above the acceptable inaccurate transaction rate.
4b. No more than 2 Inaccurate TPP Transactions per every 10,000 Food Stamp and other financial transactions shall occur measured on a monthly basis. Refer to Section 4.2.1.3	Monthly Performance Standard Reporting 8.3	N/A	N/A	N/A	N/A	N/A	The Contractor must work with TPPs producing inaccurate transactions in excess of the standard. If the TPP is either unable or unwilling to make the necessary technical changes to reduce the rate of their adjustments the Contractor shall, at the CSA(s) request, decertify the TPP from participating in the EBT system.

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RI	VT	Liquidated Damages
Account Set Up and Maintenance							
5. Account Set Up and Benefit Files transmitted to Contractor out of nightly batch processes must be updated such that benefits are made available to cardholders/providers by a time determined by the individual CSA during detail design the following morning or within two hours of receipt, whichever is later. Contractor's host must be able to meet transaction response time standards while processing files. The benefit availability time will be set within the CSA's individual contract with the EBT Contractor. The minimum performance standard requires that 98% of benefits will be on time during a calendar month. Refer to Section 4.3.1.3.1. See also Section 4.3.1.6.	Per file, Daily, Monthly Batch Processing Acknowledgment Reports 4.3.2.4 Batch Exception Reports 4.3.2.5 Performance Standard Reporting 8.3	\$5,000 by 6:00 a.m. ET	\$2,500 by 6:00 a.m. ET	\$10,000 by 6:00 a.m. ET	\$5,000 by 5:00 a.m. ET	\$2,500 by 6:00 a.m. ET	Liquidated damages may be assessed at the discretion of the CSA for each failure to meet the account set-up and benefit authorization file processing standard established here.
6. 98% of Account Set Up and/or Benefit Records sent to the Contractor host as real time transactions via state interface must be updated such that benefits are made available to cardholders/providers within 30 minutes of receipt of each record. Such records may include, but are not limited to, account set-up and benefit authorizations. Refer to Section 4.3.1.3.2	Daily, Monthly Benefit Posting Detail 4.3.2.6 Performance Standard Reporting 8.3	\$5,000	\$2,500	\$10,000	\$5,000	\$2,500	Liquidated damages may be assessed at the discretion of the CSA for each failure to meet the account set-up and benefit authorization file processing standard established here.
7. Account Set Up and Benefit Files transmitted to Contractor out of same day batch processes must be updated such that benefits are made available to cardholders/providers within one hour of receipt. The minimum performance standard requires that 98% of benefits will be on time during a calendar month.	Per file, Daily, Monthly Batch Processing Acknowledgment Reports 4.3.2.4 Batch Exception Reports	\$5,000	\$2,500	\$10,000	N/A	\$2,500	Liquidated damages may be assessed at the discretion of the CSA for each failure to meet the account set-up and benefit authorization file processing standard established here.

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RI	VT	Liquidated Damages
Refer to Section 4.3.1.3.1, See also Section 4.3.1.6	4.3.2.5 Performance Standard Reporting 8.3						
Cards and PINs							
Core Optional: 8. All Cards Requested for Mailing will be mailed within 2 business days of receipt of request data. The date of receipt of the data will be considered day zero. The following business day will be considered day one. Business days exclude Saturdays, Sundays and a list of State holidays to be provided by each CSA. Refer to Section 4.4.2.1.3	Monthly File and/or Report Detailed Mailed Card Issuance Performance Report 4.4.4.8 Daily Card Production Detail Report 4.4.4.2 Performance Standard Reporting 8.3	As calculated up to total cap of \$10,000 per day for standards 8, 9, and 10 combined.	As calculated up to total cap of \$2,500 per day for standards 8, 9, and 10 combined.	As calculated up to total cap of \$20,000 per day for standards 8, 9, and 10 combined.	N/A	N/A	Damages may be applied for each card not mailed within the two business day timeframe as follows: Cards mailed on business day 3 – CSA will not be billed for the card nor the postage. Cards mailed on any day after day 3. CSAs will not be billed for the card nor the postage. In addition Contractor may be assessed damages as follows: For each card the damages will equal the price per card, times number of days delayed minus one. For instance, if the price per card is \$2 per card, and if 500 cards are delayed for 4 business days, then damages may be assessed as 500 times 3 times \$2 = \$3,000
Core Optional: 9. All OTC Cards requested will be issued within one hour of receipt of card request data. Refer to Section 4.4.2.1.4	Monthly OTC Issuance Performance Report 4.4.4.9 Daily Card Production Detail Report 4.4.4.2 Performance Standard Reporting 8.3	As calculated up to total cap of \$10,000 per day for standards 8, 9, and 10 combined.	As calculated up to total cap of \$2,500 per day for standards 8, 9, and 10 combined.	As calculated up to total cap of \$20,000 per day for standards 8, 9, and 10 combined.	N/A	N/A	For each card not issued within the one hour timeframe Liquidated damaged may be assessed at the following rate. For cards issued during hour number 2 damages may be assessed equivalent to the price per card. For cards issued during hour number 3 damages may be assessed equivalent to 1.5 times the price per card. For cards issued during hour number 4 damages may be assessed equivalent to 2 times the price per card. For cards issued during hour number 5 damages may be assessed equivalent to 2.5 times the price per card. For cards issued during hour number 6 damages may be assessed equivalent to 3 times the price per card. For cards issued during hour number 7 damages may be assessed equivalent to 3.5 times the price per card. For cards issued during hour number 8 damages may be assessed equivalent to 4 times the price per card.

