

Appendix 1

IT CONTRACT TERMS AND CONDITIONS

If an award is made to an Offeror, the Offeror shall receive a Contract that obligates the Offeror to furnish the awarded services in accordance with these IT Contract Terms and Conditions:

1. TERM AND SCOPE OF CONTRACT

- (a) The term of the Contract shall commence on the Effective Date and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract. The Effective Date shall be: a) the date the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained or b) the date referenced in the Contract, whichever is later. The Contract shall not be a legally binding contract until after the fully-executed Contract has been sent to the Contractor.
- (b) The Commonwealth reserves the right to execute the Contract, Purchase Orders or any follow-up Contract documents in ink or electronically. The Contractor understands and agrees that the receipt of an electronically-printed Contract with the printed name of the Commonwealth purchasing agent constitutes a valid, binding contract with the Commonwealth. The printed name of the purchasing agent on the Contract represents the signature of that individual who is authorized to bind the Commonwealth to the obligations contained in the Contract. The printed name also indicates that all approvals required by Commonwealth contracting procedures have been obtained.
- (c) The Contractor shall not start performance until all of the following have occurred: (1) the Effective Date has arrived; (2) the Contractor has received a copy of the fully executed Contract; and (3) the Contractor has received a Purchase Order or other written notice to proceed signed by the Contracting Officer. The Commonwealth shall not be liable to pay the Contractor for any supply furnished or work performed or expenses incurred before the Effective Date or before the Contractor receives a copy of the fully executed Contract or before the Contractor has received a Purchase Order. No Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date.
- (d) The Contractor agrees to furnish the requested services to the Commonwealth as such services are defined in this Contract, the Request for Proposals (RFP) and the Contractor's Proposal.

2. PURCHASE ORDERS

- (a) The Commonwealth may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Contractors are not permitted to accept Purchase Orders which require performance in excess of those performance time periods specified in the Contract. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

- (b) Purchase Orders will not include an ink signature by the Commonwealth. The electronically-printed name of the purchaser represents the signature of the individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.
- (c) Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor.
- (d) Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order.
- (e) Purchase Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.
- (f) The Commonwealth and the Contractor specifically agree as follows:
 - (1) No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.
 - (2) Upon receipt of a Purchase Order, the Contractor shall promptly and properly transmit an acknowledgement in return. Any order which is issued electronically shall not give rise to any obligation to deliver on the part of the Contractor, or any obligation to receive and pay for delivered products on the part of the Commonwealth, unless and until the Commonwealth agency transmitting the order has properly received an acknowledgement.
 - (3) The parties agree that no writing shall be required in order to make the order legally binding. The parties hereby agree not to contest the validity or enforceability of the Contract or a genuine Purchase Order or acknowledgement that have been issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements shall be in writing and signed by the party bound thereby. The Contract and any genuine Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of the Contract or any genuine Purchase Order or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Contract or Purchase Order or acknowledgement were not in writing or signed by the parties. A Purchase Order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
 - (4) Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

- (g) Purchase Orders under five thousand dollars (\$5,000) in total amount may also be made in person or by telephone using a Commonwealth Procurement Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. The Contractor agrees to accept payment through the use of a Commonwealth Procurement card.

3. DEFINITIONS

- (a) Contracting Officer. The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.
- (b) Days. Unless specifically indicated otherwise, days mean calendar days.
- (c) Developed Works or Developed Materials. Except for Contractor's internal communications relating to Services of this Contract that are not delivered to the Commonwealth, all documents, sketches, drawings, designs, works, papers, files, reports, data, records, samples or any other literary works, works of authorship, or tangible material authored or prepared by Contractor in carrying out the obligations and services under this Contract, without limitation. The terms are used herein interchangeably. For avoidance of doubt, Developed Works and Developed Materials do not include the Genesys Cloud Services.
- (d) Documentation. A term used to refer to all materials required to support and convey information about the services required by this Contract. It includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.
- (e) Genesys Cloud Services. Contractor's cloud offerings made available to the Commonwealth pursuant to this Contract as well as the individual services and use of features and functionality of Contractor proprietary software, documentation and supporting facilities comprising those cloud services.
- (f) Proposal. Contractor's response to a Request for Proposals (RFP) issued by the Issuing Agency.
- (g) Services. All Contractor activity necessary to satisfy the Contract.

4. CONTRACT SCOPE

- (a) If the Contractor must perform work at a Commonwealth facility outside of the daily operational hours set forth by the Commonwealth, it must make arrangements with the Commonwealth to assure access to the facility and equipment. No additional payment will be made on the basis of lack of access, unless the Commonwealth fails to provide access as set out in the RFP.
- (b) Except as set out in this Contract, the Contractor shall not offer for sale or provide Commonwealth agencies with any hardware or software (i.e., personal computers, file servers, laptops, personal computer packaged software, etc.). Contractor may recommend the use of tools such as hardware and software, without requiring agencies to purchase those tools. Software tools that are NOT on statewide contract will be acquired

through separately procured purchase agreements, and the Contractor shall not be considered for award of such agreements if it has recommended their use.

- (c) Contractor shall comply with the IT standards and policies issued by the Governor's Office of Administration, Office for Information Technology (OA/OIT) (located at: <http://www.portal.state.pa.us/portal/server.pt?open=512&objID=416&PageID=210791&mode=2>), including the accessibility standards set out in IT Bulletin ACC001, IT Accessibility Policy. The Contractor shall ensure that Services procured under this Contract comply with the applicable standards. In the event such standards change during Contractor's performance, and the Commonwealth requests that Contractor comply with the changed standard, then any incremental costs incurred by Contractor to comply with such changes shall be paid for pursuant to a change order to the Contract.

5. IDENTIFICATION NUMBER

The Contractor must have a SAP vendor number.

6. ORDER OF PRECEDENCE

If any conflicts or discrepancies should arise in the terms and conditions of this Contract, or the interpretation thereof, the order of precedence shall be:

- (a) This Contract; then
- (b) The proposal, as accepted by the Commonwealth; and then
- (c) The RFP.

7. CONTRACT INTEGRATION

- (a) This Contract, including the Contract signature pages, together with the proposal and Best and Final Offer, if any, and the RFP and addenda thereto, if any, that are incorporated herein by reference, constitutes the final, complete, and exclusive Contract between the parties containing all the terms and conditions agreed to by the parties.
- (b) All representations, understandings, promises, and agreements pertaining to the subject matter of this Contract made prior to or at the time this Contract is executed are superseded by this Contract.
- (c) There are no conditions precedent to the performance of this Contract except as expressly set forth herein.
- (d) No contract terms or conditions are applicable to this Contract except as they are expressly set forth herein.

8. PERIOD OF PERFORMANCE

The Contractor, for the life of this Contract, shall complete all Services as specified under the terms of this Contract. In no event shall the Commonwealth be responsible or liable to pay for any services provided by the Contractor prior to the Effective Date, and the Contractor hereby waives any claim or cause of action for any such Services.

9. OPTION TO EXTEND

The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

10. SPECIAL REQUIREMENTS

The Commonwealth reserves the right to purchase Services within the scope of this Contract through other procurement methods whenever the Commonwealth deems it to be in its best interest.

11. SUBCONTRACTS

The Contractor may subcontract any portion of the Services described in this Contract to third parties selected by Contractor and approved in writing by the Commonwealth, whose approval shall not be unreasonably withheld. Notwithstanding the above, if Contractor has disclosed the identity of Subcontractor(s) together with the scope of work to be subcontracted in its Proposal, award of the Contract is deemed approval of all named Subcontractors and a separate approval is not required. The existence of any subcontract shall not change the obligations of Contractor to the Commonwealth under this Contract. Upon request of the Commonwealth, the Contractor must provide the Commonwealth with a copy of the subcontract agreement between the Contractor and the subcontractor. The Commonwealth reserves the right, for good cause, to require that the Contractor remove a subcontractor from the project. The Commonwealth will not be responsible for any costs incurred by the Contractor in replacing the subcontractor if good cause exists.

12. OTHER CONTRACTORS

The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and Commonwealth employees, and coordinate its Services with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees. This paragraph shall be included in the Contracts of all contractors with which this Contractor will be required to cooperate. The Commonwealth shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

13. PRIME CONTRACTOR RESPONSIBILITIES

The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

14. COMPENSATION

- (a) The Contractor shall be required to perform at the price(s) quoted in the Contract. All items shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for items supplied and performed to the satisfaction

of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.

- (b) Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall send an invoice itemized by Purchase Order line item to the address referenced on the Purchase Order promptly after items are satisfactorily delivered. The invoice should include only amounts due under the Contract/Purchase Order. The Purchase Order number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Contractor to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rates, and the purchase order or task order to which it refers.

15. PAYMENT

- (a) The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is:
 - (1) the date on which payment is due under the terms of the Contract; or
 - (2) forty-five (45) calendar days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed).

The payment date shall be the date specified on the invoice if later than the dates established by (1) and (2) above.

- (b) Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications.
- (c) Electronic Payments

- (1) The Commonwealth will make contract payments through the Automated Clearing House (ACH). Within 10 days of award of the Contract, the Contractor must submit or must have already submitted its ACH information within its user profile in the Commonwealth's procurement system (SRM).
- (2) The Contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the Contractor to properly apply the state agency's payment to the invoice submitted.
- (3) It is the responsibility of the Contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

16. ASSIGNABILITY

- (a) Subject to the terms and conditions of this Section, the Contract is binding upon the parties and their respective successors and assigns.
- (b) The Contractor may not assign, in whole or in part, the Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Commonwealth, which consent may be withheld at the sole and absolute discretion of the Commonwealth.
- (c) For the purposes of the Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, encumbrance, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- (d) Any assignment consented to by the Commonwealth shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- (e) Notwithstanding the foregoing, the Contractor may, without the consent of the Commonwealth, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Commonwealth together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of the Contract.
- (f) A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, is not considered to be an assignment. The Contractor shall give the Commonwealth written notice of any such change of name.

17. INSPECTION AND ACCEPTANCE

- (a) Acceptance of Developed Materials will occur in accordance with the Deliverable Approval Plan submitted by the Contractor and approved by the Commonwealth. Upon approval of the plan by the Commonwealth, the Deliverable Approval Plan becomes part of this Contract. For contracts where the development of software, the configuration of software, or the modification of software is the deliverable, the Deliverable Approval

Plan must include an Acceptance Test Plan. The Acceptance Test Plan will provide for a Final Acceptance Test, and may provide for Interim Milestone Acceptance Tests. Each Acceptance Test will be designed to demonstrate that the Developed Materials conform with the functional specification for the Developed Materials, if any, and/or the requirements of this Contract. Contractor shall notify the Commonwealth when the deliverable is completed and ready for acceptance testing. The Commonwealth will not unreasonably delay commencement of acceptance testing.

- (1) For Projects that require software integration at the end of the Project, as set out in the RFP, the Commonwealth's acceptance of a deliverable or milestone shall be final unless at the time of Final Acceptance, the Developed Materials do not meet the acceptance criteria set forth in the Contract.
 - (2) For Projects that do not require software integration at the end of the Project as set out in the RFP, the Commonwealth's acceptance of a deliverable or milestone shall be complete and final.
- (b) Contractor shall certify, in writing, to the Commonwealth when a particular Deliverable milestone, interim or final, is completed and ready for acceptance (hereinafter Acceptance). Unless otherwise agreed to by the Commonwealth, the Acceptance period shall be ten (10) business days for interim milestones and thirty (30) days for final milestones. On or before the 10th business day for interim milestones or 30th business day for the final milestone, following receipt by the Commonwealth of Contractor's certification of completion of a particular milestone, the Commonwealth shall, subject to Section 17(a) either: (1) provide the Contractor with Commonwealth's written acceptance of the Developed Materials in the completed milestone, or (2) identify to Contractor, in writing, the failure of the Developed Materials to comply with the specifications, listing all such errors and omissions with reasonable detail.
- (c) If the Commonwealth fails to notify the Contractor in writing of any failures in the Developed Materials within the applicable Acceptance period, the Developed Materials shall be deemed accepted.
- (d) If the Developed Materials do not meet an accessibility standard, the Contractor must provide written justification for its failure to meet the standard. The justification must provide specific details as to why the standard has not been met. The Commonwealth may either waive the requirement as not applicable to the Commonwealth's business requirements or require that the Contractor provide an acceptable alternative. Any Commonwealth waiver of the requirement must be in writing.
- (e) Upon the Contractor's receipt of the Commonwealth's written notice of rejection, which must identify the reasons for the failure of the Developed Materials in a completed milestone to comply with the specifications, the Contractor shall have fifteen (15) business days, or such other time as the Commonwealth and Contractor may agree is reasonable, within which to correct all such failures, and resubmit the corrected Developed Materials, certifying to the Commonwealth, in writing, that the failures have been corrected, and that the Developed Materials have been brought into compliance with the specifications. Upon receipt of such corrected and resubmitted Developed Materials and certification, the Commonwealth shall have thirty (30) business days to test the corrected Developed Materials to confirm that they are in compliance with the

specifications. If the corrected Developed Materials are in compliance with the specifications, then the Commonwealth shall provide the Contractor with its acceptance of the Developed Materials in the completed milestone.

- (f) If, in the opinion of the Commonwealth, the corrected Developed Materials still contain material failures, the Commonwealth may either:
 - (1) Repeat the procedure set forth above; or
 - (2) Proceed with its rights under Section 22 (TERMINATION).

18. DEFAULT

- (a) The Commonwealth may, subject to the provisions of Section 19 (NOTICE OF DELAYS) and Section 53 (FORCE MAJEURE), and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in Section 22 (TERMINATION)) the whole or any part of this Contract for any of the following reasons:
 - (1) Failure to begin Services within the time specified in the Contract or as otherwise specified;
 - (2) Failure to perform the Services with sufficient labor, equipment, or material to insure the completion of the specified Services in accordance with the Contract terms;
 - (3) Unsatisfactory performance of the Services;
 - (4) Failure to deliver the awarded item(s) within the time specified in the Contract or as otherwise specified;
 - (5) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract;
 - (6) Failure or refusal to remove material, or remove, replace, or perform any Services rejected as defective or noncompliant;
 - (7) Discontinuance of Services without approval;
 - (8) Failure to resume Services, which has been discontinued, within a reasonable time after notice to do so;
 - (9) Insolvency;
 - (10) Assignment made for the benefit of creditors;
 - (11) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due subcontractors for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;

- (12) Failure to protect, to repair, or to make good any damage or injury to property;
- (13) Material breach of any provision of this Contract;
- (14) Failure to comply with representations made in the Contractor's Proposal; or
- (15) Failure to comply with applicable industry standards, customs, and practice.

19. NOTICE OF DELAYS

Whenever the Contractor encounters any difficulty that delays or threatens to delay the timely performance of this Contract (including actual or potential labor disputes), the Contractor shall promptly give notice thereof in writing to the Commonwealth stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by the Commonwealth of any rights or remedies to which it is entitled by law or pursuant to provisions of this Contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay. If an extension of the delivery schedule is granted, it will be done consistent with Section 21 (CHANGES).

20. CONDUCT OF SERVICES

Following the Effective Date of the Contract, Contractor shall proceed diligently with all Services and shall perform such Services with qualified personnel, in accordance with the completion criteria set forth in the Contract.

