STATE OF VERMONT
PARTICIPATING ADDENDUM NO. 30125

COMPUTER EQUIPMENT, PERIPHERALS & RELATED SERVICES (BANDS 1, 2 & 3)
MINNESOTA NASPO VALUEPOINT MASTER AGREEMENT # MNWNC-111

Fujitsu America Inc.

1. ***Parties.*** This Participating Addendum is a contract between the **State of Vermont**, Department of Buildings and General Services, Office of Purchasing & Contracting (hereinafter "State" or "Vermont"), and **Fujitsu America Inc.**, a for-profit corporation with principal place of business in Sunnyvale, CA, (hereinafter "Contractor"). It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.

2. ***Subject Matter.*** The subject matter of this Participating Addendum is the purchase of Desktops, Laptops and Tablets, including related peripherals and services, pursuant the Minnesota NASPO ValuePoint (formerly WSCA-NASPO) State Cooperative Contract Number MNWNC-111 for Computer Equipment, Peripherals & Related Services (Bands, 1, 2 & 3), (hereinafter the "Master Agreement"), which is hereby incorporated by reference and shall apply to purchases made under this Participating Addendum.

3. ***Contract Term.*** The period of Contractor's performance shall begin on October 1, 2015 and end on March 31, 2017 with the option to renew for up to 36 months upon mutual agreement of both parties, unless terminated earlier in accordance with the terms of this Participating Addendum or the Master Agreement.

4. ***Prior Approvals.*** In accordance with current State law, bulletins, and interpretations, this Participating Addendum shall not be binding until it has been approved by the Vermont Attorney General's Office, the Secretary of Administration, and the State's Chief Information Officer.

5. ***Agreement; Amendment.*** This Participating Addendum and the Master Agreement (including all amendments and attachments thereto) represents the entire agreement between the parties. No changes, modifications, or amendments in the terms and conditions of this Participating Addendum shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

6. ***Attachments***. This Participating Addendum consists the following attachments which are incorporated herein and shall apply to the purchase of any products or services made under this Participating Addendum:
   - Attachment A: General Provisions of Contract
   - Attachment B: Payment Provisions
   - Attachment C: "Standard State Provisions for Contracts and Grants" effective 9/01/15, with negotiated changes to certain sections where indicated.
   - Attachment D: Standard State Provisions for Information Technology Contracts
   - Attachment E: Reserved
   - Attachment F: Reserved

7. ***Order of Precedence***. Any ambiguity, conflict or inconsistency between the provisions which constitute this agreement shall be resolved according to the following order of precedence:

   1) This Participating Addendum (including all Attachments, with Attachment D primary, then Attachment C, then the remaining Attachments in alphabetical order)
   2) The NASPO ValuePoint (formerly WSCA-NASPO) State Cooperative Contract Number MNWNC-111.

8. ***Entire Agreement.*** This Participating Addendum and the Master Agreement (including all amendments and attachments thereto) constitute the entire agreement between the parties concerning the subject matter of this Participating Addendum and replaces any prior oral or written communications between the parties, all of which are excluded. There are no conditions, understandings, agreements, representations or warranties, expressed or implied, that are not specified herein. This Participating Addendum may be modified only by a written document executed by the parties hereto.

By signing below the Contractor agrees to offer the same products and/or services as on the Minnesota NASPO ValuePoint State Cooperative Contract Number MNWNC-111 for Computer Equipment, Peripherals & Related Services (Bands 1, 2 & 3), at prices equal to or lower than the prices on that contract.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

The State of Vermont	Contractor: Fujitsu America Inc.
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

ATTACHMENT A: GENERAL PROVISIONS OF CONTRACT

1. **Available Products & Services**: The following products and services listed in the Master Agreement are available for purchase under this Participating Addendum:

   a. DESKTOPS (Band 1)
   b. LAPTOPS (Band 2)
   c. TABLETS (Band 3)
   d. RELATED PERIPHERALS & SERVICES*

   *Services may include warranty services, maintenance, installation, de-installation, factory integration (software or equipment components), asset management, recycling/disposal, training and certification, pre-implementation design, disaster recovery planning and support, service desk/helpdesk, and any other directly related technical support service required for the effective operation of a Product supplied under this Participating Addendum.