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RI	VT	Liquidated Damages
<p>Core Optional:</p> <p>10. All Cards Requested for Bulk Shipment will be delivered within CSA-defined number of business days of receipt of request data. The date of receipt of the data will be considered day zero. The following business day will be considered day one. Business days exclude Saturdays, Sundays and a list of State holidays to be provided by each CSA.</p> <p>Refer to Section 4.4.2.1.3.3</p> <p>11. All PINs Requested for Mailing will be mailed within 1 business day of receipt of request data. The date of receipt of the data will be considered day zero. The following business day will be considered day one. Business days exclude Saturdays, Sundays and a list of State holidays to be provided by each CSA.</p> <p>Refer to Section 4.4.2.7.3</p> <p>12. The PIN Selection Transaction via PIN Selection Device will be available 7AM to 9PM Monday through Saturday for the life of the contract. The following standards apply to the availability of this process.</p> <p>Transaction completion time must be less than 45 seconds for 95% of PIN selection transactions.</p> <p>Refer to Section 4.4.2.7.2</p>	<p>Monthly File and/or Report.</p> <p>Detailed</p> <p>Bulk Card Delivery Report 4.4.4.12</p> <p>Performance Standard Reporting 8.3</p> <p>Monthly PIN Mailers Performance Report 4.4.4.10</p> <p>Monthly PIN selection via PIN Selection Device Report 4.4.4.11</p>	20 business days	5 business days	20 business days	5 business days	5 business days	<p>Damages of \$1,000 per business day may be applied for each bulk shipment of cards not delivered within the number of business days defined herein.</p> <p>Damages may be applied for each PIN mailer not mailed within the one business day timeframe as follows: PINs mailed on business day 2 -- CSA will not be billed for the card or the postage. PINs mailed on any day after day 2. CSAs will not be billed for the PIN mailer or the postage. In addition Contractor may be assessed damages as follows: For each PIN the damages will equal the price per PIN mailer, times number of days delayed minus one. For instance, if the price per PIN mailer is \$.50 per mailer, and if 500 mailers are delayed for 4 business days, then damages may be assessed as 500 times 3 times \$.50 = \$750</p> <p>For each month, transaction completion excluding recipient keying time and operator sign on time must be less than 45 seconds for 95% of PIN selection transactions. Failure to meet the 95% standard may be assessed at the rate defined herein for each percentage below the standard.</p>
<p>Refer to Section 4.4.2.7.2</p> <p>Direct Deposit</p> <p>13. The Contractor must provide accurate and timely support of funds transfers to Direct Deposit accounts: On the day preceding the benefit availability date, the EBT Contractor must process through ACH a credit to the recipient's</p>	<p>Monthly Performance Standard Reporting 8.3</p>	\$3,000	N/A	\$3,000	N/A	N/A	

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RJ	VT	Liquidated Damages
direct deposit institution and a corresponding debit to the CSA/local district funding account. Refer to Section 4.6.1							
Settlement and Reconciliation							
14. Settlement Food Stamps: EBT Contractor must provide credits to the financial institution holding the accounts for retailers or third party processors within two business days of the daily cutover period for retailer settlements in accordance with federal regulations and AMA and ASAP standards. Cash: EBT Contractor must provide credits to the financial institution holding the accounts for retailers or third party processors according to applicable network rules and Quest Operating Rules. Refer to Section 4.7.1.1	Daily Settlement Processing Report or Inquiry 4.7.2.1 Performance Standard Reporting 8.3	\$1,000 per occurrence up to max \$10,000 per month	\$500 per occurrence up to max \$5,000 per month	\$1,000 per occurrence up to max \$10,000 per month	\$1,000 per occurrence up to max \$10,000 per month	\$500 per occurrence up to max \$5,000 per month	Failure to meet a settlement processing window or passing of incorrect settlement data by the EBT Contractor may result in the assessment of liquidated damages of up to the value defined herein per settlement transmission file. Any such liquidated damages must be in addition to Contractor liability for the value of benefits incorrectly applied and any bank costs, charges, or damages that government or retailers may accrue from missed or incorrect settlement processing.
Disaster Preparation and Contingency Planning							
15. Continuation of Business Test: The Contractor must demonstrate the ability to cut over to back up processing within three months of database conversion start up and annually thereafter. Refer to Section 4.9.1.1.1	30 calendar days after test Continuation of Business Test Report 4.9.3.1 Performance Standard Reporting 8.3	\$25,000	\$5,000	\$50,000	\$25,000	\$2,500	Damages of up to the amount defined herein per month shall be assessed for each month until a satisfactory test is conducted for failure to conduct a contingency test or to respond to deficiencies identified in a contingency test.
Retailer Management, Customer Service and Training							
16. Number of Rings: Cardholder or retailer calls answered by live operator or automated system within 4 rings 98.5% of the time.	Monthly Cardholder Customer Service and ARU Call Report: Retailer	1%	1%	1%	1%	1%	Liquidated damages of up to 1% of the total EBT monthly billing for the CSA may be assessed by each CSA for each failure to meet a customer service performance standard for either cardholder or retailer calls in a given month. (Up to 8% total liability at 1% each for all 8 standards combined)