In determining whether or not the Contractor has performed with due diligence hereunder, it is agreed and understood that the Commonwealth may measure the amount and quality of the Contractor's effort against the representations made in the Contractor Proposal. The Contractor's Services hereunder shall be monitored by the Commonwealth and the Commonwealth's designated representatives. If the Commonwealth reasonably determines that the Contractor has not performed with due diligence, the Commonwealth and the Contractor will attempt to reach agreement with respect to such matter. Failure of the Commonwealth or the Contractor to arrive at such mutual determinations shall be a dispute concerning a question of fact within the meaning of Section 24 (CONTRACT CONTROVERSIES) of this Contract.

21. CHANGES

- (a) At any time during the performance of the Contract, the Commonwealth or the Contractor may request a change to the Contract. Contractor will make reasonable efforts to investigate the impact of the change request on the price, timetable, specifications, and other terms and conditions of the Contract. If the Commonwealth is the requestor of the change, the Contractor will inform the Commonwealth if there will be any charges for the Contractor's services in investigating the change request prior to incurring such charges. If the Commonwealth and the Contractor agree on the results of the investigation and any necessary amendments to the Contract, the parties must complete and execute a change notice to modify the Contract and implement the change. The change request will be evidenced by a Purchase Order issued by the Commonwealth. No work may begin on the change request until the Contractor has received the Purchase Order. If the parties cannot

agree upon the results of the investigation or the necessary amendments to the Contract, the change request will not be implemented and, if the Contractor initiated the change request it may elect to handle the matter in accordance with Section 24 (CONTRACT CONTROVERSIES) of this Contract.

- (b) Changes outside the scope of this Contract shall be accomplished through the Commonwealth's normal procurement procedures, and may result in an amended Contract or a new contract. No payment will be made for services outside of the scope of the Contract for which no amendment has been executed, prior to the provision of the services.

22. TERMINATION

- (a) For Convenience

- (1) The Commonwealth may terminate this Contract without cause by giving Contractor thirty (30) calendar days prior written notice (Notice of Termination) whenever the Commonwealth shall determine that such termination is in the best interest of the Commonwealth (Termination for Convenience). Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance under this Contract is terminated either in whole or in part and the date on which such termination becomes effective.

In the event of termination hereunder, Contractor shall receive payment for the following:

- (i) all Services performed consistent with the terms of the Contract prior to the effective date of termination;
 - (ii) all actual and reasonable costs incurred by Contractor as a result of the termination of the Contract; and

In no event shall the Contractor be paid for any loss of anticipated profit (by the Contractor or any Subcontractor), loss of use of money, or administrative or overhead costs.

Failure to agree on any termination costs shall be a dispute handled in accordance with Section 24 (CONTRACT CONTROVERSIES) of this Contract.

- (2) The Contractor shall cease Services as of the date set forth in the Notice of Termination, and shall be paid only for such Services as have already been satisfactorily rendered up to and including the termination date set forth in said notice, or as may be otherwise provided for in said Notice of Termination, and for such services performed during the thirty (30) calendar day notice period, if such services are requested by the Commonwealth, for the collection, assembling, and transmitting to the Commonwealth of at least all materials, manuals, magnetic media, studies, drawings, computations, maps, supplies, and survey notes including field books, which were obtained, prepared, or developed as part of the Services required under this Contract.

- (3) The above shall not be deemed to limit the Commonwealth's right to terminate this Contract for any reason as permitted by the other provisions of this Contract, or under applicable law.

(b) Non-Appropriation

Any payment obligation or portion thereof of the Commonwealth created by this Contract is conditioned upon the availability and appropriation of funds. When funds (state or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract. The Contractor shall be reimbursed in the same manner as that described in this section related to Termination for Convenience to the extent that appropriated funds are available.

(c) Default

The Commonwealth may, in addition to its other rights under this Contract, terminate this Contract in whole or in part by providing written notice of default to the Contractor if the Contractor materially fails to perform its obligations under the Contract and does not cure such failure within thirty (30) days or, if a cure within such period is not practical, commence a good faith effort to cure such failure to perform within the specified period or such longer period as the Commonwealth may specify in the written notice specifying such failure, and diligently and continuously proceed to complete the cure. The Contracting Officer shall provide any notice of default or written cure notice for Contract terminations.

- (1) Subject to Section 30 (LIMITATION OF LIABILITY) of this Contract, in the event the Commonwealth terminates this Contract in whole or in part as provided in this Subsection 22(c), the Commonwealth may procure services similar to those so terminated, and the Contractor, in addition to liability for any liquidated damages, shall be liable to the Commonwealth for the difference between the Contract price for the terminated portion of the services and the actual and reasonable cost (but in no event greater than the fair market value) of producing substitute equivalent services for the terminated services, provided that the Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this section.
- (2) Except with respect to defaults of Subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the Contract arises out of causes beyond the control of the Contractor. Such causes may include, but are not limited to, acts of God or of the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, work stoppages, freight embargoes, acts of terrorism, and unusually severe weather. The Contractor shall notify the Contracting Officer promptly in writing of its inability to perform because of a cause beyond the control of the Contractor.
- (3) Nothing in this Subsection 22 (c) shall abridge the Commonwealth's right to suspend, debar, or take other administrative action against the Contractor.

- (4) If it is later determined that the Commonwealth erred in terminating the Contract for default, then the Contract shall be deemed to have been terminated for convenience under Subsection (a).
- (5) If this Contract is terminated as provided by this Subsection 22(c), the Commonwealth may, in addition to any other rights provided in this Subsection, and subject to Section 36 (OWNERSHIP RIGHTS) of this Contract, require the Contractor to deliver to the Commonwealth in the manner and to the extent directed by the Contracting Officer, such reports and other documentation as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract as has been terminated. Payment for such reports and documentation will be made consistent with the Contract.
- (d) The rights and remedies of the Commonwealth provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- (e) The Commonwealth's failure to exercise any rights or remedies provided in this Section shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- (f) Following exhaustion of the Contractor's administrative remedies as set forth in Section 24 (CONTRACT CONTROVERSIES), the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

23. BACKGROUND CHECKS

- (a) The Contractor must, at its expense, arrange for a background check for each of its employees, as well as the employees of any of its subcontractors, who will have access to Commonwealth IT facilities, either through on-site access or through remote access. Background checks are to be conducted via the Request for Criminal Record Check form and procedure found at <http://www.psp.pa.gov/Pages/Request-a-Criminal-History-Record.aspx>. The background check must be conducted prior to initial access and on an annual basis thereafter.
- (b) Before the Commonwealth will permit access to the Contractor, the Contractor must provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that an employee of the Contractor or an employee of a subcontractor of the Contractor has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerns about building, system or personal security or is otherwise job-related, the Contractor shall not assign that employee to any Commonwealth facilities, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the Commonwealth consents to the access, in writing, prior to the access. The Commonwealth may withhold its consent in its sole discretion. Failure of the Contractor to comply with the terms of this Section on more than one occasion or Contractor's failure to cure any single failure to the satisfaction of the Commonwealth may result in the Contractor being deemed in default of its Contract.

- (c) The Commonwealth specifically reserves the right of the Commonwealth to conduct or require background checks over and above that described herein.

24. CONTRACT CONTROVERSIES

- (a) In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum.
- (b) The contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.
- (c) Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

25. CONFIDENTIALITY

- (a) The Contractor agrees to protect the confidentiality of the Commonwealth's confidential information. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information. In order for information to be deemed confidential, the party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other party (notice may be communicated by describing the information, and the specifications around its use or disclosure, in the SOW). Neither party may assert that information owned by the other party is such party's confidential information. The parties agree that such confidential information shall not be copied, in whole or in part, or used or disclosed except when essential for authorized activities under this Contract and, in the case of disclosure, where the recipient of the confidential information has agreed to be bound by confidentiality requirements no less restrictive than those set forth herein. Each copy of such confidential information shall be marked by the party making the copy with any notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the receiving party will return to the disclosing party all copies of the confidential information in the receiving party's possession, other than one copy, which may be maintained for archival purposes only, and which will remain subject to this Contract's security, privacy, data retention/destruction and confidentiality provisions (all of which shall survive the expiration of this Contract). Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching party, result in termination for default

pursuant to Section 22.c (DEFAULT), in addition to other remedies available to the non-breaching party.

- (b) Insofar as information is not otherwise protected by law or regulation, the obligations stated in this Section do not apply to information:
 - (1) already known to the recipient at the time of disclosure other than through the contractual relationship;
 - (2) independently generated by the recipient and not derived from the information supplied by the disclosing party;
 - (3) known or available to the public, except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;
 - (4) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or
 - (5) required to be disclosed by the recipient by law, regulation, court order, or other legal process.

There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

- (c) The Contractor shall use the following process when submitting information to the Commonwealth it believes to be confidential and/or proprietary information or trade secrets:
 - (1) Prepare an un-redacted version of the appropriate document, and
 - (2) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret, and
 - (3) Prepare a signed written statement that states:
 - (i) the attached document contains confidential or proprietary information or trade secrets;
 - (ii) the Contractor is submitting the document in both redacted and un-redacted format in accordance with 65 P.S. § 67.707(b); and
 - (iii) the Contractor is requesting that the document be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests.
 - (4) Submit the two documents along with the signed written statement to the Commonwealth.

26. INSURANCE

- (a) The Contractor shall procure and maintain at its expense and require its subcontractors to procure and maintain, as appropriate, the following types of insurance, issued by companies acceptable to the Commonwealth and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:
 - (1) Worker's Compensation Insurance for all of the Contractor's employees and those of any subcontractor engaged in performing Services in accordance with the *Worker's Compensation Act* (77 P.S. § 101, *et seq.*).
 - (2) Public liability and property damage insurance to protect the Commonwealth, the Contractor, and any and all Subcontractors from claims for damages for personal injury (including bodily injury), sickness or disease, accidental death, and damage to property, including loss of use resulting from any property damage which may arise from its operations under this Contract, whether such operation be by the Contractor, by any Subcontractor, or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$500,000 per person and \$2,000,000 per occurrence, personal injury and property damage combined. Such policies shall be occurrence based rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured, as its interests may appear. The insurance shall not contain any endorsements or any other form designed to limit and restrict any action by the Commonwealth as an additional insured against the insurance coverages in regard to the Services performed for the Commonwealth.
- (b) Prior to commencing Services under the Contract, the Contractor shall provide the Commonwealth with a copy of each current certificate of insurance. These certificates shall contain a provision that coverages afforded under the policies will not be canceled or changed in such a way to cause the coverage to fail to comply with the requirements of this Paragraph until at least thirty (30) days prior written notice has been given to the Commonwealth.
- (c) The Contractor agrees to maintain such insurance for the life of the Contract.
- (d) Upon request to and approval by the Commonwealth, contractor's self-insurance of the types and amounts of insurance set for above shall satisfy the requirements of this Section 26 (INSURANCE), provided the Commonwealth may request from Contractor evidence each year during the term of the contract that Contractor has sufficient assets to cover such losses.

27. CONTRACTOR RESPONSIBILITY PROGRAM

- (a) The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.
- (b) The Contractor must also certify, in writing, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.

- (c) The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- (d) The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
- (e) The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth, which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- (f) The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the internet at <http://www.dgs.state.pa.us> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
FAX No. (717) 787-9138

28. OFFSET PROVISION FOR COMMONWEALTH CONTRACTS

The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

29. TAXES-FEDERAL, STATE, AND LOCAL

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax-free purchases under registration No. 23-23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas-guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania sales tax, local sales tax, public transportation assistance taxes, and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this Section is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental or lease of tangible

personal property or taxable services used or transferred in connection with the performance of a construction contract.

30. LIMITATION OF LIABILITY

- (a) The Contractor's liability to the Commonwealth under this Contract shall be limited to the greater of \$250,000 or the value of this Contract (including any amendments). This limitation will apply, except as otherwise stated in this Section, regardless of the form of action, whether in contract or in tort, including negligence. This limitation does not, however, apply to damages for:
 - (1) bodily injury;
 - (2) death;
 - (3) intentional injury;
 - (4) damage to real property or tangible personal property for which the Contractor is legally liable; or
 - (5) the Contractor's indemnity of the Commonwealth for patent, copyright, trade secret, or trademark protection.
- (b) In no event will the Contractor be liable for consequential or incidental damages unless otherwise specified in the RFP. Except as set out in Section 32 (VIRUS; MALICIOUS, MISCHIEVOUS OR DESTRUCTIVE PROGRAMMING), the Contractor will not be liable for damages due to lost records or data, unless otherwise specified in the RFP. Notwithstanding the foregoing, the Contractor shall provide reasonable assistance to the Commonwealth in restoring such lost records or data to their most recent backup copy.

31. COMMONWEALTH HELD HARMLESS

- (a) The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract, provided the Commonwealth gives Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. § 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.
- (b) Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Contractor to control the defense and any related settlement negotiations.

32. VIRUS, MALICIOUS, MISCHIEVOUS OR DESTRUCTIVE PROGRAMMING

- (a) Notwithstanding any other provision in this Contract to the contrary, if the Contractor or any of its employees, subcontractors or consultants introduces a virus or malicious, mischievous or destructive programming into the Commonwealth's software or computer networks and has failed to comply with the Commonwealth software security standards, and provided further that the Commonwealth can demonstrate that the virus or malicious, mischievous or destructive programming was introduced by the Contractor or any of its employees, subcontractors or consultants, the Contractor shall be liable for any damage to any data and/or software owned or licensed by the Commonwealth. The Contractor shall be liable for any damages incurred by the Commonwealth including, but not limited to, the expenditure of Commonwealth funds to eliminate or remove a computer virus or malicious, mischievous or destructive programming that result from the Contractor's failure to take proactive measures to keep virus or malicious, mischievous or destructive programming from originating from the Contractor, its servants, agents or employees through appropriate firewalls and maintenance of anti-virus software and software security updates (such as operating systems security patches, etc.). In the event of destruction or modification of software, the Contractor shall eliminate the virus, malicious, mischievous or destructive programming, restore the Commonwealth's software, and be liable to the Commonwealth for any resulting damages. The Contractor shall be responsible for reviewing Commonwealth software security standards in effect at the commencement of the Contract and complying with those standards. The Contractor's liability shall cease if the Commonwealth has not fully complied with its own software security standards.
- (b) The Contractor shall perform a security scan on any software or computer program developed by the Contractor or its subcontractors in a country other than the United States of America that may come in contact with the Commonwealth's software or computer networks. Contractor shall perform such security scan prior to introducing any such software or computer program into a Commonwealth development environment, test environment or production environment. The results of these security scans will be provided to the Commonwealth prior to installing into any Commonwealth development environment, test environment or production environment. The Commonwealth may perform, at its discretion, additional security scans on any software or computer program prior to installing in a Commonwealth environment as listed above.
- (c) The Commonwealth may, at any time, audit, by a means deemed appropriate by the Commonwealth, any computing devices being used by representatives of the Contractor to provide services to the Commonwealth that will be connected to a Commonwealth network for the sole purpose of determining whether those devices have anti-virus software with current virus signature files and the current minimum operating system patches or workarounds have been installed. Devices found to be out of compliance will immediately be disconnected and will not be permitted to connect or reconnect to the Commonwealth network until the proper installations have been made. The Commonwealth shall not install any software or monitoring tools on the Contractor's equipment without the Contractor's written consent to do so.
- (d) The Contractor may use the anti-virus software used by the Commonwealth to protect Contractor's computing devices used in the course of providing services to the Commonwealth. It is understood that the Contractor may not install the software on any computing device not being used to provide services to the Commonwealth, and that all copies of the software will be removed from all devices upon termination of this Contract.