2. **Configuration Dollar Limits**: In accordance with the Master Agreement, Summary, Section 4, the following configuration limits apply to this Participating Addendum:

ITEM	CONFIGURATION
Desktops	$10,000
Laptops	$10,000
Tablets	$5,000
Peripherals	$30,000
Services	$15,000

3. **Restrictions**: In addition to the restrictions described in the Master Agreement, Summary, Section 5, the following additional restrictions shall apply to the procurement under this Participating Addendum.

   a. **Third Party Products**. Contractor and Contractor's Resellers shall attach to any and all quotes for Third Party Products the applicable third party terms that will bind the purchaser. State Purchasers may not procure Third Party Products that include third party terms that would bind the State Purchaser without prior approval from the Chief Procurement Officer, Office of the Attorney General and State CIO/DII Commissioner, which approvals shall not be granted without consideration of applicable third party terms. Contractor and Contractor's Fulfillment Partners are not authorized to sell Third Party Products to a State Purchaser without verification from the State Purchaser that these requisite approvals have been obtained.

   b. **Services Transactions over $15,000**. State Purchasers may not procure Services with a cost in excess of $15,000 without prior approval from the Office of the Attorney General and State CIO/DII Commissioner. Contractor and Contractor's Fulfillment Partners are not authorized to sell Services to a State Purchaser without verification from the State Purchaser that these requisite approvals have been obtained.

4. **Participation**: This Participating Addendum may be used by all departments, offices, institutions, and other agencies of the State of Vermont and counties (hereinafter "State Purchasers") according to the process for ordering and other restrictions applicable to State Purchasers set forth herein.

   Political subdivisions of the State of Vermont under 29 V.S.A. § 902(a) and any institution of higher education chartered in Vermont and accredited or holding a certificate of approval from the State Board of Education (hereinafter "Additional Purchasers") may participate in this contract at the same prices, terms and conditions. Further, items furnished to Additional Purchasers will be billed directly to and paid for by the Additional Purchaser. Neither the State of Vermont nor its Commissioner of Buildings and General Services, personally or officially, assumes any responsibility or liability for Additional Purchasers.

5. **Reporting:** Contractor shall submit quarterly reports electronically in the same format as set forth under the Master Agreement, detailing the purchasing of all items under this Participating Addendum. The reports shall be submitted and sent as an attachment to SOV.ThePathForward@state.vt.us . Reports shall contain accurate descriptions of the products, goods or services procured, purchaser information, quantities procured and prices

paid. This report shall include all sales under this Participating Addendum. Any exception to this mandatory requirement or failure to submit complete reports, or in the format required, may result in corrective action, up to and including termination for cause. Contractor's reporting shall state "no activity" for any month in which there is no activity during a quarterly reporting period.

Quarterly reports must be submitted in accordance with the following schedule:

Reporting Period	**Report Due**
January 1 - March 31	April 30
April 1 - June 30	July 31
July 1 - September 30	October 31
October 1 - December 31	January 31

6. **Primary Contacts**: The primary contact individuals for this this Participating Addendum are as follows (or their named successors):

Contractor

Name	Mike Huele
Address	1250 E. Arques Ave, Sunnyvale, CA 94085
Telephone	408-764-9515
Fax	
E-mail	mheule@us.fujitsu.com

State of Vermont

Name	State of Vermont, Stephen Fazekas
Address	10 Baldwin Street, Montpelier, VT 05633-7501
Telephone	802/828-2210
Fax	802/828-2222
E-mail	stephen.fazekas@vermont.gov

The Parties will keep and maintain current at all times a primary point of contact for administration of this Participating Addendum.

7. **Orders**: Any order placed by the State or an Additional Purchaser for a product or service available under this Participating Addendum (hereinafter "Purchase Order") shall be deemed to be a sale governed by the prices and other terms and conditions of this Participating Addendum, provided that the Master Agreement number and the Participating Addendum Number must appear on every Purchase Order placed under this Participating Addendum.