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RJ	VT	Liquidated Damages
Refer to Section 5.2 17. Hold Time: Cardholders or retailers put on hold no more than [30 seconds] before they are forwarded to an operator or automated system [98.5%] of the time.	Customer Service and ARU Call Report 5.2.10.1 and 5.2.10.2 Performance Standard Reporting 8.3 Monthly	1%	1%	1%	1%	1%	Same as above
	Cardholder Customer Service and ARU Call Report; Retailer Customer Service and ARU Call Report 5.2.10.1 and 5.2.10.2 Performance Standard Reporting 8.3 Monthly	1%	1%	1%	1%	1%	Same as above
Refer to Section 5.2 18. Lost Calls: Cardholder or retailer lost call rate must be less than 1%.	Cardholder Customer Service and ARU Call Report; Retailer Customer Service and ARU Call Report 5.2.10.1 and 5.2.10.2 Performance Standard Reporting 8.3 Monthly	1%	1%	1%	1%	1%	Same as above

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RJ	VT	Liquidated Damages
Refer to Section 5.2 19. Blocked /Busy Signal Calls: Cardholder or retailer Blocked /Busy signal call rate must be less than 2% of the total cumulative calls reported.	Monthly Cardholder Customer Service and ARU Call Report; Retailer Customer Service and ARU Call Report 5.2.10.1 and 5.2.10.2 Performance Standard Reporting 8.3	1%	1%	1%	1%	1%	Same as above
Refer to Section 5.2 20. Cash Access The Contractor must provide cash access, as required by the CSA and defined in Section 5.4 of the EBT RFP.	Quarterly Cash Access Location Report 5.4.2.1 Performance Standard Reporting 8.3	10%	10%	10%	10%	10%	In the event of the Contractor's failure to provide cash access, as required by the CSA, and defined in Section 5.4, the CSA may withhold up to the percentage of the monthly bill (as listed in this matrix) until such time as the standard is met.
Refer to Section 5.4 21. The Contractor must accomplish a timely and successful cutover that is seamless to retailers and cardholders. The Contractor must assume EBT processing in accordance with Article VI, K.	Daily, weekly during conversion	\$500	\$500	\$500	\$500	\$500	For those delays directly attributed to the fault of the new Contractor, a liquidated damage of the amount define herein per day will be imposed for each day of delay beyond the required timeframe in the State Work Plan and the agreed upon date for database conversion. Any actual damages in excess of the liquidated damages cited above incurred by the CSA as a result of the failure by the Offeror to convert the database on the scheduled conversion date, including, but not limited to, additional costs for the continuation of EBT services, will also be the responsibility of the new Contractor. If the Contractor fails to effect conversion in a full and timely manner, the CSA will have the option of terminating for cause or affecting such

Performance Standard	File/ Report/ Inquiry & Frequency	CT	NH	NY	RI	VT	Liquidated Damages
Refer to Section 6.5							other relief as may be appropriate under the contract.
Reporting							
22. 100% of Reports and Data files must be delivered or transmitted as specified within the EBT RFP, or as determined during system design/development activities.	Monthly Performance Standard Reporting 8.3						In the event of the Contractor's failure to provide reports and data files as specified in the EBT RFP and, if applicable, during detail design, a liquidated damage of up to 1% of the monthly bill may be invoked.
Refer to Section 9							

B. Penalty Calculation Description

The CSA has authority to assess full or partial liquidated damages at its discretion for non-compliance with performance standards.

In the event of Contractor deficiencies in meeting performance standards, the CSA may opt to withhold a percentage of the monthly billing until such time as the deficiency is cured. Such action shall not affect the CSA's right to assess liquidated damages per the terms of the contract.

Performance Standard # 1, EBT System Uptime

Liquidated damages for EBT System Uptime noncompliance, as described in performance standard #1 in the chart above, will be calculated according to the following methodology:

The CSA sets their own dollar value for penalty points in order to assess liquidated damages.

The CSA has a monthly cap on liquidated damages equal to a percentage of their total EBT bill for the month in which the compliance failure occurs. These percentages are indicated in the chart above.

Methodology:

Three categories of penalty points are used to determine liquidated damages.

1. Two time bands are identified in order to assign higher penalty points for failures that occur during the peak transaction hours and lower penalty points for the non-peak transaction hours of the day.
2. A number of separate time bands are identified in order to assign higher penalty points for progressively longer periods of noncompliance.
3. The CSA has been assigned 5 caseload points according to its caseload size in relation to the whole caseload of the NCS. The caseload point assignments will be reviewed annually and adjusted as necessary to accommodate fluctuations in caseloads among the NCS member states.

The penalty points accrued in each of these three categories is adjusted by a priority weight percentage. The penalty points for each category times the weight percentages for each category are added to result in a subtotal, which is then multiplied by the CSA's dollar value for penalty points. This total is the dollar value of liquidated damages, subject to the CSA's monthly cap and subject to pro-ration for partial outages.

C. Performance Standard Reporting

The Contractor must “self report” monthly for each Performance Standard detailed in the matrix above. CSAs will work with the Contractor during system design/development to determine performance report/file details.

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ARTICLE XXVI - Negotiated Changes to the RFP and Contractor's Proposal

Reserved

ARTICLE XXVII – Selected Optional Services

The following is a listing of EBT optional services initially selected for purchase under this contract. See Article XXIX for pricing for these services.