- (e) Neither the Commonwealth nor the Issuing Agency will be responsible for any damages to the Contractor's computers, data, software, etc. caused as a result of the installation of the Commonwealth's anti-virus software or monitoring software on the Contractor's computers.

33. PATENT, COPYRIGHT, TRADEMARK, AND TRADE SECRET PROTECTION

- (a) The Contractor shall hold the Commonwealth harmless from any suit or proceeding which may be brought by a third party against the Commonwealth, its departments, officers or employees for the alleged infringement of any United States or foreign patents, copyrights, or trademarks, or for a misappropriation of trade secrets arising out of performance of this Contract, including all work, services, materials, reports, studies, and computer programs provided by the Contractor, and in any such suit or proceeding will satisfy any final award for such infringement, including costs. The Commonwealth agrees to give Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act 71 P.S. § 732-101, *et seq.*, the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under the terms it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits. No settlement which prevents the Commonwealth from continuing to use the Developed Materials as provided herein shall be made without the Commonwealth's prior written consent. In all events, the Commonwealth shall have the right to participate in the defense of any such suit or proceeding through counsel of its own choosing. It is expressly agreed by the Contractor that, in the event it requests that the Commonwealth to provide support to the Contractor in defending any such claim, the Contractor shall reimburse the Commonwealth for all expenses (including attorneys' fees, if such are made necessary by the Contractor's request) incurred by the Commonwealth for such support. If OAG does not delegate the defense of the matter, the Contractor's obligation to indemnify ceases. The Contractor will, at its expense, provide whatever cooperation OAG requests in the defense of the suit.
- (b) The Contractor agrees to exercise reasonable due diligence to prevent claims of infringement on the rights of third parties. The Contractor certifies that, in all respects applicable to this Contract, it has exercised and will continue to exercise due diligence to ensure that all works produced under this Contract do not infringe on the patents, copyrights, trademarks, trade secrets or other proprietary interests of any kind which may be held by third parties. The Contractor also agrees to certify that work produced for the Commonwealth under this contract shall be free and clear from all claims of any nature as of the date such work is provided to the Commonwealth.
- (c) If the defense of the suit is delegated to the Contractor, the Contractor shall pay all damages and costs awarded therein against the Commonwealth. If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization.
- (d) If, in the Contractor's opinion, the products, materials, reports, studies, or computer programs furnished hereunder are likely to or do become subject to a claim of

infringement of a United States patent, copyright, or trademark, or for a misappropriation of trade secret, then without diminishing the Contractor's obligation to satisfy any final award, the Contractor may, at its option and expense, substitute functional equivalents for the alleged infringing products, materials, reports, studies, or computer programs or, at the Contractor's option and expense, obtain the rights for the Commonwealth to continue the use of such products, materials, reports, studies, or computer programs.

- (e) If any of the products, materials, reports, studies, or computer programs provided by the Contractor are in such suit or proceeding held to constitute infringement and the use or publication thereof is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to publish or continue use of such infringing products, materials, reports, studies, or computer programs, replace them with non-infringing items, or modify them so that they are no longer infringing.
- (f) If the Contractor is unable to do any of the preceding, the Contractor agrees to pay the Commonwealth:
 - (1) any amounts paid by the Commonwealth less a reasonable amount based on the acceptance and use of the deliverable;
 - (2) any license fee less an amount for the period of usage of any software; and
 - (3) the prorated portion of any service fees representing the time remaining in any period of service for which payment was made.
- (g) The obligations of the Contractor under this Section continue without time limit and survive the termination of this contract.
- (h) Notwithstanding the above, the Contractor shall have no obligation for:
 - (1) modification of any product, service, or deliverable provided by the Commonwealth;
 - (2) any material provided by the Commonwealth to the Contractor and incorporated into, or used to prepare, a product, service, or deliverable;
 - (3) use of the product, service, or deliverable in other than its specified operating environment;
 - (4) the combination, operation, or use of the product, service, or deliverable with other products, services, or deliverables not provided by the Contractor as a system or the combination, operation, or use of the product, service, or deliverable, with any products, data, or apparatus that the Contractor did not provide;
 - (5) infringement of a non-Contractor product alone;
 - (6) the Commonwealth's distribution, marketing or use beyond the scope contemplated by the Contract; or

- (7) the Commonwealth's failure to use corrections or enhancements made available to the Commonwealth by the Contractor at no charge.
- (i) The obligation to indemnify the Commonwealth, under the terms of this Section, shall be the Contractor's sole and exclusive obligation for the infringement or misappropriation of intellectual property.

34. SENSITIVE INFORMATION

- (a) The Contractor shall not publish or otherwise disclose, except to the Commonwealth or the Contractor's subcontractors and except matters of public record (which is to be determined entirely in the discretion of the Commonwealth), any information or data obtained hereunder from private individuals, organizations, or public agencies.
- (b) The parties shall not use or disclose any information about a recipient receiving services from, or otherwise enrolled in, a Commonwealth program affected by or benefiting from services under this Contract for any purpose not connected with the parties' Contract responsibilities except with consent pursuant to applicable state and federal law and regulations. All documents associated with direct disclosures of this kind must be announced to and open for inspection by the Commonwealth.
- (c) Contractor will comply with all federal or state laws related to the use and disclosure of information, including information that constitutes Protected Health Information (PHI) as defined by the Health Insurance Portability and Accountability Act (HIPAA). Further, by signing this Contract, the Contractor agrees to the terms of the Business Associate Agreement, which is incorporated into this Contract as Exhibit A. It is understood that Exhibit A is only applicable if indicated in the procurement documents.
- (d) Rights and obligations of the parties under this Section 34 survive the termination of this Contract

35. CONTRACT CONSTRUCTION

The provisions of this Contract shall be construed in accordance with the provisions of all applicable laws and regulations of the Commonwealth of Pennsylvania. However, by executing this Contract, the Contractor agrees that it has and will continue to abide by the intellectual property laws of the United States of America.

36. OWNERSHIP RIGHTS

- (a) Ownership of Properties
 - (1) All "Developed Works" shall be owned according to the provisions set forth in this Section 36.
 - (2) All software owned by the Commonwealth or its licensors ("Commonwealth Software") as of the Effective Date, shall be and shall remain the exclusive property of the Commonwealth or its licensors, and Contractor shall acquire no rights or interests in the Commonwealth Software or Tools or that of its licensors by virtue of this Contract except as described in this Section or in another

provision set forth in this Contract. The Contractor shall not use any Commonwealth Software, Commonwealth Tools or software or tools of its licensors for any purpose other than for completion of work to be performed under this Contract. In the use of Commonwealth Software, Commonwealth Tools or software or tools of its licensors, Contractor will be bound by the confidentiality provisions of this Contract.

(b) Definitions

- (1) Software—For the purposes of this Contract, the term “software” means a collection of one or more programs, databases or microprograms fixed in any tangible medium of expression that comprises a sequence of instructions (source code) to carry out a process in, or convertible into, a form executable by an electronic computer (object code).
- (2) Data—For the purposes of this Contract, the term “data” means any recorded information, regardless of form, the media on which it may be recorded, or the method of recording.
- (3) Technical Data—For purposes of this Contract, the term “technical data” means any specific information necessary for the development, production or use of the Commonwealth Software.

(c) Right to Use

Contractor shall make the Genesys Cloud Services available to the Commonwealth in accordance with the terms of this Contract.

(d) Commonwealth Property—Non-Exclusive, License Grant and Restrictions

During the term of this Contract, Commonwealth grants to Contractor for the limited purpose of providing the Services covered under this Contract, a limited, nonexclusive, nontransferable, royalty-free right (subject to the terms of any third party agreement to which the Commonwealth is a party) to do the following:

- (1) Obtain access to and use of the Commonwealth Software in accordance with the terms of this Contract.
- (2) Reproduce the Commonwealth Software for archival purposes or for other purposes expressly provided for under this Contract.
- (3) Modify the Commonwealth Software consistent with the terms and conditions of this Contract provided that Contractor agrees to assign to the Commonwealth, its rights, if any, in any derivative works resulting from Contractor’s modification of the Commonwealth Software. Contractor agrees to execute any documents required to evidence this assignment and to waive any moral rights and rights of attribution provided for in Section 106A of Title 17 of the United States Code, the Copyright Act of 1976.
- (4) Allow the Contractor’s subcontractors approved by the Commonwealth to obtain access to the Commonwealth Software for the purposes of complying with the

terms and conditions of this Contract; provided, however, that neither Contractor nor any of its subcontractors may decompile or reverse engineer, or attempt to decompile or reverse engineer, any of the Commonwealth Software. Commonwealth hereby represents that it has the authority to provide the license grant and rights set forth in this Section.

- (5) To the extent that Contractor uses Commonwealth Software, Commonwealth Tools or software or tools of its licensor, Contractor agrees to protect the confidentiality of these works and maintain these proprietary works with the strictest confidence.

(e) Impact of Third Party Agreements

Subject to the terms of any third party agreement to which the Commonwealth is a party, (i) the Commonwealth shall, at no cost to Contractor, provide Contractor with access to the Commonwealth Software in the form in use by Commonwealth as of the Effective Date of this Contract and, (ii) Contractor, as part of the Services to be rendered under this Contract, shall compile and, as changes are made, update a list of all of the Commonwealth Software then in use by Contractor or any of its subcontractors in connection with Contractor's performance of the Services required by this Contract.

(f) Reservation of Rights

All rights, not expressly granted here to Contractor on a nonexclusive basis, including the right to grant non-exclusive licenses and other rights are reserved by the Commonwealth.

(g) Termination of Commonwealth License Grant

Upon the expiration or termination for any reason of Contractor's obligation to provide the Services under this Contract, all rights granted to Contractor in this Section 36 (OWNERSHIP RIGHTS) shall immediately cease. Contractor shall, at no cost to Commonwealth, deliver to Commonwealth all of the Commonwealth Software and Tools (including any related source code then in Contractor's possession or under its control) in the form in use as of the Effective Date of such expiration or termination. Within fifteen (15) calendar days after termination, Contractor shall provide the Commonwealth with a current copy of the list of Commonwealth Software in use as of the date of such expiration or termination. Concurrently therewith, Contractor shall destroy or erase all other copies of any of the Commonwealth Software then in Contractor's possession or under its control unless otherwise instructed by Commonwealth, in writing; provided, however, that Contractor may retain one archival copy of such Commonwealth Software and Tools, until final resolution of any actively asserted pending disputes between the Parties, such retention being for the sole purpose of resolving such disputes.

(h) Effect of License Grant Termination

Consistent with the provisions of this Section, Contractor shall refrain from manufacturing, copying, marketing, distributing, or use of any Commonwealth Software or any other work which incorporates the Commonwealth Software. The obligations of this Section 36 (OWNERSHIP RIGHTS) shall survive any termination of this Contract.

(i) Use of Contractor-Owned Software

All software owned by Contractor (Contractor Software) and tools owned by Contractor (Contractor Tools, as defined in paragraph (j) below) prior to the Effective Date of this Contract shall be and shall remain the exclusive property of Contractor. The Commonwealth shall acquire no rights or interests in the Contractor Software or the Contractor Tools by virtue of this Contract except as set forth in this Section.

(j) Definition of Contractor Tools

Contractor Tools is defined as any tools, both in object code and source code form, which Contractor has previously developed, or which Contractor independently develops or licenses from a third party, excluding any tools that Contractor creates pursuant to this Contract. Contractor Tools includes but is not limited to, methodologies, information, concepts, toolbars for maneuvering between pages, search engines, JAVA applets, and ActiveX controls.

(k) Required Reports, Records and Inventory of Contractor Tools and Contractor Software

- (1) Contractor must provide a list of all Contractor Tools and Contractor Software to be delivered in connection with the deliverables or Developed Materials prior to commencing any work under the Contract. Contractor must also provide a list of all other Contractor Tools and Contractor Software intended to be used by Contractor to provide the services under this Contract but will not become part of or necessary for the use of the Developed Materials. All Contractor Tools and Contractor Software necessary to use deliverables or Developed Materials shall be delivered to the Commonwealth along with the license set forth in this Section 36. Contractor may amend these lists from time to time while the Contract is being carried out or upon its completion. In the event that the Contractor fails to list a Contractor Tool, but can demonstrate that such tool was independently developed by Contractor prior to the Contract on which it was used, Contractor shall nevertheless retain complete ownership of such Contractor Tool that is necessary to use the deliverables or Developed Materials, provided that notice is given to the Commonwealth prior to its use on the Contract. Any Contractor Tools or Contractor Software not included on the lists will be deemed to have been created under this Contract.
- (2) As part of its response to a RFP, the Contractor will provide a list of all software and tools that are commercially available and which are required to support the deliverables or Developed Materials.
- (3) During the term of this Contract, Contractor shall maintain at its principal office books of account and records showing its actions under this Contract. Upon reasonable notice by Commonwealth, Contractor shall allow Commonwealth to inspect these records and accounts for purposes of verifying the accuracy of such accounts and records.
- (4) In the event that Contractor fails to list a Contractor Tool or Contractor Software, but is able to demonstrate that such tool or software was independently developed by Contractor prior to the Effective Date of this Contract, Contractor

shall retain complete ownership of such Contractor Tool or Contractor Software that is necessary to use the deliverables or Developed Works, provided that notice is given to the Commonwealth prior to use on the Contract.

(I) Rules of Usage for Developed Works

- (1) If Developed Works modify, improve, or enhance application software programs or other materials generally licensed by the Contractor (including Genesys Cloud Services), then such Developed Works shall be the property of the Contractor, and Contractor hereby grants Commonwealth an irrevocable, nonexclusive, worldwide, fully paid-up license (to include relevant documentation) in perpetuity to use, modify, execute, reproduce, display, perform, prepare derivative works from and distribute, within the Commonwealth, of such Developed Works, provided that Contractor shall have no liability for any modifications or derivative works made by the Commonwealth without the prior written consent of Contractor. For purposes of distribution under the license grant created by this section, Commonwealth includes any government agency, department, instrumentality, division, unit or other office that is part of the Commonwealth of Pennsylvania, together with the State System of Higher Education (including any of its universities), any county, borough, commonwealth, city, municipality, town, township special purpose district, or other similar type of governmental instrumentality located within the geographical boundaries of the Commonwealth of Pennsylvania. If federal funds are used in creation of the Developed Works, the Commonwealth also includes any other state government as well as the federal government.
- (2) If Developed Works modify, improve, or enhance application software or other materials licensed to the Commonwealth by a party other than the Contractor, then such modifications, improvements and enhancements shall be the property of the Commonwealth or its licensor. To the extent Commonwealth owns the software or other materials, it hereby grants to Contractor an irrevocable, nonexclusive, worldwide, fully paid-up license to use, modify, execute, reproduce, display, perform, prepare derivative works from, and distribute copies of such Developed Works. To the extent Commonwealth has a license to the software or other materials, and to the extent that it, in its sole discretion determines it is able to do so the Commonwealth will grant to Contractor an irrevocable, nonexclusive, worldwide, fully paid-up license to use, modify, execute, reproduce, display, perform and distribute copies of such Developed Works.
- (3) If Developed Works have been developed specifically for the Commonwealth and the Developed Works do not include pre-existing materials generally licensed by the Contractor, then the Commonwealth shall have all right, title, and interest (including ownership of copyright and trademark) to such Developed Works and the Commonwealth hereby grants to Contractor an irrevocable, nonexclusive, worldwide, fully paid-up license to use, modify, execute, reproduce, display, perform, prepare derivative works from, and distribute copies of such Developed Works.