Purchase Orders may only be placed directly through Contractor or through a subcontractor of the Contractor that is both approved by Contractor and authorized by the State of Vermont (herein "Reseller"). A Reseller shall not solicit or otherwise fulfill any Purchase Order unless the Reseller (i) is an approved Reseller listed on Contractor dedicated (cooperative contract) website as an entity approved by Contractor, in accordance with Contractor's established qualifying criteria, to provide sales and service support to participants in the WSCA-NASPO Master Price Agreement on Contractor's behalf and (ii) has executed a separate agreement with the State that directly obligates Reseller to fulfill Purchase Orders in accordance with the terms and conditions set forth in this Participating Addendum and the Master Agreement.

Contractor may, in its sole discretion, add Resellers at any time during the term of this Participating Addendum. Contractor may designate a minimum of two Resellers and no set maximum number of Resellers to provide sales and services support. Contractor, in its sole discretion, is not required to add, and may delete upon thirty (30) days written notice, any Reseller who does not meet Contractor's established qualifying criteria, or where the addition of the entity would violate any state or federal law or regulation. Except as otherwise set forth in the Master Agreement, Contractor will not, directly or indirectly, restrict any Reseller's participation or ability to quote pricing for

the State. Resellers shall not offer less favorable pricing discounts than the discounts established under the Master Agreement. However, a Reseller may offer any additional incremental discounts to the State or any Additional Purchaser, and such additional discounts, if offered, may be provided to the State or an Additional Purchaser in the discretion and at the sole legal obligation of the Reseller.

The Master Agreement number and the Participating Addendum Number must appear on every Purchase Order placed under this Participating Addendum.

a. **Method of Ordering for State Purchasers:** For any and all purchases made by State Purchasers under this Participating Addendum, a Purchase Order shall be issued when purchases are made. Written Purchase Orders, including electronic orders, must be used to order items available under this Participating Addendum. Verbal orders shall not be accepted by Contractor or Contractor's Resellers unless or until a confirming Purchase Order is issued.

   State Purchasers in which Desktop Support Services are provided by the Vermont Department of Information and Information (DII) shall coordinate all purchases through DII Purchasing Services by submitting a work order to DII Purchasing Services to make a purchase under this Participating Addendum. DII Purchasing Services will solicit bids and issue Purchase Orders to the Contractor. State Purchasers in which Desktop Support Services are provided by DII are not authorized to make direct purchases under this Participating Addendum.

   The Contractor acknowledges and agrees that any annual values or quantities included such bid solicitations are estimates only based on prior usage and that actual purchases may be higher or lower depending on Vermont's needs.

   This restriction is not applicable to Additional Purchasers.

b. **Transactions over $500,000:** In accordance with 22 V.S.A. § 901 (a)(4)(A), State Purchasers must obtain prior written approval from the State Chief Information Officer for any individual Purchase Order with a cost in excess of $500,000, and such written approval must be affixed to the Purchase Order. Contractor shall not execute or fulfill any individual Purchase Order in excess of $500,000 unless such Purchase Order is accompanied by specific written approval from Vermont's Chief Information Officer. This restriction is not applicable to Additional Purchasers.

c. **No Lease Agreements:** State Purchasers are prohibited from leasing under this Participating Addendum. This restriction is not applicable to Additional Purchasers.

d. **Delivery:** Liability for product delivery remains with the Contractor until the product is properly delivered and accepted in accordance with this Participating Addendum as outlined in the Master Agreement Section B) 28. Contractor shall ensure that shipments are securely and properly packed, according to accepted commercial practices, without extra charge for packing cases or other containers. Upon delivery, such containers will become the property of the State unless otherwise stated. Delivered goods that either do not conform to the specifications or are not in good condition upon receipt shall be replaced promptly by Contractor.

   The State does not agree to reimburse Contractor or Reseller for expenses except as may be specified in Attachment B to this Participating Agreement.