- A. EBT RFP Section 4.2.2.3 ATM Balance Inquiries.
- B. EBT RFP Section 4.2.2.4, ATM/POB Usage Transaction Fees Incurred by CSA. For cash cases, the CSA agrees to compensate the Contractor for up to four (4) ATM and/or POB non-surcharged withdrawals per case per month in the amount of \$0.40 per transaction fee (interchange and switch fees). Any ATM and/or POB withdrawals in excess of four per case per month will be payable by the cardholder in an amount equal to \$0.50 per withdrawal.
- C. EBT RFP Section 4.4.2.1 Purchase price of Omni 3200 PIN Selection device of \$360.00 per unit.
- D. EBT RFP 4.4.2.1.3.2 EBT Card Stock Production. New Hampshire will continue to purchase EBT Card Stock through its contract with J.P. Morgan EFS.
- E. EBT RFP Section 4.4.2.1.5 Purchase or Lease of Embossing Equipment. New Hampshire will exercise the option to purchase or lease embossing equipment during the contract period, including any extension, should the State owned equipment be rendered inoperable. Additionally, New Hampshire will require a maintenance contract for the State-owned embossing equipment to include the semi-annual cleaning and replacement of broken and worn parts.
- F. EBT RFP Section 4.4.2.1.6 Retention of Current Card Production Process. New Hampshire will continue to utilize the existing process for EBT card production.
- G. EBT RFP Section 4.4.2.4 Card Types: Client, Authorized Representative, Alternate Payee, Vault, and Unnumbered. New Hampshire will continue to require support for this process as described in EBT RFP Section 4.4.1.3 and Section 4.3.1.4. New Hampshire will also require the High Coercivity EBT card stock to be drop-ship to one location as directed by the CSA.
- H. EBT RFP Section 4.4.2.6 Card Sleeves. New Hampshire will continue to receive card sleeve stock at the time of EBT card purchases from JPMorgan EFS.
- I. EBT RFP Section 4.4.2.7.2 Local District, Group Home or Congregate Facility PIN Selection via Hardware Device. New Hampshire will continue to allow clients to make PIN selections at the local district office and through ARU as needed.
- J. EBT RFP Section 4.4.4.1 Card Issuance/Re-issuance Reports. New Hampshire will want to receive reporting on the issuance/re-issuance of EBT cards.
- K. EBT RFP 4.4.4.6 PIN Selection via PIN Selection Device Reports. New Hampshire will utilize this statistical reporting on a daily and monthly basis.
- L. EBT RFP 4.5.2.1 Access to Archive Information. The J.P. Morgan EFS has provided access to archive information in its response to core requirements and has indicated there is no charge for this access.

- M. EBT RFP 5.2.8.3 ARU PIN Selection/Change. New Hampshire will utilize the ARU PIN selection and change capability.
- N. EBT RFP 5.3.2.1.1 Cardholder Training Brochure. New Hampshire will utilize the Cardholder Training Brochure.
- O. EBT RFP 5.4.1.1 Option #1 – Cash Access Locations by Zip Code Method.

ARTICLE XXVIII – Pricing Charts

A. Core Services

1. Cash Benefits

NCS Caseload	Price per Case-Month: Cash
<100,000	\$.90
100,000–200,000	\$.80
200,001–300,000	\$.77
300,001–500,000	\$.74
500,001–800,000	\$.73
800,001–1,000,000	\$.72
1,000,001–1,200,000	\$.71
1,200,001–1,400,000	\$.70
1,400,001–1,750,000	\$.69
1,750,001–2,000,000	\$.68
>2,000,000	\$.67

2. Food Stamp Benefits

NCS Caseload	Price per Case-Month: Food
<100,000	\$1.32
100,000–200,000	\$1.30
200,001–300,000	\$1.28
300,001–400,000	\$1.21
400,001–500,000	\$1.15
500,001–600,000	\$1.11
600,001–700,000	\$1.09
700,001–800,000	\$1.07
800,001–900,000	\$1.05
900,001–1,500,000	\$1.02
>1,500,000	\$1.01

B. Optional Services and Products

Line Number	RFP Reference/ Description	Price
1	4.2.2.2 Card Authentication Value	No Charge - \$0
2	4.2.2.3 ATM Balance Inquiry	No Charge - \$0
3	4.2.2.4 ATM/POB Usage Transaction Fees incurred by CSA	\$.40 per ATM/ POB withdrawal up to CSA imposed limit per case-month
4	4.2.2.4 ATM/POB Usage Transaction Fees incurred by cardholder	\$.50 per ATM/ POB withdrawal in excess of CSA imposed limit per case-month
5	4.4.2.1.1 Conversion to New EBT Card Stock	\$.258 per card
6	4.4.2.1.5 Purchase of Embossing Equipment	\$8,400 per unit
7	4.4.2.1.5 Lease of Embossing Equipment	\$1,200 per unit per year
8	4.4.2.1.5 Purchase of Embossing Maintenance Contract	\$2,350 per unit per year
9	4.4.2.1.6 Retention of Current Card Production Process	No Charge
10	4.4.2.3 Card Design	\$8,000 One-Time Charge
11	4.4.2.7.2 Local District, Group Home, or Congregate Care PIN Selection via Hardware Device- CSA	\$10.00 per device per month
12	4.4.2.7.3 Mailed PIN	\$.12 per mailed PIN
13	4.5.2.1 Access to Archive Information	No Charge - \$0
14	4.6.1 Direct Deposit Services	\$.10 per ACH deposit
15	4.6.2 Direct Deposit Enrollment Management Services	\$.115 per month per each case enrolled in DD for which a deposit is made
16	4.6.4 Electronic Funds Transfer for Vendor Payments	\$.10 per item
17	4.9.2.1 Level II Disaster Services	\$40,000 One-time charge
18	4.9.2.1.1.1 Provision of Disaster Card and PIN Inventory and additional PIN Selection Devices	Price for card and PIN \$7,490 per 10,000 cards
19	4.9.2.1.1.3 Online Cardholder Account Setup and Benefit Issuance	No Charge - \$0
20	4.9.2.1.1.4 On-site Card Issuance	\$345 per each overnight delivery of 10,000 cards
21	4.9.2.1.1.5 PINs Embedded in Card Numbers	\$5,000 One-time charge
22	4.9.2.1.2 Retailer Support Services	No Charge -\$0
23	4.9.2.1.3.1 Batch File Processing	No Charge -\$0
24	4.9.2.1.3.2 Disaster User Profiles for FNS-Approved Disaster Issuances	No Charge -\$0
	4.9.2.1.4 Alternate Options	
25	Wireless network technology	\$43.90 per unit per month