- (4) When the Developed Work is a report provided by a research company that was provided under this Contract, but which was not developed specifically for the Commonwealth under this Contract, the ownership of the Developed Work will remain with the Contractor, provided, however, that the Commonwealth has the right to copy and distribute the Developed Work within the Commonwealth.

(m) Federal Government Interests

It is understood that certain funding under this Contract may be provided by the federal government. Accordingly, the rights to Developed Works or Patentable Items of Contractors or subcontractors hereunder will be further subject to government rights as set forth in 37 C.F.R. Section 401, and other applicable statutes.

(n) Usage Rights for Know-How and Technical Information

Either Party, in the ordinary course of conducting business, may use any ideas, concepts, know-how, methodologies, processes, components, technologies, algorithms, designs, modules or techniques not otherwise covered by this Section relating to the Services which Contractor or Commonwealth (alone or jointly with the Commonwealth) develops or learns in connection with Contractor's provision of Services to Commonwealth under this Contract.

(o) Commonwealth Intellectual Property Protection

Contractor acknowledges Commonwealth's exclusive right, title and interest, including without limitation copyright and trademark rights, in and to Commonwealth Software, Commonwealth Tools and the Developed Works (excluding Developed Works to which Contractor retains ownership rights) developed under the provisions of this Section, shall not in any way, at any time, directly or indirectly, do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of said right, title, and interest, and shall not use or disclose the Commonwealth Software, Commonwealth Tools, or the Developed Works (excluding Developed Works to which Contractor retains ownership rights) without Commonwealth's written consent, which consent may be withheld by the Commonwealth for any reason. Further, Contractor shall not in any manner represent that Contractor has any ownership interest in the Commonwealth Software, Commonwealth Tools, or the Developed Works (excluding Developed Works to which Contractor retains ownership rights). This provision is a material part of this Section.

(p) Contractor Intellectual Property Protection

Commonwealth acknowledges that it has no ownership rights in the Contractor Software, Contractor Tools or the Genesys Cloud Services other than those set forth in this Contract, or as may be otherwise granted in writing.

(q) Contractor's Copyright Notice Obligations

Contractor will affix the following Copyright Notice to Developed Works and all accompanying documentation developed under this Section and owned exclusively by the Commonwealth: "Copyright © [year] by the Commonwealth of Pennsylvania. All Rights Reserved." This notice shall appear on all tangible versions of the Developed

Works delivered under this Contract and any associated documentation. It shall also be programmed into any and all Developed Works delivered hereunder so that it appears at the beginning of all visual displays of such Developed Works.

37. PUBLICATION RIGHTS AND/OR COPYRIGHTS

- (a) Except as otherwise provided in Section 36 (OWNERSHIP RIGHTS), the Contractor shall not publish any of the results of the work without the written permission of the Commonwealth. The publication shall include the following statement: "The opinions, findings, and conclusions expressed in this publication are those of the author and not necessarily those of the Commonwealth of Pennsylvania." The Contractor shall not include in the documentation any copyrighted matter, unless the Contractor provides the Commonwealth with written permission of the copyright owner.
- (b) Except as otherwise provided in Section 36 (OWNERSHIP RIGHTS) and the confidentiality provisions of Section 25 (CONFIDENTIALITY), the Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report or data designed or developed and delivered to the Commonwealth as part of the performance of the Contract.
- (c) Rights and obligations of the parties under this Section 37 survive the termination of this Contract.

38. CHANGE OF OWNERSHIP OR INSOLVENCY

In the event that the Contractor should change ownership for any reason whatsoever, the Commonwealth shall have the exclusive option of continuing under the terms and conditions of this Contract with the Contractor or its successors or assigns for the full remaining term of this Contract, or continuing under the terms and conditions of this Contract with the Contractor or its successors or assigns for such period of time as is necessary to replace the products, materials, reports, studies, or computer programs, or immediately terminating this Contract. Nothing in this section limits the Commonwealth's exercise of any rights that the Commonwealth may have under Section 22 (TERMINATION).

39. OFFICIALS NOT TO BENEFIT

No official or employee of the Commonwealth and no member of its General Assembly who exercises any functions or responsibilities under this Contract shall participate in any decision relating to this Contract which affects their personal interest or the interest of any corporation, partnership, or association in which they are, directly or indirectly, interested; nor shall any such official or employee of the Commonwealth or member of its General Assembly have any interest, direct or indirect, in this Contract or the proceeds thereof.

40. INDEPENDENT CAPACITY OF CONTRACTOR

- (a) The parties to this Contract agree that the services performed by the Contractor under the terms of this Contract are performed as an independent Contractor. The Services performed by the Contractor are performed neither as an employee of the Commonwealth of Pennsylvania nor as a partnership or joint venture between the Commonwealth and the Contractor.

- (b) Except as otherwise provided by the terms of this Contract, the Commonwealth shall have no control over the manner in which the contractual Services are performed by the Contractor, or any subcontractor. Any job specifications or standards of work attached to or incorporated into this Contract or any subcontracting restrictions contained in this Contract shall not be construed as the Commonwealth's direction or control over the manner of the performance of services provided by the Contractor.

41. COMPLIANCE WITH LAWS

The Contractor shall comply with all federal, state, and local laws applicable to its Services, including, but not limited to, all statutes, regulations and rules that are in effect as of the Effective Date of the Contract and shall procure at its expense all licenses and all permits necessary for the fulfillment of its obligation.

42. *THE AMERICANS WITH DISABILITIES ACT*

During the term of this Contract, the Contractor agrees as follows:

- (a) Pursuant to federal regulations promulgated under the authority of *The Americans With Disabilities Act*, 28 C.F.R. § 35.101, *et seq.*, the Contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this Contract or from activities provided for under this Contract. As a condition of accepting and executing this Contract, the Contractor agrees to comply with the *General Prohibitions Against Discrimination*, 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of *The Americans With Disabilities Act* which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through Contracts with outside Contractors.
- (b) The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from losses, damages, expenses claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subsection (a) above.

43. EXAMINATION OF RECORDS

- (a) The Contractor agrees to maintain, using its standard procedures, and in accordance with Generally Accepted Accounting Principles, books, records, documents, and other evidence pertaining to the charges under this Contract to the extent and in such detail as will properly reflect all charges for which reimbursement is claimed under the provisions of this Contract.
- (b) The Contractor agrees to make available at the office of the Contractor at all reasonable times, and upon reasonable written notice, during the term of this Contract and the period set forth in Section 43(c) below, any of the records for inspection, audit, or reproduction by any authorized Commonwealth representative. To the extent allowed by law, the Commonwealth agrees to maintain any documents so provided in accordance with the confidentiality provisions in Section 25 (CONFIDENTIALITY).
- (c) The Contractor shall preserve and make available its records for a period of three (3) years from the date of final payment under this Contract:

- (1) If this Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three (3) years from the date of any resulting final settlement.
- (2) Non-privileged records which relate to litigation or the settlement of claims arising out of the performance of this Contract, or charges under this Contract as to which exception has been taken by the auditors, shall be retained by the Contractor until such litigation, claims, or exceptions have been finally resolved.
- (d) Except for documentary evidence retained pursuant to Section 43(c)(2) above, the Contractor may in fulfillment of its obligation to retain its records as required by this Section substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of two (2) years following the last day of the month of reimbursement to the Contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth with the concurrence of its auditors.
- (e) The provisions of this Section shall be applicable to and included in each subcontract hereunder. The term "subcontract" as used in this contract only, excludes purchase orders not exceeding \$1,000 and subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

44. SINGLE AUDIT ACT OF 1984

In compliance with the *Single Audit Act of 1984*, the Contractor agrees to the following:

- (a) This Contract is subject to audit by federal and state agencies or their authorized representative in accordance with the auditing standards promulgated by the Comptroller General of the United States and specified in *Government Auditing Standards*, 1994 Revisions (Yellow Book).
- (b) The audit requirement of this Contract will be satisfied if a single audit is performed under the provisions of the *Single Audit Act of 1984*, 31 U.S.C. § 7501, *et seq.*, and all rules and regulations promulgated pursuant to the Act.
- (c) The Commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial/compliance, economy/efficiency, or program results nature, if deemed necessary.
- (d) The Contractor further agrees to comply with requirements that may be issued by the state agency upon receipt of additional guidance received from the federal government regarding the *Single Audit Act of 1984*.

45. ENVIRONMENTAL PROTECTION

In carrying out this Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including the *Clean Streams Law*, Act of June 22, 1937, as amended; the *Pennsylvania Solid Waste Management Act*, Act of July 7, 1980

(P.L. 380, No. 97), as amended; and the *Dam Safety and Encroachment Act*, Act of November 26, 1978 (P.L. 1375, No. 325), as amended.

46. NONDISCRIMINATION CLAUSE/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

- (a) In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- (b) Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
- (c) The Contractor and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
- (d) The Contractor and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relates.
- (e) The Contractor and each subcontractor shall, within the time periods requested by the Commonwealth, furnish all necessary employment documents and records and permit access to their books, records, and accounts by the contracting agency and the Bureau of Minority and Women Business Opportunities (BMWBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. Within fifteen (15) days after award of any contract, the Contractor shall be required to complete, sign and submit Form STD-21, the "Initial Contract Compliance Data" form. If the contract is a construction contract, then the Contractor shall be required to complete, sign and submit Form STD-28, the "Monthly Contract Compliance Report for Construction Contractors", each month no later than the 15th of the month following the reporting period beginning with the initial job conference and continuing through the completion of the project. Those contractors who have fewer than five employees or whose employees are all from the same family or who have completed the Form STD-21 within the past 12 months may, within the 15 days, request an exemption from the Form STD-21 submission requirement from the contracting agency.
- (f) The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
- (g) The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and

conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

47. CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. DEFINITIONS. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- (a) “Affiliate” means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
- (b) “Consent” means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
- (c) “Contractor” means the individual or entity, that has entered into this contract with the Commonwealth.
- (d) “Contractor Related Parties” means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
- (e) “Financial Interest” means either:
 - (1) Ownership of more than a five percent interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- (f) “Gratuity” means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor’s Code of Conduct*, *Executive Order 1980-18*, the *4 Pa. Code §7.153(b)*, shall apply.
- (g) “Non-bid Basis” means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

2. In furtherance of this policy, Contractor agrees to the following:

- (a) Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements

applicable to Contractor or that govern contracting or procurement with the Commonwealth.

- (b) Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- (c) Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- (d) Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
- (e) Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:
 - (1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - (2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
 - (3) had any business license or professional license suspended or revoked;
 - (4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
 - (5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor

acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

- (f) Contractor shall comply with the requirements of the *Lobbying Disclosure Act* (65 Pa.C.S. §13A01 et seq.) regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code* (25 P.S. §3260a).
- (g) When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- (h) Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- (i) Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.
- (j) For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim

damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

48. ASSIGNMENT OF RIGHTS UNDER THE ANTITRUST LAWS

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by Contractor's suppliers resulting from violations of state and federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of this Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all rights, title, and interest in and to any claims Contractor now has or may hereafter acquire under state and federal antitrust laws relating to the goods and services which are subject to this Contract.

49. WARRANTIES

The Contractor warrants that the Services and Developed Works will conform in all material respects to the functional specifications for the Developed Works and/or the requirements of the Contract. The warranty period for the Services and Developed Works shall be ninety (90) days from final acceptance. The Contractor shall correct any non-conformity within the warranty period specified herein.

- (a) In the event of any nonconformity with the foregoing warranties, the Commonwealth will provide written notification of such nonconformity to the Contractor and the Contractor, at no cost to the Commonwealth, shall within ten (10) days' notice of the nonconformity, commence work to remedy the nonconformity and shall work diligently, at no charge to the Commonwealth, until such time as the deliverable conforms, in all material respects, to the functional specifications of the Developed Works set forth in this Contract. The Contractor shall have no obligation with respect to nonconformities arising out of: (a) modifications to Developed Materials made by the Commonwealth, (b) use of the Developed Materials not in accordance with the documentation or specifications applicable thereto, (c) failure by the Commonwealth to implement any corrections or enhancements made available by the Contractor, (d) combination of the Developed Materials with any items not supplied or approved by the Contractor, or (e) the failure of any software licensed under a separate license agreement to conform to its specifications or documentation.
- (b) Contractor warrants that it has the necessary legal rights, including licenses to third party products, tools or materials, to perform the Services and deliver the Developed Materials under this Contract.
- (c) THE FOREGOING EXPRESS WARRANTIES ARE THE CONTRACTOR'S SOLE AND EXCLUSIVE WARRANTIES AND NO OTHER WARRANTIES, EXPRESS OR IMPLIED, SHALL APPLY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

- (d) All warranties shall survive final acceptance.
- (e) In the event of an action or complaint by Commonwealth against Contractor pertaining to these warranties, Contractor may raise any defenses that it may have.

50. LIQUIDATED DAMAGES

- (a) By accepting this Contract, the Contractor agrees to the delivery and acceptance requirements of this Contract. If a Contract schedule is not met, the delay will interfere with the Commonwealth's program. In the event of any such delay, it would be impractical and extremely difficult to establish the actual damage for which the Contractor is the material cause. The Commonwealth and the Contractor therefore agree that, in the event of any such delay the amount of damage shall be the amount set forth in this Section 50 and agree that the Contractor shall pay such amount as liquidated damages, not as a penalty. Such liquidated damages are in lieu of all other damages arising from such delay.
- (b) The Commonwealth and Contractor agree that deliverables identified as "Major Deliverables" in a statement of work ("SOW") issued by the Commonwealth to implement the Genesys Cloud Services shall be those for which liquidated damages shall be applicable in the event of delay of their completion beyond the delivery date specified in the SOW.
- (c) The amount of liquidated damages for any such Major Deliverable not completed by the deliverable schedule set out in the SOW shall be three-tenths of a percent (.3%) of the price of the specifically identified Major Deliverable for each calendar day following the scheduled completion date of such Major Deliverable. Liquidated damages shall be assessed each calendar day until the date on which the Contractor completes such Major Deliverable, up to a maximum of thirty (30) calendar days. Contractor may recoup the total amount of liquidated damages assessed against previous Major Deliverables if the Contractor accelerates progress towards future Major Deliverables and meets the final project completion date set out in the SOW.
- (d) If, at the end of the thirty (30) day period specified in Section 50(c) above, the Contractor has not met the schedule for completion of the Major Deliverable, then the Commonwealth, at no additional expense and at its option, may either:
 - (1) immediately terminate the Contract and all software, documentation, reports, Developed Materials and any other materials provided for or created for the Commonwealth as a result of this Contract shall be given to the Commonwealth, and the Commonwealth shall be entitled to its remedies under Section 22(c); or
 - (2) order the Contractor to continue with no decrease in effort until the work is completed in accordance with the Contract and accepted by the Commonwealth or until the Commonwealth terminates the Contract. If the Contract is continued, any liquidated damages will also continue until the work is completed.
- (e) At the end of the Contract term, or at such other time(s) as identified in the Contract, liquidated damages shall be paid by the Contractor and collected by the Commonwealth by deducting them from the invoices submitted under this Contract or any other contract

Contractor has with the Commonwealth, by collecting them through the performance security, if any, or by billing the Contractor as a separate item.

- (f) To the extent that the delay is caused by the Commonwealth, no liquidated damages will be applied.
- (g) If the delays are caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without their fault or negligence, the Contractor shall not be liable for liquidated damages for delays, unless the supplies or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

51. FORCE MAJEURE

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contractor to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract.

52. NOTICE

Any written notice to any party under this Agreement shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.), with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to the address such party may designate by notice given pursuant to this section.