   A Purchasing Entity shall determine whether all Products and Services delivered meet the Contractor's published specifications (a.k.a. "Specifications"). No payment shall be made for any Products or Services until the Purchasing Entity has accepted the Products or Services. The Purchasing Entity will make every effort to notify the Contractor or Reseller within thirty (30) calendar days following delivery non-acceptance of a Product or Service. In the event that the Contractor or Reseller has not been notified within 30 calendar days from delivery of Product or completion of Service, the Product and Services will be deemed accepted on the 31st day after delivery of Product or completion of Services. This clause shall not be applicable if accepting testing and corresponding terms have been mutually agreed by both parties in writing.

e. **Quality:** All products provided by Contractor under this contract will be new and unused, unless otherwise stated. Factory seconds or remanufactured products will not be accepted unless specifically requested by the State. All products provided by Contractor must meet all federal, state, and local standards for quality and safety requirements. Products not meeting these standards will be deemed unacceptable and returned to Contractor for credit at no charge to the State.

f. **Business Associate Agreement (BAA), and the Agency of Human Services Standard State Contract Provisions:** The parties agree that the Business Associate Agreement (BAA) and the Agency of Human Services Standard State Contract Provisions, as mutually negotiated, shall be incorporated into this Agreement by amendment, when applicable.

ATTACHMENT B: PAYMENT PROVISIONS

1. **Payment Terms:** Net 30 from the date the State receives an error-free invoice with full and complete supporting documentation.

2. **F.O.B. Delivered:** All equipment pricing is to include F.O.B. delivery to the ordering facility. No request for extra delivery cost will be honored.

3. **Pricing:** Product offerings and complete details of product pricing applicable to Bands 1, 2 & 3 are set forth in Exhibit B of the Master Agreement # MNWNC-111 and the Product and Service Schedule (PSS) which is maintained on-line at http://www.naspovaluepoint.org/#/contract-details/52/contractor/257 .

   Contractor discounts are off the entire Price Lists as set forth in the PSS Discount Schedule. The discounts provided will remain valid for the Contract Term and will be applied as a discount off Contractor's then-current baseline Price List.

   The discounts provided are floor discounts (minimum guarantees). Additional volume pricing is available and individual transactions may qualify for additional, incremental discounts/firm fixed pricing or incentives provided by Contractor's Authorized Resellers at their sole discretion. NASPO ValuePoint, the Participating States and/or the Participating Entities may also actively solicit Contractor's Authorized Resellers for deeper discounts than the minimum contract pricing as set forth in the Product and Services Discount Schedule. In any event, final transactional pricing shall be determined by the Authorized Resellers and not by Contractor; provided, however, that the minimum discounts set forth on the Cost Schedule are met.

   Third Party Products (including both hardware and software) are available subject to the restrictions set forth in Attachment A, Section 3, of this Participating Addendum, and in the Master Agreement, Summary, Section 5. A listing of available Third Party Products and pricing can be found under the Information Center of the Contractor/State site at http://channel.shopfujitsu.com/chcontent/WSCA/welcome_page_new.html

4. **Invoicing:** Invoices shall be submitted on the Contractor's or Reseller's standard billhead and forwarded directly to the institution or agency ordering materials or services and shall specify the address to which payments will be sent.

5. **Purchasing Card:** The State Purchasing Card may be used by State Purchasers for the payment of invoices. Use of the Purchasing Card requires all required documentation applicable to the purchase. The Purchasing Card is a payment mechanism, not a procurement approach and, therefore, does not relieve departments from adhering to all procurement laws, regulations, policies, procedures, and best practices. This includes but is not limited to the application of all sales and use tax laws, rules and policies as applicable to the purchase.

ATTACHMENT C: STANDARD STATE PROVISIONS

FOR CONTRACTS AND GRANTS

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.

3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.

4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.

5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

6. **Independence, Liability: [NEGOTIATED]** The Party will act in an independent capacity and not as officers or employees of the State.