Line Number	RFP Reference/ Description	Price
26	Option to support mass conversion of food stamp benefits to cash	No additional charge provided that these cases will be counted as a food stamp case and a cash case during the conversion month and therefore the CPCM will be charged to the state for both case types.
27	Option for mobile ATM services	\$1,500 per unit per month
28	Other alternate disaster service options	\$60,000 per annual NYS survey
29	5.1.2.1 Hand-held Wireless POS Device	\$43.90 per unit per month
30	5.1.2.1 Card Reading Wedge	\$7 per unit per month
31	5.1.2.2 Support for Certain Facilities—Setup Charge	\$15,000 one time cost inclusive of up to 40 centers per state
32	5.1.2.2 Support for Certain Facilities—Ongoing Charge	\$150 per month inclusive of up to 40 centers per state
33	5.2.8.1 Interpreter Options	\$48,000 one time cost per language plus \$2,300 monthly per language per state for live Customer Service
34	5.2.8.2 Cardholder and Retailer Customer Service Call Center Location Outside of United States	Decrement of \$.04 per case per month for each case regardless of volume
35	5.2.8.3 ARU PIN Selection/Change	\$.10 per completed PIN selection
36	5.2.8.4 ARU PIN Restriction	\$25,000 one time cost
37	5.2.8.5 Locator Service Provided 24 hours a day, 7 days a week	\$50,000 one time cost plus \$.03 per case per month for all cases (food stamps and cash)
38	5.2.8.6 1-800 Toll-Free Customer Service Calls. Price per call to Cardholder	\$.25 per call
39	5.3.2.1.1 Cardholder Training Brochure	\$2,000 one time cost plus \$155 per thousand
40	5.3.2.1.1 Cardholder Training Brochure	\$2,000 one time cost plus \$5,700 per hundred thousand
41	5.3.2.1.1 One-Time Translation Fee Per Language for Cardholder Training Brochure	\$2,900 one time cost per language per brochure
42	5.3.2.1.2 Cardholder Wallet Size Card	\$2,000 one time cost plus \$155 per thousand
43	5.3.2.1.2 Cardholder Wallet Size Card	\$2,000 one time cost plus \$5,700 per hundred thousand
44	5.3.2.1.2 One-Time Translation Fee Per Language for Cardholder Wallet Size Card	\$1,750 per language one time cost
45	5.3.2.1.3 Mass Mailing (excludes pass-through postage.	\$24.25 per 1,000 pieces with one page inserted
46	5.3.2.1.3 Mass Mailing (excludes pass-through postage.	\$11.50 per 1,000 pieces for each additional page inserted
47	5.3.2.1.3 One-Time Translation Fee Per Language for Mass Mailing	\$1,150 per language one time cost
48	5.3.2.2 Cardholder Video (English and Spanish)	\$20,000 one time cost
49	5.3.2.2 Cardholder Video—Additional Language	\$10,000 one time cost
50	5.3.2.2 Cardholder Video (for English, Spanish, or other languages)	\$8.00 per video

Line Number	RFP Reference/ Description	Price
51	5.3.2.3 State/Local District Training Materials	\$17,500 one time cost
52	5.3.2.3 State/Local District Training Materials	\$100 per copy
53	5.3.2.3 State/Local District Training Materials	\$8.00 per CD
54	5.4.1.1 Option #1—Cash Access Locations by Zip Code Method	No additional Charge - \$0
55	5.4.1.3.1 Option #3—Fee Free Requirement A	\$80,000 one time cost plus \$100,000 per month
56	5.4.1.3.1 Option #3—Fee Free Requirement B	\$70,000 per month
57	5.4.1.4 Option #4—Supplemental Fee Free ATMs or POBs	\$1,000 one time cost plus \$575 per unit per month
58	11.3.1 Public Payphone Charges	Lower of \$.32 per payphone call or FCC default rate
59	4.4.2.1 Purchase Price for Omni 3200 PIN select devices	\$360.00 per unit

C. Optional Services- Incrementally Priced per Case-Month

1. Contractor Managed Adjustment Process for FS Benefits, RFP Section 4.2.2.1

Participating Caseload	Incremental Price per Case-Month: Cash	Incremental Price per Case Month: Food
1 – 300,000	\$.03	\$.03
> 300,000	\$.01	\$.01