53. RIGHT-TO-KNOW LAW

- (a) The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Contract. For the purpose of this provision #53, the term "the Commonwealth" shall refer to the contracting Commonwealth organization.

- (b) If the Commonwealth needs the Contractor's assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- (c) Upon written notification from the Commonwealth that it requires the Contractor's assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the Contractor shall:
 - (1) Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 - (2) Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.
- (d) If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.
- (e) The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- (f) If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.
- (g) The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- (h) The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the

Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

- (i) The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

54. GOVERNING LAW

This Contract shall be interpreted in accordance with and governed by the laws of the Commonwealth of Pennsylvania, without giving effect to its conflicts of law provisions. Except as set forth in Section 24 (CONTRACT CONTROVERSIES), Commonwealth and Contractor agree that the courts of the Commonwealth of Pennsylvania and the federal courts of the Middle District of Pennsylvania shall have exclusive jurisdiction over disputes under this Contract and the resolution thereof. Any legal action relating to this Contract must be brought in Dauphin County, Pennsylvania, and the parties agree that jurisdiction and venue in such courts is appropriate.

55. SERVICE LEVELS

- (a) The Contractor shall comply with the requirements of the Service Level Agreements, attached hereto and made a material part of this Contract as Exhibit B.
- (b) Where there are expressly defined Service Levels, Contractor shall measure and report its performance against these standards on at least a monthly basis, except as many otherwise be agreed between the Parties in respect of Services performed less frequently than monthly. All Services without expressly defined Service Levels must be performed at least to the same degree of accuracy, completeness, efficiency, quality and timeliness as is provided by well-managed suppliers providing services similar to the Services, so long as such performance is commercially and operationally reasonable.

56. CONTROLLING TERMS AND CONDITIONS

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the Commonwealth. Other terms and conditions included in click-through agreements or referenced in the Contractor's website, quotations, invoices, business forms, or other documentation shall not become part of this Contract and shall be disregarded by the parties. Any such terms shall be unenforceable by the Contractor and not binding on the Commonwealth.

57. RECYCLED MATERIALS

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified below.

PAPER PRODUCTS

RECYCLED CONTENT

(A) REQUIREMENT

All paper offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer content as shown below for the applicable products:

Item	Notes	Post-Consumer Content (%)
Printing and Writing Papers		
Reprographic	Business papers such as bond, electrostatic, copy, mimeo, duplicator and reproduction	30
Offset	Used for book publishing, commercial printing, direct mail, technical documents, and manuals	30
Tablet	Office paper such as note pads and notebooks	30
Forms bond	Bond type papers used for business forms such as continuous, cash register, sales book, unit sets, and computer printout, excluding carbonless	30
Envelope	Wove	30
	Kraft, white and colored (including manila)	10
	Kraft, unbleached	10
Cotton fiber	Excludes custom envelopes	
	High-quality papers used for stationery, invitations, currency, ledgers, maps, and other specialty items	30
Text and cover	Premium papers used for cover stock, books, and stationery and matching envelopes	30
Supercalendered	Groundwood paper used for advertising and mail order inserts, catalogs, and some magazines	10
Machine finished groundwood	Groundwood paper used in magazines and catalogs	10
Papeteries	Used for invitations and greeting cards	30
Check safety	Used in the manufacture of commercial and government checks	10
Coated	Used for annual reports, posters, brochures, and magazines. Have gloss, dull, or matte finishes	10
Carbonless	Used for multiple-impact copy forms	30
File folders	Manila or colored	30
Dyed filing products	Used for multicolored hanging folders and wallet files	20
Index and card stock	Used for index cards and postcards	20
Pressboard	High-strength paperboard used in binders and report covers	20

Tags and tickets	Used for toll and lottery tickets, licenses, and identification and tabulating cards	20
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Newsprint

Newsprint	Groundwood paper used in newspapers	20
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Commercial Sanitary Tissue Products

Bathroom tissue	Used in rolls or sheets	20
Paper towels	Used in rolls or sheets	40
Paper napkins	Used in food service applications	30
Facial tissue	Used for personal care	10
General-purpose	Used in cleaning and wiping applications	40
Industrial wipers		

Paperboard and Packaging Products

Corrugated containers	Used for packaging and shipping a variety of goods (<300 psi)	25
	(300 psi)	25
Solid fiber boxes	Used for specialized packaging needs such as dynamite packaging and army ration boxes	40
Folding cartons	Used to package a wide variety of foods, household products, cosmetics, pharmaceuticals, detergent, and hardware	40
Industrial paperboard	Used to create tubes, cores, cans and drums	45
Miscellaneous	Includes “chipboard” pad backings, book covers, covered binders, mailing tubes, game boards, and puzzles	75
Padded mailers	Made from kraft paper that is usually brown but can be bleached white	5
Carrierboard	A type of folding carton designed for multipack beverage cartons	10
Brown papers	Used for bags and wrapping paper	5

Miscellaneous Paper Products

Tray liners	Used to line food service trays. Often contain printed information.	50
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“Post-consumer” content is “material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer content is part of the broader category of recovered material.”

The Commonwealth of Pennsylvania recognizes that paper products are universally made with scrap material

recovered from the manufacturing process; use of such materials is a standard practice, both efficient and economical for the paper maker; therefore, bidders of paper products need not certify that their products are made with “pre-consumer,” “recovered,” or “secondary” paper fiber.

(B) BIDDER’S CERTIFICATION

Bidder certifies that the paper product(s) which the bidder is offering contains the required minimum percentage of post-consumer content as shown above for the product.

(C) MANUFACTURER/MILL CERTIFICATION

In addition to the Bidders Certification in Subsection (B), a mill certification must be completed and signed by the mill before payment will be made to the successful bidder for the delivered items. The enclosed *Manufacturer/Mill* Certification form must be used. Bidders are not required to submit the completed and signed *Manufacturer/Mill* Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) ENFORCEMENT

Awarded bidders may be required, after delivery of the paper product(s), to provide the Commonwealth with documentary evidence that the paper product(s) were in fact produced with the required minimum percentage of post-consumer content.

EXHIBIT A

COMMONWEALTH OF PENNSYLVANIA BUSINESS ASSOCIATE AGREEMENT

WHEREAS, the [name of program and/or Department] (Covered Entity) and Contractor (Business Associate) intend to protect the privacy and security of certain Protected Health Information (PHI) to which Business Associate may have access in order to provide goods or services to or on behalf of Covered Entity, in accordance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17, 2009), the HIPAA Privacy Rule (Privacy Rule), 45 C.F.R. Parts 160 and 164, and the HIPAA Security Rule (Security Rule), 45 C.F.R. Parts 160, 162 and 164, and all other applicable laws; and

WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI can be used or disclosed only in accordance with this Agreement and the standards established by applicable laws; and

WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity that is in electronic form, which PHI must be handled in accordance with this Agreement and the standards established by HIPAA and the Security Rule and other applicable laws; and

NOW, THEREFORE, the parties to this Agreement set forth the following as the terms and conditions of their understanding.

1. Definitions.

- a. "Breach" shall have the meaning assigned to such term at 42 USCS § 17921 and HIPAA regulations at 45 C.F.R. § 164.402.
- b. "Business Associate" shall have the meaning given to such term under the Privacy and Security Rules, including but not limited to, 45 C.F.R. §160.103.
- c. "Covered Entity" shall have the meaning given to such term under the Privacy and Security Rules, including, but not limited to, 45 C.F.R. §160.103.
- d. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Privacy Rule" shall mean the standards for privacy of individually identifiable health information in 45 C.F.R. Parts 160 and 164.
- f. "Protected Health Information" or "PHI" shall have the meaning given to such term under HIPAA and the HIPAA Regulations in 45 C.F.R. Parts 160, 162 and 164, including, but not limited to 45 C.F.R. §160.103.
- g. "Security Rule" shall mean the security standards in 45 C.F.R. Parts 160, 162 and 164.
- h. Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17,

2009), the HIPAA Privacy Rule (Privacy Rule), 45 C.F.R. Parts 160 and 164, and the HIPAA Security Rule (Security Rule), 45 C.F.R. Parts 160, 162 and 164.

2. **Stated Purposes For Which Business Associate May Use Or Disclose PHI.** The Parties hereby agree that Business Associate shall be permitted to use and/or disclose PHI provided by or obtained on behalf of Covered Entity for purposes state in Appendix A, except as otherwise stated in this Agreement.

NO OTHER USES OR DISCLOSURES OF PHI ARE PERMITTED.

3. **BUSINESS ASSOCIATE OBLIGATIONS:**

- a) **Security and Privacy Provisions Applicable to Business Associate.** Business Associate shall abide by the security and privacy provisions applicable to Covered Entities which are made applicable to the Business Associate by 42 USCS § 17931 and 17934.
- b) **Limits On Use And Further Disclosure Established By Agreement And Law.** Business Associate hereby agrees that the PHI provided by, or created or obtained on behalf of Covered Entity shall not be further used or disclosed other than as permitted or required by this Agreement or as Required by Law.
- c) **Appropriate Safeguards.** Business Associate shall establish and maintain appropriate safeguards to prevent any use or disclosure of PHI other than as provided for by this Agreement. Appropriate safeguards shall include implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that is created, received, maintained, or transmitted on behalf of the Covered Entity.
- d) **Reports Of Improper Use Or Disclosure.** Business Associate hereby agrees that it shall report to the Covered Entity's Privacy Officer, or his designee, and the Covered entity's legal office, within two (2) days of discovery any Breach or use or disclosure of PHI not provided for or allowed by this Agreement (unless some more stringent standard applies under this Contract). Business Associate agrees to conduct reasonable diligence to discover improper use or disclosure of PHI.

Such notification shall be written and shall include the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during the improper use or disclosure or Breach. An improper use or disclosure or Breach shall be treated as discovered by the Business Associate on the first day on which it is known to the Business Associate (including any person other than the person committing the Breach, that is an employee, officer, or other agent of the Business Associate) or should reasonably have been known to the Business Associate (or such person) to have occurred.

- d) **Reports Of Security Incidents.** In addition to following the Breach notification requirements in section 13402 of the HITECH Act and related regulations and guidance, Business Associate shall report to Covered Entity's Privacy Officer, or his designee, within two (2) days of discovery any Security Incident of which it becomes aware.

- e) **Subcontractors And Agents.** Business Associate hereby agrees that any time PHI is provided or made available to any subcontractors or agents, Business Associate shall provide only the minimum necessary PHI for the purpose of the covered transaction and shall first enter into a subcontract or contract with the subcontractor or agent that contains the same terms, conditions and restrictions on the use and disclosure of PHI as contained in this Agreement.
- f) **Right Of Access To PHI.** Business Associate hereby agrees to allow an individual who is the subject of PHI maintained in a designated record set, to have access to and copy that individual's PHI within five (5) business days of receiving a written request from the Covered Entity or individual. Business Associate shall provide PHI in the format requested, unless it cannot readily be produced in such format, in which case it shall be provided in standard hard copy. If any individual requests from Business Associate or its agents or subcontractors access to PHI, Business Associate shall notify Covered Entity of same within two (2) business days. Business associate shall further conform with and meet all of the requirements of 45 C.F.R. §164.524, 42 USCS § 17936(e), and other applicable laws.
- g) **Amendment And Incorporation Of Amendments.** Within five (5) business days of receiving a request from Covered Entity for an amendment of PHI maintained in a designated record set, Business Associate shall make the PHI available and incorporate the amendment to enable Covered Entity to comply with 45 C.F.R. §164.526 and other applicable laws. If any individual requests an amendment from Business Associate or its agents or subcontractors, Business Associate shall notify Covered Entity within five (5) business days.
- h) **Provide Accounting Of Disclosures.** Business Associate agrees to maintain a record of all disclosures of PHI in accordance with 45 C.F.R. §164.528, 42 USCS § 17935(c), and other applicable laws. Such records shall include, for each disclosure, the date of the disclosure, the name and address of the recipient of the PHI, a description of the PHI disclosed, the name of the individual who is the subject of the PHI disclosed, the purpose of the disclosure, and shall include disclosures made on or after the date that is six (6) years prior to the request or April 14, 2003, whichever is later. Business Associate shall make such record available to the individual or the Covered Entity within five (5) business days of a request for an accounting of disclosures, or within such other time as may be dictated by applicable law.
- i) **Access To Books And Records.** Business Associate hereby agrees to make its internal practices, books, and records relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of the Covered Entity, available to the Secretary of Health and Human Services or designee for purposes of determining compliance with the HIPAA Privacy Regulations.
- j) **Return Or Destruction Of PHI.** At termination of this Agreement, Business Associate hereby agrees to return or destroy all PHI provided by or obtained on behalf of Covered Entity. Business Associate agrees not to retain any copies of the PHI after termination of this Agreement. If return or destruction of the PHI is not feasible, Business Associate agrees to extend the protections of this Agreement to limit any further use or disclosure until such time as the PHI may be returned or destroyed. If Business Associate elects to destroy the PHI, it shall certify to Covered Entity that the PHI has been destroyed.

- k) **Maintenance of PHI.** Notwithstanding Section 5(j) of this Agreement, Business Associate and its subcontractors or agents shall retain all PHI throughout the term of the Agreement and shall continue to maintain the information required under §5(h) of this Agreement for a period of six (6) years after termination of the Agreement, unless Covered Entity and Business Associate agree otherwise.
- l) **Mitigation Procedures.** Business Associate agrees to establish and to provide to Covered Entity upon request, procedures for mitigating, to the maximum extent practicable, any harmful effect from the use or disclosure of PHI in a manner contrary to this Agreement or the Privacy Rule. Business Associate further agrees to mitigate any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement or the Privacy Rule.
- m) **Training.** Business Associate will train all members of its workforce on its policies and procedures with respect to PHI as necessary and appropriate for the workforce members to carry out the functions required by this contract.
- n) **Sanction Procedures.** Business Associate agrees that it shall develop and implement a system of sanctions for any employee, subcontractor or agent who violates this Agreement or other applicable laws.
- o) **Grounds For Breach by Covered Entity.** Upon Business Associate's knowledge of a material breach by Commonwealth of this Business Associate Agreement, Business Associate shall notify Commonwealth of such breach and Commonwealth shall have at least thirty (30) days to cure such breach. In the event Commonwealth does not cure the breach, Business Associate shall have the right to report the violation to the Secretary. Notwithstanding any other language in this Agreement, the parties agree that termination by the Business Associate is infeasible.
- p) **Grounds For Breach.** Any non-compliance by Business Associate with this Agreement or the Privacy or Security Rules will automatically be considered to be a breach of the Agreement, if Business Associate knew or reasonably should have known of such non-compliance and failed to immediately take reasonable steps to cure the non-compliance. Business Associate shall have thirty (30) days to cure such breach from the date of notice to cure by the Commonwealth. In the event Business Associate does not cure the breach, the Commonwealth shall have the right to immediately terminate this Agreement and the underlying agreement. If termination is infeasible, the Commonwealth shall report the violation to the Secretary.
- q) **Termination by Commonwealth.** Business Associate authorizes termination of this Agreement by the Commonwealth if the Commonwealth determines, in its sole discretion, that the Business Associate has violated a material term of this Agreement.
- r) **Failure to Perform Obligations.** In the event Business Associate fails to perform its obligations under this Agreement, Covered Entity may immediately discontinue providing PHI to Business Associate. Covered Entity may also, at its option, require Business Associate to submit to a plan of compliance, including monitoring by Covered Entity and reporting by Business Associate, as Covered Entity in its sole discretion determines to be necessary to maintain compliance with this Agreement and applicable law.