   The Party shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

   After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Superior Court of the State of Vermont, Civil Division, Washington Unit requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

   The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance**: **[NEGOTIATED]** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the

Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

Commercial General Liability for Bodily Injury and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and have annual policy limits of not less than:

$1,000,000 Per Occurrence

$1,000,000 General Aggregate

$1,000,000 Products/Completed Operations Aggregate

$ 50,000 Fire/ Legal/Liability

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: $1,000,000 combined single annual policy limit.

Except for Workers Compensation, Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.

9. **Requirement to Have a Single Audit: [NEGOTIATED]** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds and State Purchaser or Additional Purchaser has provided written notice of such funding on a Purchase Order, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

   For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends $500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends $750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is

required to be submitted within 45 days, whether or not a Single Audit is required.

10. **Records Available for Audit: [NEGOTIATED]** The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this agreement relating to the fees and expenses of this Agreement and any products or services provided. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

11. **Fair Employment Practices and Americans with Disabilities Act**: Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. **Set Off**: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. **Taxes Due to the State**:

    a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

    b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

    c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

    d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. **Child Support**: (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

    a. is not under any obligation to pay child support; or

    b. is under such an obligation and is in good standing with respect to that obligation; or

    c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. **Sub-Agreements**: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. **No Gifts or Gratuities**: Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. **Copies**: All written reports prepared under this Agreement will be printed using both sides of the paper.

18. **Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

    Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: http://bgs.vermont.gov/purchasing/debarment

19. **Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of $1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

20. **Internal Controls: [NEGOTIATED]**In the case that this Agreement is an award that is funded in whole or in part by Federal funds and State Purchaser or Additional Purchaser has provided written notice of such funding on a Purchase Order, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

21. **Mandatory Disclosures: [NEGOTIATED]** In the case that this Agreement is an award funded in whole or in part by Federal funds and State Purchaser or Additional Purchaser has provided written notice of such funding on a Purchase Order, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

22. **Conflict of Interest:** Party must disclose in writing any potential conflict of interest in accordance with Uniform Guidance §200.112, Bulletin 5 Section X and Bulletin 3.5 Section IV.B.

(End of Standard Provisions)

ATTACHMENT D

STANDARD STATE PROVISIONS
FOR INFORMATION TECHNOLOGY CONTRACTS

1. **ORDER OF PRECEDENCE; CONTRACTOR DOCUMENTATION.**
The parties specifically agree that any language or provisions contained in a Contractor Document is of no force and effect if such language or provisions conflict with the terms of Attachment C or Attachment D to this Contract. Further, in no event shall any Contractor Document: (a) require indemnification by the State of the Contractor; (b) waive the State's right to a jury trial; (c) establish jurisdiction in any venue other than the Superior Court of the State of Vermont, Civil Division, Washington Unit; (d) designate a governing law other than the laws of the State of Vermont; (e) constitute an implied or deemed waiver of the immunities, defenses, rights or actions arising out of State's sovereign status or under the Eleventh Amendment to the United States Constitution; (f) limit the time within which an action may be brought hereunder; or (g) require the State to maintain the confidentiality of the Contractor without regard to the laws of the State of Vermont.
For purposes of this Attachment D, "Contractor Document" shall mean one or more document, agreement or other instrument required by the Contractor in connection with the performance of the services set forth in Attachment A hereto, regardless of format, including any other paper or "shrinkwrap," "clickwrap" or other electronic version thereof.

No modification or addition to the limited warranties set forth in this Agreement is authorized unless it is set forth in an amendment to this Contract.

2. **TERM OF CONTRACTOR'S DOCUMENTS.**
Contractor acknowledges and agrees that, to the extent a Contractor Document provides for alternate term or termination provisions, including automatic renewals, such sections shall be waived and shall have no force and effect. All Contractor Documents shall run concurrently with the term of this Contract.