2. Bullet #1, Four-Call Limit for RFP Section 5.2.8.6

Participating Caseload	Decremental Price per Case-Month: Cash	Decremental Price per Case Month: Food
1 – 400,000	(\$.008)	(\$.008)
> 400,000	(\$.034)	(\$.034)

3. Bullet # 2, Two Cash Balance Call Limit for RFP Section 5.2.8.6

Participating Caseload	Decremental Price per Case-Month: Cash	Decremental Price per Case Month: Food
1 – 400,000	(\$.004)	n/a
>400,000	(\$.017)	n/a

4. Bullet # 3, Call Limit Alternative for RFP Section 5.2.8.6

Participating Caseload	Decremental Price per Case-Month: Cash	Decremental Price per Case Month: Food
1 – 400,000	(\$.004)	(\$.004)
>400,000	(\$.017)	(\$.017)

5. Option # 2 Cash Access Network for RFP Section 5.4.1.2

Participating Caseload	Incremental Price per Case-Month: Cash	Incremental Price per Case Month: Food
1 – 200,000	\$.71	\$ 0
>200,000	\$.57	\$ 0

6. Option # 2 Cash Access Network (Alternative Network Solution – All point Network) for RFP Section 5.4.1.2

Participating Caseload	Incremental Price per Case-Month: Cash	Incremental Price per Case Month: Food
1 – 200,000	\$.52	\$ 0
>200,000	\$.43	\$ 0

D. Change Request Rates [RFP# 11.6.9]

Personal Services		
Position Title	Daily Rate—Normal Status	Daily Rate—Travel Status
Technical Director	\$880	\$1,230
Technical Manager	\$800	\$1,150
Technical Project Leader	\$760	\$1,110
Database Analyst	\$600	\$950
Training Specialist	\$520	\$870
Sr. Systems Analyst	\$760	\$1,110
System Analyst/Programmer	\$600	\$950
Non-personal Services		
	Percentage	
Administrative/Markup Rate	8%	8%

E. Card Options

1. Card Production Schedule [RFP# 11.6.6.4]

Monthly NCS Card Volume Tier	Nonphoto 1 st Class	Nonphoto Overnight	Photo 1 st Class	Photo—Overnight	EBT Card Stock	Card Bulk Delivery (Finished Product)	Vault Cards	Replacement Card Issuance	Cards returned—Un-deliverable	Card Types	Disaster Cards and PIN Inventory
	4.4.2.1.3	4.4.2.1.3.1	4.4.2.1.3	4.4.2.1.3.1	4.4.2.1.3.2	4.4.2.1.3.3	4.4.2.4	4.4.2.1.7	4.4.2.2	4.4.2.4	4.9.2.1.1.1
1-1,000	\$.828	\$30.33	\$2.23	\$31.74	\$.220	\$57.50	\$.381	\$.822	\$.621	\$.220	\$.932
1,001-5,000	\$.702	\$30.21	\$2.07	\$31.58	\$.196	\$143.75	\$.357	\$.703	\$.621	\$.196	\$.789
5,001-10,000	\$.690	\$30.20	\$2.01	\$31.52	\$.196	\$258.75	\$.345	\$.688	\$.621	\$.196	\$.762
10,001-15,000	\$.679	\$30.19	\$1.97	\$31.48	\$.196	\$345	\$.345	\$.675	\$.621	\$.196	\$.749
15,001-20,000	\$.667	\$30.18	\$1.92	\$31.43	\$.196	\$373.75	\$.340	\$.671	\$.621	\$.196	\$.739
20,001-50,000	\$.667	\$30.18	\$1.89	\$31.40	\$.141	\$431.25	\$.279	\$.665	\$.621	\$.141	\$.677
50,001-100,000	\$.667	\$30.16	\$1.85	\$31.36	\$.126	\$517.50	\$.258	\$.657	\$.621	\$.126	\$.655
100,001-150,000	\$.656	\$30.16	\$1.82	\$31.33	\$.125	\$690	\$.251	\$.657	\$.621	\$.125	\$.648

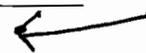
Contractor produces card and ships to state per day cost to state new agreement

Contractor card produces to clients



2. OTC Cards [RFP# 11.6.6.5]

Monthly NCS Card Volume Tier	State Location Contractor Equipment/Software State Staff	State Location Contractor Equipment/Software Contractor Staff	State Location State Equipment/Software State staff			
1-1,001	\$3.00	\$3.00	n/a	n/a	\$220	\$220
1,001-5,000	\$3.00	\$3.00	n/a	n/a	\$196	\$196
5,001-10,000	\$2.50	\$2.50	n/a	n/a	\$196	\$196
10,001-15,000	\$1.88	\$1.88	n/a	n/a	\$196	\$196
15,001-20,000	\$1.88	\$1.88	n/a	n/a	\$196	\$196
20,001-50,000	\$1.41	\$1.41	n/a	n/a	\$141	\$141
50,001-100,000	\$686	\$686	n/a	n/a	\$126	\$126
100,001-150,000	\$685	\$685	n/a	n/a	\$125	\$125
150,001+	\$495	\$495	n/a	n/a	\$125	\$125