- s) **Privacy Practices.** The Department will provide and Business Associate shall immediately begin using any applicable form, including but not limited to, any form used for Notice of Privacy Practices, Accounting for Disclosures, or Authorization, upon the effective date designated by the Program or Department. The Department retains the right to change the applicable privacy practices, documents and forms. The Business Associate shall implement changes as soon as practicable, but not later than 45 days from the date of notice of the change.

4. OBLIGATIONS OF COVERED ENTITY:

- a) **Provision of Notice of Privacy Practices.** Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with applicable laws, as well as changes to such notice.
- b) **Permissions.** Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI of which Covered Entity is aware, if such changes affect Business Associate's permitted or required uses and disclosures.
- c) **Restrictions.** Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. §164.522 and other applicable laws, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. MISCELLANEOUS:

- a. **Regulatory References.** A reference in this Appendix to a section in the Privacy or Security Rules means the section as in effect or as amended as reasonably determined by the Covered Entity.
- b. **Amendment.** The Parties agree to take such action as is necessary to amend this Appendix from time to time as is necessary for the Covered Entity to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- c. **Survival.** The respective rights and obligations of Business Associate under section 5(i) of this Appendix shall survive the termination of the Agreement.
- d. **Interpretation.** Any ambiguity in this Appendix shall be resolved to permit Covered Entity to comply with the Privacy and Security Rules as reasonably determined by the Covered Entity.
- e. **Changes in Law.** Business Associate shall comply with all applicable privacy and security rules and regulations, including but not limited to HIPAA regulations and the HITECH Act and HITECH regulations which are now in effect or which take effect during the term of this contract.

Appendix A to Commonwealth of Pennsylvania Business Associate Agreement

Permitted Uses and Disclosures of Protected Health Information

1. Purpose of Disclosure of PHI to Business Associate: To allow _____ to meet the requirements of Contract # _____.
2. Information to be Disclosed to Business Associate: _____.
3. Use to Effectuate Purpose of Agreement: _____ may use and disclose PHI to the extent contemplated by Contract # _____, and as permitted by law with Commonwealth approval and guidance.

Exhibit B

Service Level Agreements

Exhibit B Service Level Agreement

Definitions:

Agency Level- A specific group of users (agents) utilizing the Cloud Solution and described by a specific Agency contact center. The measurement describes a single contact center vs all contact centers.

Enterprise Level- All Contact Centers available across the Commonwealth of Pennsylvania contract.

Service Level (SL) Target- A commitment that is documented in a service level agreement.

SL Minimum- A measure of minimum expected performance. Actual results below the SL Minimum will incur a Remedy and negate Earn back as described in each SLA reference.

Application Measurement Window: Application measurement window is 24/7.

Move, Add, Change, Deletes or MACD: A Commonwealth of Pennsylvania contact center requested changes to the Contact Center Cloud Service. MACD changes are administrative requests for changes on existing services of the requesting contact center.

Statement of Work (SOW): Work efforts requested by the Commonwealth of Pennsylvania that require design, review, and specific pricing based on the request.

Function: A component or subset of the overall contact center solution service.

KPI: SLAs for which the Remedy is designated as KPI shall be reviewed monthly by the Commonwealth and Genesys but will not entitle the Commonwealth to any credits if service levels are not met. Any request by the Commonwealth that an SLA designated as a KPI be converted to a credit-bearing SLA shall be negotiated in accordance with the Commonwealth Contract Change Procedures.

Administration of SLA measures:

- a) Availability and Degradation SLAs (SLA 1-4): An incident will be determined by the Commonwealth to be an outage or degradation, not both and SLA credits, if any, shall be available only for those SLAs associated with that determination.
- b) Agency Level or Agency Contact Center Instance Level SLA: At no time shall the service level credits exceed 100% of the monthly charges associated with the affected contact center(s).
- c) Enterprise Level SLAs: At no time shall service level credits exceed \$50,000 per month.

Exhibit B
Service Level Agreement

Service Level Reference		SL Target	SL Minimum	Earn Back Eligible
SLA # 1 – Contact Center Availability		99.999%	99.5%	12 Months
Service Level Type	Agency Level			
Service Level Description	Contact Center Instance Availability			
Service Level Definition	All Contact Center related Functions shall have Availability equal to or greater than the Service Level.			
Service Measurement	Availability			
Metric Description	This Service Level measures the Contact Center Instance’s “uptime,” i.e.: the percentage of time the Contact Center instance is operational, functional, and accessible during the applicable Measurement Window.			
Metric Definitions	<p><u>Incident:</u> any event that disrupts the standard operation of the Contact Center, and which causes or may cause, an interruption to, or a reduction in the qualitative or quantitative operation of the Contact Center.</p> <p><u>Incident Appearance:</u> the time the Notice of Incident is sent from Contact Center supplier to the Commonwealth through the approved channel.</p> <p><u>Incident Notification Period:</u> the timeframe within which Contact Center supplier must notify the Agency and the Commonwealth Program Manager through the ITSM System of an Incident after Incident Appearance.</p> <p><u>Resolution:</u> Contact Center has been returned to pre-incident status quo, or improvements/changes made to Contact Center return it to substantially the same status as the pre-Incident status quo.</p> <p>Target Resolution Time: the total time within which Contact Center supplier must fully bring the Incident to Resolution and bring the Service(s) back to full functionality</p> <p><u>Outage:</u> Function. All Functions of the Contact Center instance are unavailable.</p>			
Metric Inclusions	All Contact Center Functions			
Metric Exclusions	<ul style="list-style-type: none"> • User error; • Non-Incident Agency support such as requests for help in the use of the Service, requests to enhance the service, requests to add or change the Service features, or fulfillment requests (i.e., requests to add users or reset passwords) • Problems resulting from services, equipment, networks or software or other circumstances outside the reasonable control of Contact Center supplier. 			

Exhibit B
Service Level Agreement

Calculation	$\% \text{ Availability} = ((\# \text{ of days in month} * 1440) - \text{downtime minutes}) / (\# \text{ of days in month} * 1440)$
Remedy	<p>Total monthly charges for each Contact Center Instance in violation based on the following:</p> <p>99.999% Achieved – 0</p> <p><=99.99% Achieved – 5% of monthly charge</p> <p><=99.90% Achieved – 20% of monthly charge</p> <p><=99.50% Achieved – 30% of monthly charge*</p> <p>* If 99.5% is not achieved, earn back opportunity is negated.</p>
Data Source/s	ITSM - the Commonwealth is currently using <i>Service Now</i> ; supplier requested to provide data using the Commonwealth tool if available. If not available, Contractor's data source as approved by the Commonwealth.
Reporting Format/s	<p><u>Preferred Format</u>: PDF and Excel</p> <p><u>Report Elements</u>: (if applicable and available) Header to include Total Number of Tickets, Target SL, Actual SL, Target SL Achieved [Percentage Level], Number of Contact Center Users;</p> <p style="padding-left: 40px;">Detail to include: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Severity Level, Start Date & Time, Responded Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Downtime Cause, Resolution Description</p> <p style="padding-left: 40px;">Summarized by Total Downtime [in Minutes], Total Number of Contact Center Users Impacted, Total Potential Uptime</p> <p><u>Detailed Exclusion Report</u>: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Start Date & Time, Respond Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Downtime Cause; Reason for Exclusion</p>
Measurement Window	Monthly
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.

Exhibit B
Service Level Agreement

Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
SLA # 2 – Contact Center Degradation of Service	99.999%	99.5%	12 Months
Service Level Type	Agency Level		
Service Level Description	Contact Center Instance Degradation of Service		
Service Level Definition	Any Contact Center related Functions shall have Availability equal to or greater than the Service Level.		
Service Measurement	Availability		
Metric Description	This Service Level measures the Contact Center Instance’s “uptime,” i.e.: the percentage of time all or a portion of a Contact Center instance is operational, functional, accessible, but Function is degraded below the benchmark established during user acceptance testing during the applicable Measurement Window.		
Metric Definitions	<p><u>Incident:</u> any event that disrupts the standard operation of the Contact Center, and which causes or may cause, an interruption to, or a reduction in the qualitative or quantitative operation of the Contact Center.</p> <p><u>Incident Appearance:</u> the time the Notice of Incident is sent from Contact Center supplier to the Commonwealth through the approved channel.</p> <p><u>Incident Notification Period:</u> the timeframe within which Contact Center supplier must notify the Agency and the Commonwealth Program Manager through the ITSM System of an Incident after Incident Appearance.</p> <p><u>Resolution:</u> Contact Center has been returned to pre-incident status quo, or improvements/changes made to Contact Center return it to substantially the same status as the pre-Incident status quo.</p> <p>Target Resolution Time: the total time within which Contact Center supplier must fully bring the Incident to Resolution and bring the Service(s) back to full functionality.</p> <p><u>Degradation of Service</u> — one or more Function of the Contact Center are operating at a performance level below the benchmark established during user acceptance testing.</p>		
Metric Inclusions	All Contact Center Functions		
Metric Exclusions	<ul style="list-style-type: none"> • User error; • Non-Incident Agency support such as requests for help in the use of the Service, requests to enhance the service, requests to add or change the Service features, or fulfillment requests (i.e., requests to add users or reset passwords) • Problems resulting from services, equipment, networks or non-contact center related software or other circumstances outside the reasonable control of Contact Center supplier. 		
Calculation	$\% \text{ Non Degradation} = ((\# \text{ of days in month} * 1440) - \text{degraded minutes}) / (\# \text{ of days in month} * 1440)$		

Exhibit B
Service Level Agreement

Remedy	<p>Total monthly changes for each Contact Center Instance in violation based on the following:</p> <p>99.999% Achieved – 0</p> <p><=99.99% Achieved – 5% of monthly charge</p> <p><=99.90% Achieved – 10% of monthly charge</p> <p><=99.50% Achieved – 15% of monthly charge*</p> <p>* If 99.5% is not achieved, earn back opportunity is negated.</p>
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier requested to provide data using the Commonwealth tool, if available. . If not available, Contractor's data source as approved by the Commonwealth.
Reporting Format/s	<p><u>Preferred Format</u>: PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Tickets, Target SL, Actual SL, Target SL Achieved [Percentage Level], Number of Contact Center Users;</p> <p style="padding-left: 40px;">Detail to include: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Severity Level, Start Date & Time, Responded Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Downtime Cause, Resolution Description</p> <p style="padding-left: 40px;">Summarized by Total Downtime [in Minutes], Total Number of Contact Center Users Impacted, Total Potential Uptime</p> <p><u>Detailed Exclusion Report</u>: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Start Date & Time, Respond Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Downtime Cause; Reason for Exclusion</p>
Measurement Window	Monthly
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.

Exhibit B
Service Level Agreement

Service Level Reference		SL Target	SL Minimum	Earn Back Eligible
SLA # 3 – Outage Resolution Time		99.999%	99.5%	12 Month
Service Level Type	Agency Level			
Service Level Description	Timeliness of supplier's resolutions to Contact Center Instance Outages.			
Service Level Definition	All Contact Center related Incidents shall be resolved within a time equal to or greater than the Service Level.			
Service Measurement	Time to Resolve			
Metric Description	This Service Level measures the supplier's time to resolve outages of critical Functions, whereby, the Contact Center instance is not operational, functional, or accessible.			
Metric Definitions	<p><u>Incident:</u> any event that disrupts the standard operation of the Contact Center, and which causes or may cause, an interruption to, or a reduction in the qualitative or quantitative operation of the Contact Center.</p> <p>Incident Appearance: The time the Notice of Incident is sent from Contact Center supplier to the Commonwealth through the approved channel.</p> <p><u>Incident Notification Period:</u> the timeframe within which Contact Center supplier must notify the Agency and the Commonwealth Program Manager through the ITSM System of an Incident after Incident Appearance.</p> <p><u>Resolution:</u> Contact Center has been returned to pre-Incident status quo, or improvements/changes made to Contact Center return it to substantially the same status as the pre-Incident status quo.</p> <p>Target Resolution Time: the total time within which Contact Center supplier must fully bring the Incident to Resolution and bring the Service(s) back to full functionality.</p> <p>Outage –critical Functions are affected by the unscheduled downtime or incident. Service is completely unavailable.</p>			
Metric Inclusions	All Contact Center Functions, All Incidents			
Metric Exclusions	<ul style="list-style-type: none"> • User error; • Non-Incident Agency support such as requests for help in the use of the Service, requests to enhance the service, requests to add or change the Service features, or fulfillment requests (i.e., requests to add users or reset passwords) • Problems resulting from services, equipment, networks or software or other circumstances outside the reasonable control of Contact Center supplier. (SME Review Needed) 			
Timeliness Category Parameter	Less than 30 minutes.			
Calculation	<p>Percentage of incidents which were resolved timely.</p> <p>Example: In a given month there were ten incidents. Of the ten incidents, nine were resolved within Target Resolution Time.</p> <p>$9 / 10 = 90.00\%$</p> <p>$\% \text{ Resolution Time} = (\text{Met Tickets}) / (\text{All Tickets} - \text{Exclusions}) * 100$</p>			

Exhibit B

Service Level Agreement

Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
Remedy	<p>Reduction in the monthly invoice amount for each Contact Center Instance in violation based on the following:</p> <p>99.999% Achieved – 0 99.50% Achieved – 15% of monthly charge*</p> <p>99.99% Achieved –5% of monthly charge</p> <p>99.90% Achieved – 10% of monthly charge</p> <p>* If 99.5% is not achieved, earn back opportunity is negated.</p>		
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier requested to provide data using the Commonwealth tool, if available. . If not available, Contractor’s data source as approved by the Commonwealth.		
Reporting Format/s	<p><u>Preferred Format</u>: PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Tickets, Target SL, Actual SL, Target SL Achieved [Percentage Level], Number of Contact Center Users</p> <p style="padding-left: 40px;">Detail to include: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Severity Level, Start Date & Time, Responded Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Summarized by Total Downtime [in Minutes], Total Number of Devices, Total Potential Uptime, Resolution Description</p> <p style="padding-left: 40px;">Summarized by Total Downtime [in Minutes], Total Number of Contact Center Users Impacted, Total Potential Uptime, Resolution Description</p> <p><u>Detailed Exclusion Report</u>: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary,, Start Date & Time, Respond Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Reason for Exclusion</p>		
Measurement Window	Monthly		
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.		

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Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
SLA # 4 – Degradation Resolution Time	99.999%	99.5%	12 Month
Service Level Type	Agency Level		
Service Level Description	Timeliness of the supplier's resolutions to Contact Center Instance degradations.		
Service Level Definition	All Contact Center related Function Incidents shall be resolved within a time equal to or greater than the Service Level.		
Service Measurement	Time to Resolve		
Metric Description	This Service Level measures the supplier's time to resolve a degraded condition during the applicable measurement window.		
Metric Definitions	<p><u>Incident:</u> any event that disrupts the standard operation of the Contact Center, and which causes or may cause, an interruption to, or a reduction in the qualitative or quantitative operation of the Contact Center.</p> <p>Incident Appearance: The time the Notice of Incident is sent from Contact Center supplier to the Commonwealth through the approved channel.</p> <p><u>Incident Notification Period:</u> the timeframe within which Contact Center supplier must notify the Agency and the Commonwealth Program Manager through the ITSM System of an Incident after Incident Appearance.</p> <p><u>Resolution:</u> Contact Center has been returned to pre-Incident status quo, or improvements/changes made to Contact Center return it to substantially the same status as the pre-Incident status quo.</p> <p>Target Resolution Time: the total time within which Contact Center supplier must fully bring the Incident to Resolution and bring the Service(s) back to full functionality.</p> <p><u>Degradation</u> — one or more Functions of the Contact Center are operating at a performance level below the benchmark established during user acceptance testing.</p>		
Metric Inclusions	All Contact Center Functions, All Incidents		
Metric Exclusions	<ul style="list-style-type: none"> • User error; • Non-Incident Agency support such as requests for help in the use of the Service, requests to enhance the service, requests to add or change the Service features, or fulfillment requests (i.e., requests to add users or reset passwords) • Problems resulting from services, equipment, networks or software or other circumstances outside the reasonable control of Contact Center supplier. (SME Review Needed) 		
Timeliness Category Parameter	Every four (4) hours that exceeds the threshold is another service month credit.		