3. **CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING**

4.1 Confidentiality of Contractor Information. The Contractor acknowledges and agrees that this Contract and any and all Contractor information obtained by the State in connection with this Contract are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

The State will not disclose information for which a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

The State shall immediately notify Contractor of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for Contractor information. Contractor may, in its discretion, seek an

appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of such information under applicable State law within three business days of the State's receipt of any such request. Contractor agrees that it will not make any claim against the State if the State makes available to the public any information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental body or agency compelling its production. Contractor shall indemnify the State for any costs or expenses incurred by the State, including, but not limited to, attorneys' fees awarded in accordance with 1 V.S.A. § 320, in connection with any action brought in connection with Contractor's attempts to prevent or unreasonably delay public disclosure of Contractor's information.

The State agrees that (a) it will use the Contractor information only as may be necessary in the course of performing duties, receiving services or exercising rights under this Contract; (b) it will provide at a minimum the same care to avoid disclosure or unauthorized use of Contractor information as it provides to protect its own similar confidential and proprietary information; (c) except as required by the Access to Records Act, it will not disclose such information orally or in writing to any third party unless that third party is subject to a written confidentiality agreement that contains restrictions and safeguards at least as restrictive as those contained in this Contract; (d) it will take all reasonable precautions to protect the Contractor's information; and (e) it will not otherwise appropriate such information to its own use or to the use of any other person or entity. Contractor may affix an appropriate legend to Contractor information that is provided under this Contract to reflect the Contractor's determination that any such information is a trade secret, proprietary information or financial information at time of delivery or disclosure.

4.2 Confidentiality of State Information. In performance of this Contract, and any exhibit or schedule hereunder, the Party acknowledges that certain State Data (as defined below), to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by State or federal law. Before receiving or controlling State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State. State Data shall not be stored, accessed from, or transferred to any location outside the United States.

Unless otherwise instructed by the State, Contractor agrees to keep confidential all information received and collected by Contractor in connection with this Contract ("State Data"). The Contractor agrees not to publish, reproduce, or otherwise divulge any State Data in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to State Data in the Contractor's possession to only those employees on its staff who must have the information on a "need to know" basis. The Contractor shall use State Data only for the purposes of and in accordance with this Contract. The Contractor shall provide at a minimum the same care to avoid disclosure or unauthorized use of State Data as it provides to protect its own similar confidential and proprietary information.

The Contractor shall promptly notify the State of any request or demand by any court, governmental agency or other person asserting a demand or request for State Data to which the Contractor or any third party hosting service of the Contractor may have access, so that the State may seek an appropriate protective order.

4.3 Security of State Information. The Contractor represents and warrants that it has implemented and it shall maintain during the term of this Contract the highest industry standard administrative, technical, and physical safeguards and controls consistent with NIST *Special Publication 800-53* (version 3 or higher) and *Federal Information Processing Standards Publication* 200 and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.

4.4 Security Breach Reporting. The Contractor acknowledges that in the performance of its obligations under this Contract, it may be a "data collector" pursuant to Chapter 62 of Title 9 of the Vermont Statutes (9 V.S.A. §2430(3)). In the event of any actual or suspected security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (including PII, PHI or ePHI) in any format or media, whether encrypted or unencrypted (for example, but not limited to: physical trespass on a secure facility; intrusion or hacking or other brute force attack on any State environment; loss or theft of a PC, laptop, desktop, tablet, smartphone, removable data storage device or other portable device; loss or theft of printed materials; or failure of security policies) (collectively, a "Security Breach"), and in accordance with 9 V.S.A. § 2435(b)(2), the Contractor shall immediately notify appropriate State personnel of such Security Breach.

The Contractor's report shall identify: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State.

The Contractor agrees to comply with all applicable laws, as such laws may be amended from time to time (including, but not limited to, Chapter 62 of Title 9 of the Vermont Statutes, HIPAA and/or HITECH) that require notification in the event of unauthorized release of personally-identifiable information or other event requiring notification. In the event of a breach of any of the Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), the Contractor agrees to fully cooperate with the State, assume responsibility for such notice if the

State determines it to be appropriate under the circumstances of any particular Security Breach, and assume all costs associated with a Security Breach and Notification Event, including but not limited to, notice, outside investigation and services (including mailing, call center, forensics, counsel and/or crisis management), and/or credit monitoring, in the sole determination of the State.