3. Incremental Pricing for All Forms of Issued Cards (excluding Vault and Emergency) [RFP# 11.6.6.6]

Description	Pricing Format	Price Offer
Four-Color Printing	Incremental Cost per Card	\$0.046 incremental per card
Embossing	Incremental Cost per Card	No additional charge
Holographic Overlay	Incremental Cost per Card	\$1.38 incremental per card
Embedded Hologram	Incremental Cost per Card	\$0.0875 incremental per card



4. Card Sleeves—Low Grade [RFP# 11.6.6.2]

Description	Pricing Format	Price Offer
1–10,000	Price per Sleeve	\$.108
10,001–50,000	Price per Sleeve	\$.060
50,001–100,000	Price per Sleeve	\$.047
100,001–250,000	Price per Sleeve	\$.043
250,001–500,000	Price per Sleeve	\$.042
500,001–750,000	Price per Sleeve	\$.041
750,001–1,000,000	Price per Sleeve	\$.029

5. Card Sleeves—High Grade [RFP# 11.6.6.3]

Description	Pricing Format	Price Offer
1–10,000	Price per Sleeve	\$.136
10,001–50,000	Price per Sleeve	\$.085
50,001–100,000	Price per Sleeve	\$.071
100,001–250,000	Price per Sleeve	\$.068
250,001–500,000	Price per Sleeve	\$.067
500,001–750,000	Price per Sleeve	\$.067
750,001–1,000,000	Price per Sleeve	\$.050

E. Commercial Card Debit Pricing

Fee Description	Price	Comments
Card Fees:		
Initial Card Issuance	No Charge-\$0.00	Account set up, card issuance and account opening provided at no cost
Renewal Card Issuance	No Charge-\$0.00	Renewal card issued upon expiration date anniversary of original card issued at account opening
Replacement Card Issuance	\$0.00 for first per year \$5.00 for additional per year \$10.00 for expedited card replacement via overnight delivery	One free card replacement card per calendar year Fee for subsequent replacements per calendar year Fee for expedited delivery
Monthly Account Maintenance	No Charge-\$0.00	Includes one free ATM withdrawal, core services
Monthly Statement	No Charge-\$0.00	Included monthly as required by Regulation E

<p>ATM Transactions:</p>		
<p>Transaction Fee: (note: include under comments any transaction fee-free ATM withdrawals that may be included along with number and frequency)</p>	<p>No Charge for first ATM withdrawal each month</p> <p>\$1.50 for subsequent withdrawals</p>	<p>One free ATM withdrawal at any participating ATM each calendar month</p> <p>\$ 1.50 For each subsequent ATM withdrawals each calendar month</p>
<p>ATM Withdrawal Surcharge Exclusions: Identify any exclusions to ATM cash withdrawal surcharges. Explain whether CSA acceptance of any of the surcharge free cash access options described under RFP section 5.4.1 would provide surcharge-free ATM access to debit cardholders.</p>	<p>Surcharge free ATM withdrawals from over 30,000 Chase, Bank One and Allpoint ATMs are included at no extra cost</p>	<p>Selection of surcharge free ATM access under section 5.4.1 pertains only to EBT cards and services. The JPMorgan debit card provided allows for surcharge free access at Chase, Bank One and Allpoint ATMs as part of core services. This includes over 30,000 ATMs nationally</p>
<p>ATM Balance Inquiry Fee- identify the fee and any applicable limitations or exclusions</p>	<p>\$.40 per Balance Inquiry</p>	<p>No limitations. Free balance inquiry available via IVR help line and via secure website</p>
<p>ATM Declines</p>	<p>No Charge for incomplete transactions</p> <p>\$.50 fee per decline with PIN for Not Sufficient Funds</p>	<p>\$.50 per decline with PIN for NSF</p>

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Customer Service:		
Customer Service: Live Customer Service Representatives or IVR- Identify any call limitations and any fees incurred in excess of the limitation	6 free calls per month Potential for a \$.25 fee per call beyond the 6 free (if implemented)	Our experience indicates that a stated policy of 6 free calls per month provides adequate access to information. JPMorgan EFS will not initially implement the fee charging feature and would only implement with NCS CSA approval if average calls exceed an agreed upon threshold
Customer Service: Do the customer service reps work in the USA and, if not, submit a price to relocate the service to the USA	Increase ATM withdrawal fee and balance inquiry fee by \$.10 to \$1.60 for withdrawals and \$.50 for Balance Inquiries respectively	CSRs support debit card services from and international call center No other cost to relocate CSR support to a domestic call center
Miscellaneous:		
Cash Advance – Network Bank Teller: Identify network and any transaction limitations	\$2.50 per withdrawal by Bank Teller	Available at all Bank Teller windows supporting Mastercard/Visa cash advance services
Cash Advance – Non-Network Bank Teller: Identify any transaction limitations	N/A—not available outside Mastercard/Visa networks	Not available outside Mastercard/Visa networks
<i>4.1 ACH Transaction Fee</i>	N/A	This is apparently a fee for accepting ACH transactions into the debit card account. There is no fee for ACH deposits into the account.
Monthly Inactivity Fee	\$1.00 per month	JPMorgan EFS will work with the NCS CSAs to define a mutually acceptable

		inactivity period (12 months is recommended). Fee stops upon zero balance.
Overdraft Fee	No Charge	Overdraft managed by amount/duration of overdraft condition and may result in account suspension if not remedied within agreed upon time frame or if allowable overdraft amount is exceeded
Cash Back With Purchase Fee	No Charge	Available with PIN based network POS transactions only
Other Fees (Identify Type of Service)		
Services Provided at no Additional Cost to Cardholder or CSA	Allpoint, Chase and Bank One ATM access on a surcharge free basis	Web account access at no cost
Restricted Cash Access	N/A	Full requirement definition needed. Network based cards must provide unrestricted access, so a custom solution is needed and requirements must be defined more completely to provide pricing