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Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
Calculation	<p>Percentage of incidents which were resolved timely.</p> <p>Example: In a given month there were ten incidents. Of the ten incidents, nine were resolved within Target Resolution Time. $9 / 10 = 90.00\%$</p> <p>% Resolution Time = (Met Tickets Based on Severity Level)/(All Tickets – Exclusions) * 100</p>		
Remedy	<p>Reduction in the monthly invoice amount for each Contact Center Instance in violation based on the following:</p> <p>99.999% Achieved – 0 99.50% Achieved – 15% of monthly charge*</p> <p>99.99% Achieved –5% of monthly charge</p> <p>99.90% Achieved – 10% of monthly charge</p> <p>* If 99.5% is not achieved, earn back opportunity is negated.</p>		
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier requested to provide data using the Commonwealth tool, if available. . If not available, Contractor’s data source as approved by the Commonwealth.		
Reporting Format/s	<p><u>Preferred Format</u>: PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Tickets, Target SL, Actual SL, Target SL Achieved [Percentage Level], Number of Contact Center Users</p> <p style="padding-left: 40px;">Detail to include: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Severity Level, Start Date & Time, Responded Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Summarized by Total Downtime [in Minutes], Total Number of Devices, Total Potential Uptime, Resolution Description</p> <p style="padding-left: 40px;">Summarized by Total Downtime [in Minutes], Total Number of Contact Center Users Impacted, Total Potential Uptime, Resolution Description</p> <p><u>Detailed Exclusion Report</u>: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary,, Start Date & Time, Respond Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Reason for Exclusion</p>		

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Service Level Reference		SL Target	SL Minimum	Earn Back Eligible
Measurement Window	Monthly			
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.			

SLA # 5– Incident Notification Timelines	99.999%	99.5%	12 Months
Service Level Type	Agency Level		
Service Level Description	Timeliness of supplier's notification to the Commonwealth and Agency of Contact Center Instance incidents per the Commonwealth incident notification process.		
Service Level Definition	All Contact Center related Functions Incidents shall be reported within a time equal to or greater than the Service Level.		
Service Measurement	Time to Notify		
Metric Description	This Service Level measures the number of times Contact Center supplier notifies the Commonwealth of incidents within the defined timeliness parameter.		

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Metric Definitions	<p><u>Incident:</u> any event that disrupts the standard operation of the Contact Center, and which causes or may cause, an interruption to, or a reduction in the qualitative or quantitative operation of the Contact Center.</p> <p>Incident Appearance: The time the Notice of Incident is sent from Contact Center supplier to the Commonwealth through the approved channel.</p> <p><u>Incident Notification Period:</u> the timeframe within which Contact Center supplier must notify the Agency and the Commonwealth Program Manager through the ITSM System of an Incident after Incident Appearance.</p> <p><u>Resolution:</u> Contact Center has been returned to pre-Incident status quo, or improvements/changes made to Contact Center return it to substantially the same status as the pre-Incident status quo.</p> <p>Target Resolution Time: the total time within which Contact Center supplier must fully bring the Incident to Resolution and bring the Service(s) back to full functionality.</p> <p>Outage: see Commonwealth Outage Notification Process for outage</p> <p>Degradation: see Commonwealth Outage Notification Process for degradation</p> <p><u>Workaround:</u> A temporary solution to the problem(s) raised by an Incident, which must be removed for the Incident to be brought to Resolution.</p>
Metric Inclusions	All Contact Center Functions, All Incidents.
Metric Exclusions	<ul style="list-style-type: none"> • User error; • Non-Incident Agency support such as requests for help in the use of the Service, requests to enhance the service, requests to add or change the Service features, or fulfillment requests (i.e., requests to add users or reset passwords) • Problems resulting from services, equipment, networks or software or other circumstances outside the reasonable control of Contact Center supplier.
Timeliness Category Parameters	Outage is less than 10 min, Degradation is more than 10 min less than 30 min
Calculation	<p>Percentage of incidents which were communicated to Commonwealth in accordance with the Commonwealth communication plan.</p> <p>Example: In a given month there were ten incidents. Of the ten incidents, nine were within the stated Notification period.</p> $9 / 10 = 90.00\%$ $\% \text{ Incident Notification} = (1 - ((\text{Incidents Notified within Target Parameter}) / (\text{Total Incidents Requiring Notification} - \text{Commonwealth Accepted Exclusions}))) \times 100$

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Remedy	<p>KPI to be reviewed monthly</p> <p>Remedy if SLA is converted to a credit-bearing SLA pursuant to Commonwealth Contract Change Procedures:</p> <p>Reduction in the monthly invoice amount for each Contact Center Instance in violation based on the following: 99.999% Achieved – 0 99.50% Achieved – 15% of monthly charge* 99.99% Achieved – 5% of monthly charge 99.90% Achieved – 10% of monthly charge</p>
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier requested to provide data using the Commonwealth tool, if available. . If not available, Contractor’s data source as approved by the Commonwealth.
Reporting Format/s	<p><u>Preferred Format</u>: PDF and Excel</p> <p><u>Report Elements</u>: Header to include Total Number of Notifications, Target SL, Actual SL, Target SL Achieved [Percentage Level], Number of Contact Center Users,</p> <p style="padding-left: 40px;">Detail to include: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Incident Start Date & Time, Responded Start Date & Time, Severity Level, Notification Date & Time – Agency & Commonwealth, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause;</p> <p style="padding-left: 40px;">Summarized by Total Notifications within Target, Total Notifications missed Target. Average Notification Time [in Minutes]</p> <p><u>Detailed Exclusion Report</u>: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Incident Start Date & Time, Responded Start Date & Time, Severity Level, Notification Date & Time – Agency & Commonwealth, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Exclusion Reason</p>
Measurement Window	Monthly
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.

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Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
SLA # 6 – Change Implementation Timeliness	99.999%	99.5%	12 Months
Service Level Type	Agency Level		
Service Level Description	Timeliness that the Supplier implements Commonwealth requested Contact Center Instance changes.		
Service Level Definition	All Contact Center related changes shall be implemented within a time equal to or greater than the Service Level.		
Service Measurement	Time to Change		
Metric Description	This Service Level measures the time to complete change requests for all Contact Center Instance routine and emergency additions/deletions, policy changes, and configuration modifications to the time of fulfillment and operability.		
Metric Definitions	<p><u>Change Levels for MACD</u></p> <p><u>Major Change</u> = 1-10 Calendar Days Critical Functions are effected or could be effected by the lack of, or as a result of, the ascribed change. 1 Critical: Outage: (Major Change) - critical Functions are effected or could be effected by the lack of, or as a result of the ascribed change. 2 High: (Major Change) - some Functions are unavailable but a workaround exists</p> <p><u>Minor Change</u> = Greater than 10 Calendar Days All Functions are available and the change does not impact users. 3 Medium: (Minor Change) - all critical Functions are available and a workaround exists 4 Low: (Minor Change) - all Functions are available and the change does not impact users.</p> <p>SOW Changes= Dates established based on SOW detail and execution of SOW order</p> <p><u>Workaround:</u> A temporary solution to the problem(s) raised by an Incident, which must be removed for the Incident to be brought to Resolution.</p>		
Metric Inclusions	All Contact Center Functions, All Change Requests, software and services, equipment and infrastructure within the control of Contact Center supplier.		

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Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
Metric Exclusions	<ul style="list-style-type: none"> Admin Level changes that are completed by the Agency/Commonwealth Change Timeliness excludes delays resulting from: Software, equipment or Functions not managed or within the control of the Contact Center supplier; Scheduled maintenance, provided that the Contact Center supplier informs the Agency of scheduled maintenance that will directly affect the Service at least seven (7) calendar days before maintenance work commences, and the Agency approves the scheduled downtime. Agency/Commonwealth requested hold-time. Expedites don't meet the standard 		
Calculation	<p>Change Days Missed = (Change Completion Date and Time MINUS (Requested/Standard Start Date) minus (Customer Hold Time))</p> <p>Example: (Actual (February 3) - Requested/Standard (February 1)) - (1 day Customer Hold Time)= 1 Day Missed</p> <p>% Timely Change Implementations = (1-((Contact Center Instance Change Implementations within Target Parameter)/(Total Contact Center Instance Change Implementations – Commonwealth Accepted Exclusions)) * 100</p>		
Remedy	<p>Reduction in the monthly invoice amount for each Contact Center Instance in violation based on the following:</p> <p>99.999% Achieved – 0 99.50% Achieved – 15% of monthly charge *</p> <p>99.99% Achieved –5% of monthly charge</p> <p>99.90% Achieved – 10% of monthly charge</p> <p>* If 99.5% is not achieved, earn back opportunity is negated.</p>		
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier requested to provide data using the Commonwealth tool if available		

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Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
Reporting Format/s	<p><u>Preferred Format:</u> PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Change Requests, Target SL, Actual SL, Target SL Achieved [Percentage Level]</p> <p>Detail to include: Change Request Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Requested Start Date & Time, Standard Start Date & Time, Actual Start Date & Time, Completions Date & Time, Hold Time [Hrs:Mins] & Reason, Total Time to Implement (Days)</p> <p>Summarized by Total Change Requests, Total Average Time to Implement</p> <p><u>Detailed Report:</u> Change Request Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Requested Start Date & Time, Standard Start Date & Time, Actual Start Date & Time, Completion Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Total Time to Implement</p> <p><u>Detailed Exclusion Report:</u> Change Request Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Requested Start Date & Time, Standard Start Date & Time, Actual Start Date & Time, Completion Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Total Time to Implement, Reason for Exclusion</p>		
Measurement Window	Monthly		
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.		

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Service Level Reference	SL Target	SL Minimum	Earn Back Eligible
SLA # 7 – Time to Respond	99.999%	99.5%	12 Month
Service Level Type	Agency Contact Center Instance Level		
Service Level	Timeliness that the Supplier responds to Contact Center Instance Incidents.		
Service Level Definition	All Contact Center related Service Calls shall be responded to within a time equal to or greater than the Service Level.		
Service Measurement	Time to Respond		
Metric Description	This Service Level measures the Contact Center supplier's response time to incoming calls and reported incidents. Supplier is expected to respond within a defined timeliness parameter.		
Metric Definitions	<p><u>Response:</u> taking meaningful action to progress the testing and restoration of any Contact Center Service i.e. calling the Commonwealth for additional info, escalating the incident to technical support, requesting access to Commonwealth facilities or logs, etc.</p> <p><u>Incident:</u> any event that disrupts the standard operation of the Contact Center, and which causes or may cause, an interruption to, or a reduction in the qualitative or quantitative operation of the Contact Center.</p> <p>Incident Appearance: The time the Notice of Incident is sent from Contact Center supplier to the Commonwealth through the approved channel.</p> <p><u>Incident Notification Period:</u> the timeframe within which Contact Center supplier must notify the Agency and the Commonwealth Program Manager through the ITSM System of an Incident after Incident Appearance.</p> <p><u>Resolution:</u> Contact Center has been returned to pre-Incident status quo, or improvements/changes made to Contact Center return it to substantially the same status as the pre-Incident status quo.</p> <p>Target Resolution Time: the total time within which Contact Center supplier must fully bring the Incident to Resolution and bring the Service(s) back to full functionality.</p> <p><u>Severity 1 Incident: Outage</u> — all users and critical Functions are affected by the unscheduled downtime or incident. Service is completely unavailable.</p> <p><u>Severity 2 Incident: Partial Degradation</u> — one or more critical business Functions of the Contact Center are unavailable; or a workaround exists for the impacted business Functions.</p> <p><u>Severity 3 Incident: Minor Degradation</u> — all critical business Functions are available but a portion of users are impacted; or a workaround exists for the impacted business Functions.</p> <p><u>Workaround:</u> A temporary solution to the problem(s) raised by an Incident, which must be removed for the Incident to be brought to Resolution.</p>		
Metric Inclusions	All Contact Center Functions, All Incidents.		
Metric Exclusions	<ul style="list-style-type: none"> • User error; • Problems resulting from services, equipment, networks or software or other circumstances outside the reasonable control of Contact Center supplier. 		

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Timeliness Category Parameters	<ul style="list-style-type: none"> Severity Level 1(must be reported by phone) is less than 10 min, Severity Level 2 & 3 greater than 10 min and less than 30 min
Calculation	<p>Percentage of incidents which were responded to within timeliness parameter.</p> <p>Example: In a given month there were ten incidents. Of the ten incidents, nine were responded to within Target Resolution Time. $9 / 10 = 90.00\%$</p> <p>% Response Time = $(1 - ((\text{Contact Center Instance Incidents Responded within Target Time(s)} / (\text{Total Number of Contact Center Instance Responded Incidents} - \text{Commonwealth Accepted Exclusions})) * 100$</p>
Remedy	<p>Reduction in the monthly invoice amount for each Contact Center Instance in violation based on the following:</p> <p>99.999% Achieved – 0 99.50% Achieved – 15% of monthly charge *</p> <p>99.99% Achieved –5% of monthly charge</p> <p>99.90% Achieved – 10% of monthly charge</p> <p>* If 99.5% is not achieved, earn back opportunity is negated.</p> <p>.</p>
Data Source/s	<p>ITSM - the Commonwealth is currently using <u>Service Now</u>; supplier requested to provide data using the Commonwealth toolif available</p> <p>.</p>
Reporting Format/s	<p><u>Preferred Format</u>: PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Tickets, Target SL, Actual SL, Target SL Achieved [Percentage Level],</p> <p>Detail to include: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary, Severity Level, Start Date & Time, Responded Date &Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Summarized by Total Downtime [in Minutes], Total Number of Devices, Total Potential Uptime, Resolution Description</p> <p>Summarized by Total Response Time [in Minutes], Average Response Time [in Minutes],</p> <p><u>Detailed Exclusion Report</u>: Ticket Number, Agency, Contact Center Instance ID, User, Group, Circuit ID / WTN, Brief Summary,, Start Date & Time, Respond Date & Time, Resolve Date & Time, Hold Time [Hrs:Mins] & Reason, Downtime [Hrs:Mins], Incident Cause; Reason for Exclusion</p>
Measurement Window	Monthly

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Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.			
Service Level Reference		SL Target	SL Minimum	Earn Back Eligible
SLA # 8 – Abandoned Calls	Less than 2%		Less than 5%	12 Month
Service Level Type	Enterprise Level			
Service Level	Abandoned Calls			
Service Level Definition	Abandoned calls are the percentage of calls in queue abandoned by the caller after thirty [30] seconds but before connecting to a Service Desk agent.			
Service Measurement	Service Quality			
Metric Description	Total number of abandoned calls greater than 30 seconds, divided by total calls equals percent of abandoned calls; as calculated via Agency Contact Center capabilities.			
Metric Definitions	Call: defined as a “leg of a call”. Example: a call comes into an agent = one call. The agent places the call back in queue after speaking with the customer (this equals a second call).			
Metric Inclusions	All Service Desk calls			
Metric Exclusions	No exclusions			
Calculation	% Abandoned calls = (Abandoned calls / Total calls) * 100			
Remedy	KPI to be reviewed monthly Remedy if SLA is converted to a credit-bearing SLA pursuant to Commonwealth Contract Change Procedures: Reduction in the monthly invoice amount for each Contact Center Instance in violation based on the following: One month’s credit shall be assessed for each month not achieving less than 2% of contact center. * If 5% or greater is realized at any time during the earn back period, earn back opportunity is negated.			
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier must provide data using the Commonwealth tool and Agency Contact Center			

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Reporting Format/s	<p><u>Preferred Format:</u> PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Calls, Total Number of Abandon Calls, Target SL, Actual SL, Target SL Achieved [Percentage Level],</p> <p>Detail to include: Daily detailed statistical table to include Date, Daily Number of Abandoned Calls > 30 Seconds, Daily Total Number of Calls, Daily Abandon Rate; Totals to include Number of Abandoned Calls > 30 Seconds, Total Number of Calls, Abandon Rate; Graphical representation</p>
Measurement Window	Monthly
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) seven (7) business days after the end of the month measured.