In addition to any other indemnification obligations in this Contract, the Contractor shall fully indemnify and save harmless the State from any costs, loss or damage to the State resulting from a Security Breach or the unauthorized disclosure of State Data by the Contractor, its officers, agents, employees, and subcontractors.

5 SUBCONTRACTORS

Contractor shall be responsible for directing and supervising each of its subcontractors and any other person performing any of the Work under an agreement with Contractor. Contractor shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing any of the Work under an agreement with Contractor or any subcontractor.

6 CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

6.1 General Representations and Warranties. The Contractor represents, warrants and covenants that:

(i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.

(ii) There is no outstanding litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under this Contract.

(iii) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.

(iv) The Contractor owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the deliverables as set forth in this Contract and none of the deliverables or other materials or technology provided by the Contractor to the State will infringe upon or misappropriate the intellectual property rights of any third party.

(v) The Contractor has adequate resources to fulfill its obligations under this Contract.

7 INDEMNIFICATION.

The Contractor acknowledges and agrees that the laws and the public policy of the State of Vermont prohibit the State from agreeing to indemnify contractors and other parties. The Contractor agrees that, to the extent a Contractor Document expressly provides for or implies indemnification of the Contractor and/or other third parties by the State, such sections shall be waived and shall have no force and effect with respect to the State.

Notwithstanding anything to the contrary set forth in Attachment C of this Contract, the Contractor shall have no obligation to indemnify the state, its officers or employees from and against any claims, suits,

actions, losses, damages, liabilities, costs and expenses attributable solely to the acts or omissions of the State, its officers, employees or agents.

8 PROFESSIONAL LIABILITY INSURANCE COVERAGE.

In addition to the insurance required in Attachment C to this Contract, before commencing work on this Contract and throughout the term of this Contract, Contractor agrees to procure and maintain Technology Professional Liability insurance for any and all services performed under this Contract, with minimum third party coverage of $2,000,000 per claim, $3,000,000 aggregate, and first party Breach Notification Coverage of not less than $2,000,000.

9 SOVEREIGN IMMUNITY. The Contractor acknowledges that the State reserves all immunities, defenses, rights or actions arising out of the State's sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State's entry into this Contract.

10 DISPUTE RESOLUTION

10.1 Governing Law; Jurisdiction. The Contractor agrees that this Contract, including any Contractor Document, shall be governed by and construed in accordance with the laws of the State of Vermont and that any action or proceeding brought by either the State or the Contractor in connection with this Contract shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Contractor irrevocably submits to the jurisdiction of such court in respect of any such action or proceeding. The State shall not be liable for attorneys' fees in any proceeding.

10.2 Trial by Jury. The Contractor acknowledges and agrees that public policy prohibits the State from agreeing to arbitration and/or from waiving any right to a trial by jury. Therefore, Contractor further acknowledges and agrees that, to the extent a Contractor Document expressly provides for arbitration or waiver of the State's right to a jury trial of the Contractor and/or other third parties by the State, such sections shall be waived and shall have no force and effect with respect to the State.

10.3 Trade Secret, Patent, and Copyright Infringement. The State shall not be deemed to waive any of its rights or remedies at law or in equity in the event of Contractor's trade secret, patent and/or copyright infringement.

10.4 Limits on Actions Prohibited. The Contractor acknowledges and agrees that 12 V.S.A. § 465 renders null and void any contractual provision which limits the time in which an action may be brought under the contract, or waives the statute of limitations.

10.5 Continuity of Performance. In the event of a dispute between the Contractor and the State, each party will continue to perform its obligations under this Contract during the resolution of such dispute unless and until this Contract is terminated in accordance with its terms.

11 REMEDIES FOR DEFAULT;

In the event either party is in default under this Contract, the non-defaulting party may, at its option, pursue any or all of the remedies available to it under this Contract, including termination for cause, and at law or in equity.