**EXHIBIT B
PAYMENT PROVISIONS**

1. The State shall pay contractor in accordance with the schedules of Article XXVIII and the provisions laid fourth in Article VI – Payment Provisions.
2. The total price for all services provided under this Agreement shall not exceed \$3,844,085.
3. This contract is funded with funds from the New Hampshire General fund in the amount of \$2,236,844 and with federal funds made available under the following Catalog of Federal Domestic Assistance:
 - CFDA #93.558 Federal Agency department of Health and Human Services, Administration for Child and Families, Program Title IV-A (TANF) in the amount of \$344,442.
 - CFDA #10.561, Federal Agency Department of Agriculture, Food and Nutrition Services, Program Title Food Stamp State Administration in the amount of \$1,262,799.
4. The CSA shall not be responsible for expenses of the Contractor other than those defined in the Articles and Appendices of this Agreement.
5. Contractor will submit a monthly bill or invoice as noted in Article VI on or about the tenth of the following month to:

Name: V. Renee Drouin
Title: EBT Project Coordinator
Department: Department of Health & Human Services
Division of Family Assistance
Address: 129 Pleasant Street
Concord, New Hampshire 03301

6. State will remit all payments to:

Name: J.P. Morgan EFS, Inc.
Address: 300 S. Riverside Plaza, 16th Floor
City, State, and Zip: Chicago, IL 60606

EXHIBIT C
SPECIAL REQUIREMENTS

1 Standard State Agreement Paragraph 7.1, Personnel, is deleted, and in place thereof is inserted:

7.1. The performance of the Services shall be carried out by employees of the Contractor, or properly disclosed subcontractor of the contractor. 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.

2 Standard Exhibit 10, Audit Liabilities, is deleted, and in place thereof is inserted:

10. **Audit:** Contractor shall submit an annual audit in accordance with the American Institute of Certified Public Accounts Statement on Auditing Standards Number 70 (SAS 70) to the Department within 60 days after the close of the agency fiscal year.

3. The undersigned certifies, to the best of his or her knowledge and belief that;

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure form to report lobbying," in accordance with its instructions.

3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

4) The State of New Hampshire and J.P. Morgan EFS certify that no Food and Nutrition Services funds will be used for lobbying activities.

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NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

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

2. Compliance with Federal and State Laws: If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. Time and Manner of Determination: Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

4. Documentation: In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

5. Fair Hearings: The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

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

7. Retroactive Payments: Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

8. Conditions of Purchase: Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

9. Maintenance of Records: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

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

9.2 Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. Audit: Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. Confidentiality of Records: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

12. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

14. Credits: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Division of Family Assistance , with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

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

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

NH Department of Health and Human Services

STANDARD EXHIBIT D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

- (A) The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about—
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
 - (1) Abide by the terms of the statement; and

- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted—
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

J.P. Morgan EFS, Inc.
(Contractor Name)

From: 7/1/2006 To: 6/30/2013
(Period Covered by this Certification)

Rick McKinney, Sr. Vice President
(Name & Title of Authorized Contractor Representative)


(Contractor Representative Signature)

July 11, 2006
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

*Transitional Aid to Needy Families under Title IV-A

*Child Support Enforcement Program under Title IV-D

*Job Opportunities and Basic Skills Program under Title IV-F

*The Food Stamp Program under Title VII

*Social Services Block Grant Program, Title XX

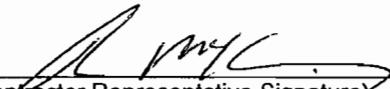
*Medicaid Program under Title XIX

Contract Period: July 1, 2006 through August 31, 2013

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

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

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


(Contractor Representative Signature)

Rick McKinney, Sr. Vice President
(Authorized Contractor Representative Name & Title)

J.P. Morgan EFS, Inc.
(Contractor Name)

July 11, 2006
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT F

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12529 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without

modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

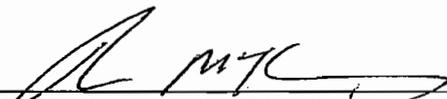
- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.


(Contractor Representative Signature)

Rick McKinney, Sr. Vice President
(Authorized Contractor Representative Name & Title)

J.P. Morgan EFS, Inc.
(Contractor Name)

July 11, 2006
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT G

CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.


(Contractor Representative Signature)

Rick McKinney, Sr. Vice President
(Authorized Contractor Representative Name & Title)

J.P. Morgan EFS, Inc.
(Contractor Name)

July 11, 2006
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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


(Contractor Representative Signature)

Rick McKinney, Sr. Vice President
(Authorized Contractor Representative Name & Title)

J.P. Morgan EFS, Inc.
(Contractor Name)

July 11, 2006
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions

- a. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- k. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

(2) Use and Disclosure of Protected Health Information

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:

- (i) for the proper management and administration of the Business Associate;
- (ii) as required by law, pursuant to the terms set forth in paragraph d. below; or
- (iii) for data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to immediately notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

(3) Obligations and Activities of Business Associate

a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.

b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.

c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under

Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA and the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3.d and standard contract provision #13, shall survive the termination of the Agreement.