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Service Level Reference		SL Target	SL Minimum	Earn Back Eligible
SLA # 9 – Time Required to Answer	98%	95%	12 Month	
Service Level Type	Enterprise Level			
Service Level	Time Required to Answer			
Service Level Definition	The percentage of calls answered within thirty (30) seconds by a Service Desk agent.			
Service Measurement	Timeliness			
Metric Description	Percent of Service Desk calls answered in thirty seconds divided by number of Service Desk calls answered during the month.			
Metric Inclusions	All Service Desk calls.			
Metric Exclusions	No exclusions			
Calculation	$\% \text{ Time Required to Answer} = (\text{Total number of answered calls within 30 seconds} / \text{Total calls answered}) * 100$			
Remedy	<p>KPI to be reviewed monthly</p> <p>Remedy if SLA is converted to a credit-bearing SLA pursuant to Commonwealth Contract Change Procedures:</p> <p>Total monthly incidents for each Contact Center Instance in violation based on the following: 98% Achieved – 0 95% Achieved – 15% of monthly charge * 97% Achieved – 5% of monthly charge 96% Achieved – 10% of monthly charge * If 95% is not achieved, earn back opportunity is negated.</p>			
Data Source/s	ITSM - the Commonwealth is currently using <u>Service Now</u> ; supplier requested to provide data using the Commonwealth tool. If available			

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Reporting Format/s	<p><u>Preferred Format:</u> PDF and Excel</p> <p><u>Report Elements: (if applicable and available)</u> Header to include Total Number of Calls, Total Number of Calls Answered within 30 min, Target SL, Actual SL, Target SL Achieved [Percentage Level],</p> <p>Detail to include: Daily detailed statistical table to include Date, Daily Number of Calls under 30 Seconds, Daily Total Number of Calls, Daily Timeliness Rate; Totals to include Total number of calls under 30 Seconds, Total Number of Calls over 30 Seconds, Total Number of Calls , Timeliness Rate</p>
Measurement Window	Monthly
Service Level Reporting Window	Statistics shall be provided each month by Contact Center supplier within ten (10) business days after the end of the month measured.

NOTES:

****Earn Back Eligible:** SLAs are eligible for service credit earn back. Service credit for an SLA failure will not be due to the Commonwealth if no other SLA violation for the same SLA occurs in the next twelve (12) months. Failure to meet the SLA within any of the next the next twelve (12) months will result in the issuing a service credit to the commonwealth on the next monthly invoice.

SLA Management

SLA Methodology and Service Level Agreements

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Service Level Methodology

A. General

The Commonwealth has adopted the ITIL framework and has established Service Level Management to maintain and improve IT Service quality, through a constant cycle of agreeing, monitoring, measuring, and reporting upon IT Service achievements and the instigation of actions to acquire quality service.

The Service Level Performance Measures and their targets that are described in this methodology document have been specifically designed to support the Service Level Agreements set forth in Exhibit B.

Effective on the Service Commencement Date, the Offeror will perform the Service to which Service Levels apply, so that the Service Level Performance will, in each month of the Term, meet or exceed, the Service Levels.

New Service Levels may be added or substituted by the Commonwealth as specified in this methodology during the Term. For example, such additions or substitutions may occur in conjunction with changes to the environment and the introduction of new Equipment or Software to support a new or additional service. However, where such Equipment or Software or such means of Service delivery is a replacement or upgrade of existing technology to support an existing catalog service, there shall be a presumption of equivalent or improved performance.

The Offeror holds the responsibility for all measuring, monitoring and reporting capabilities necessary to measure, monitor and report the Offeror's performance against the Service Levels. Except as otherwise stated, all Service Levels must be measured by the Offeror on a 24x7x365 days per year basis. The Offeror must report to the Commonwealth its performance Service Levels upon the measurement window frequency specified in each and shall provide all Service Level substantiating information upon request by the Commonwealth that pertains to the performance of the Offeror's services.

The achievement of the Service Levels by the Offeror may require the coordinated, collaborative effort of the Offeror with other third party Offerors. The Offeror shall provide a single point of contact for the prompt resolution of all Service Level Defaults and all failures to provide high quality Services to the Commonwealth, regardless of whether the reason for such Service Level Defaults, or failure to provide high quality Services to the Commonwealth, was caused by the Offeror.

The Commonwealth and the Offeror will each provide a single point of contact for the management and monitoring of the Service Levels.

B. Reporting

Unless otherwise specified in this methodology, each Service Level shall be measured and reported on a monthly basis. The format, layout and content of such monthly report shall be as directed by the Commonwealth. The Offeror's monthly performance reports are due by the 10th Business day of each month and shall include a set of soft-copy reports such that the Commonwealth is able to verify the Offeror's performance and compliance with the Service Levels. The reports shall provide various metrics related to each of the Service Levels, including but not limited to:

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1. Offeror's performance against and calculations with respect to each Service Level during the preceding month;
2. Offeror's performance with respect to each service level as a trend analysis against a thirteen (13) month rolling performance trend report;
3. Potential problems of which the Offeror is aware that could reasonably be expected to result in a failure to meet a service level and remedial actions including summaries of the reports submitted to the Commonwealth.

The Offeror shall provide detailed supporting information for each report to the Commonwealth in a format suitable for use on a personal computer. The data and detailed supporting information shall include the method used by Offeror to calculate the service level performance based on the data measured and reported by the measurement tool such that the Commonwealth is able to reproduce the calculations made by Offeror and validate the results reported in the monthly Service Level Performance reports. All detailed supporting information shall be the Commonwealth's Confidential Information, and the Commonwealth may access such information online and in real-time, where feasible, at any time during the Term. In addition, Offeror shall provide the Commonwealth with direct, unaltered access to review and audit all raw data collection related to Service Levels.

1. If any monthly performance report provided by the Offeror to the Commonwealth does not have sufficient detail and accuracy for the Commonwealth to determine whether the Offeror achieved or failed to achieve the service level for each service level in the immediately preceding measurement window, then the Commonwealth may provide written notice thereof to the Offeror, for a replacement report. The Offeror must provide the replacement report to the Commonwealth within ten (10) calendar days after receiving such notice. If within 10 days of receiving such notice the Offeror fails to deliver to the Commonwealth a revised or replacement monthly performance report containing sufficient detail and accuracy for the Commonwealth to determine whether the Offeror achieved or failed to achieve a Service Level in the applicable Measurement Window, such failure shall constitute a Service Level Default with respect to such Service Level for such immediately preceding Measurement Window.

The Offeror will create, maintain, and provide to the Commonwealth detailed procedure documentation of its Service Level measurement process used to collect Service Level data and calculate Service Level attainment. The process documentation must include quality assurance reviews and verification procedures. The measurement process must be automated to the extent possible, and any manual data collection steps must be clearly documented, verified and auditable. All methods, codes and automated programs must be documented and provided to the Commonwealth for validation and approval. The Offeror must ensure it tests and validates the accuracy and currency of the documentation and measurement process on a quarterly basis.

C. Service Level Obligations

The metrics, measurement standards and other pertinent features are described in the Service Level Data Sheets in Exhibit B. In the event of a Service Level Default, the Offeror shall provide the Commonwealth credits as defined below:

1. The Offeror must begin delivering the services in accordance with the Service Levels as the service offering is implemented, maintained and/or repaired.
2. The Offeror's performance that results in a service level default must:
 - a. Entitle the Commonwealth to receive a Service Level Credit
 - b. Results in the Offeror promptly preparing a written root cause and recovery plan designed to prevent the reoccurrence of such Service Level default.

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3. Any occasional request by the Offeror to temporary SLA relief on a per incident basis must be submitted in advance in writing to the Commonwealth in accordance with the Commonwealth Change/Waiver Procedures. The Commonwealth, must in its sole discretion, determine whether SLA relief should be granted and the period of time for such relief (if any), and its decision in this respect must not be subject to dispute resolution. The Offeror's failure to achieve the Service Level will not constitute a Service Level default or accrue toward a Service Level termination event to the extent such failure is excused in accordance with the terms of the contract.

D. Service Level Credits

1. The total amount of Service Level Credits that the Offeror will be obligated to pay to the Commonwealth, with respect to Service Level Defaults occurring each month and in accordance with the terms of Section E below, shall be credited on the invoice applicable per this methodology document. For example, the amount of Service Level Credits payable with respect to Service Level Defaults occurring in August shall be reported and validated in September and credited to the invoice issued in October.
2. The Offeror acknowledges and agrees that the Service Level Credits shall not be deemed or construed to be liquidated damages or a sole and exclusive remedy or in derogation of any other rights and remedies the Commonwealth has hereunder or under the Contract.

E. Service Level Earn Backs

The Offeror shall have Earn-Back opportunities with respect to Service Level Credits as follows:

1. The Service Level must be identified as Earn Back Eligible per the Service Level Agreement Data Sheet in Exhibit B.
2. Within fifteen (15) days after the Earn Back period as shown on the Service Level Agreement Data Sheets, the Offeror shall provide a report to the Commonwealth that will include, with respect to each Service Level for which there was a Service Level Default, the following:
 - a. Statistics on the Offeror's average monthly performance during the Earn Back period
 - b. The amount of Service Level Credit imposed for Service Level Default
3. If a Service Level violation is incurred during the Earn Back period, the Earn Back is negated and the credit is due on the next invoice.
4. During an Earn Back period, if a service is terminated by the Commonwealth, the Offeror will not be obligated to fulfill the credit obligation.
5. If the Contract is terminated for default, all service credits are due upon notice of termination.

F. Dispute Resolution

If, after negotiating in good faith, the Commonwealth and the Offeror are unable to agree on an equitable adjustment for the Service Levels within ninety (90) days after completion of the applicable measurement period, either party may escalate the matter in accordance with the dispute resolution procedures set

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forth in the contract. Until such adjustment is resolved pursuant to such procedures, Service Levels must remain as originally agreed by the Commonwealth and the Offeror.

G. Additions, Modifications, Deletions

The Commonwealth may add, modify or delete below by sending written notice The Commonwealth may require the Offeror to modify the definition, metrics, data elements, measurement standards, or other pertinent features of any existing service level, by sending a written request to the Offeror at least ninety (90) days prior to the date that such modifications are to be effective; provided that the Commonwealth may send such a request (which request may contain multiple changes) not more than once each calendar quarter. The terms and conditions upon which such modifications of metrics are implemented must be subject to the reasonable and mutual agreement of the Commonwealth and the Offeror and must be determined pursuant to the Commonwealth Contract Change Procedures (in which measurement tools and design changes appropriate to each new service level or modified metric or measurement standard must be negotiated in good faith and agreed). The Offeror may not withhold its consent to add new service levels or modify the definition, metrics, data elements, measurement standards, or other pertinent features of any existing service levels, but the Offeror is permitted to negotiate in good faith the implementation specifics for such requested additions and modifications.

For new Service Levels, the Offeror must submit its proposal to the Commonwealth for review and approval through the Commonwealth's Contract Change Procedures.

The Offeror must begin providing monthly performance measurement within thirty (30) calendar days of the Commonwealth approval.

1. Additions - The Commonwealth may add Service Levels in accordance with this Section G Commonwealth Contract Change Procedures.
2. Deletions – The Commonwealth may delete Service Level Agreements in accordance with this Section G and Commonwealth Contract Change Procedures.

H. Continuous Improvement

The Parties agree to the concept of continuous improvement and beginning 12 months after each Service Level is in effect and annually thereafter, the Parties agree to review each of the Service Levels for effectiveness and to identify potential areas of improvement. The Offeror shall provide a written plan within 30 days of the review date.

I. Measuring Tools

1. The Offeror must provide, implement, maintain and utilize the necessary measurement and monitoring tools and procedures required to measure and report on the Offeror's performance of the services against the applicable Service Levels. The Offeror's measurement and monitoring of service level performance must permit reporting at a level of detail sufficient to permit the Commonwealth to verify compliance with the Service Levels, and must be

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subject to audit by the Commonwealth pursuant to the contract. The Offeror must provide the Commonwealth with the information about and access to such procedures upon request for purposes of verification.

2. Any new tolls required for new service levels added after the effective date must be identified in the Change Request Form (required by the Commonwealth Contract Change Procedure) approving such new Service Level. In connection therewith, the Offeror must be obligated to propose a commercially reasonable measuring tool or methodology for a Service Level and if it fails to do so, such tool or methodology must be determined by mutual agreement between the Commonwealth and Offeror.
3. If after the effective date or the implementation of tools for new Service Levels either the Commonwealth or the offeror desires to use a different measuring tool or methodology for a Service Level, it must request such change through the Commonwealth Contract Change Procedure. If the other Party approves the new measuring tool or methodology, the Commonwealth and the Offeror will reasonably adjust the service level measurements to account for any increased or decreased sensitivity in the new measuring tools. It is not anticipated that changes in the measuring tools or methodologies will drive changes in service levels; rather, the need to collect and accurately reflect the performance data should drive the development or change in measuring tools or methodologies.

It is not anticipated that changes in the measuring tools will drive changes in Service Levels; rather, the need to collect and accurately reflect the performance data should drive the development or change in performance monitoring tools. Offeror will configure all measuring tools to create an auditable record of each user access to the tool and any actions taken with respect to the data measured by or residing within the tool. All proposed measuring tools must include functionality enabling such creation of an auditable record for all accesses to the tool.

J. Remedies and Waivers

The exercise by the Commonwealth of its rights under this document, including the right to receive service level credits must be without prejudice to its other rights or remedies under the contract or at law or equity, including the Commonwealth's right to claim and collect damages and the Commonwealth's right to terminate the contract in whole or in part in accordance with the contract.

K. Investigation and Correction

The Offeror must promptly investigate and correct each failure to meet the service levels (whether or not such failure constitutes a service level default) by:

1. Immediate initiation of problem investigations.
2. Report problems and findings to the Commonwealth.
3. Correct problems and meet or restore Service Levels as soon as practicable.
4. Advise the Commonwealth of the root cause of problems and the status of remedial efforts being undertaken with respect to such problems.
5. Provide reasonable evidence to the Commonwealth that the causes of such problems have been or will be corrected.
6. Make written recommendations to the Commonwealth for improvement in procedures.

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