12 TERMINATION.

12.1 Notwithstanding any provision elsewhere in this Participating Addendum or in the Master Agreement, Contractor shall have no right to terminate this Participating Addendum. In the event that a particular purchaser hereunder violates its obligations under this Participating Addendum or the Master Agreement, Contractor may refuse to accept or process orders from such purchaser immediately upon notice to the State and such purchaser, until such time as the purchaser cures such violation to the approval of the Contractor, which approval shall not be unreasonably withheld.

12.2 Return of Property. Upon termination of this Contract for any reason whatsoever, Contractor shall immediately deliver to State all State Intellectual Property and State Data (including without limitation any Deliverables for which State has made payment in whole or in part), that are in the possession or under the control of Contractor in whatever stage of development and form of recordation such State property is expressed or embodied at that time, and, if specifically directed by the State, Contractor shall destroy all State Data in its possession, power or control in a manner that assures the State that the information is rendered unrecoverable.

12.3 No Waiver of Remedies. No delay or failure to exercise any right, power or remedy accruing to either party upon breach or default by the other under this Contract shall impair any such right, power or remedy, or shall be construed as a waiver of any such right, power or remedy, nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers must be in writing.

12.4 Contractor Bankruptcy. Contractor acknowledges that if Contractor, as a debtor in possession, or a trustee in bankruptcy in a case under Section 365(n) of Title 11, United States Code (the "Bankruptcy Code"), rejects this Contract, the State may elect to retain its rights under this Contract as provided in Section 365(n) of the Bankruptcy Code. Upon written request of the State to Contractor or the Bankruptcy Trustee, Contractor or such Bankruptcy Trustee shall not interfere with the rights of the State as provided in this Contract, including the right to obtain the State Intellectual Property.

13 ACCESS TO STATE DATA:

Within ten (10) business days of a request by State, the Contractor will make available to State a complete and secure (i.e. encrypted and appropriately authenticated) download file of State Intellectual Property and State Data in a format acceptable to State including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in their native format. *Provided, however*, in the event the Contractor ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any statute of any state relating to insolvency or the protection of rights of creditors, the Contractor shall immediately return all State Intellectual Property and State Data to State control; including, but not limited to, making all necessary access to applicable remote systems available to the State for purposes of downloading all State Data.

14 STATE FACILITIES.

14.1 During the term of this Contract, the State may make available to Contractor space in any State facility applicable to the Services, subject to the conditions that Contractor: (i) shall only use such space solely and exclusively for and in support of the Services; (ii) shall not use State facilities to provide goods or services to or for the benefit of any third party; (iii) shall comply with the leases, security, use and rules and agreements applicable to the State facilities; (iv) shall not use State facilities for any unlawful purpose; (v) shall comply with all policies and procedures governing access to and use of State facilities that are provided to Contractor in writing; (vi) instruct Contractor personnel not to photograph or record, duplicate, disclose, transmit or communicate any State information, materials, data or other items, tangible or intangible, obtained or available as a result of permitted use of State facilities; and (vii) return such space to the State in the same condition it was in at the commencement of this Contract, ordinary wear and tear excepted. State facilities will be made available to Contractor on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

14.2 **Contractor Facilities**. Contractor will be responsible for procuring, managing, maintaining and otherwise making available all Contractor Resources necessary to provide the Services in accordance with the Requirements hereunder. Contractor shall not impact services through any relocation of any Contractor facilities providing services pursuant to this Contract ("Contractor Facilities"). No Contractor Facility that stores data of any purchaser hereunder shall be located outside the United States, provided however, the Contractor may provide technical user support on a 24/7 basis using a "follow the sun" model, unless otherwise prohibited by the purchasing entity.

15 MISCELLANEOUS

15.1 **Taxes.** Most State purchases are not subject to federal or state sales or excise taxes and must be invoiced tax free. An exemption certificate will be furnished upon request covering taxable items. The Contractor agrees to pay all Vermont taxes which may be due as a result of this Contract.

15.2 **Force Majeure.** Neither party shall be liable to the other for the failure or delay of performance of any obligation hereunder if such failure or delay is wholly or principally caused by acts or events beyond the nonperforming party's reasonable control making it illegal or impossible to perform their obligations under this Contract. The following events shall constitute Force Majeure for purposes of this Contract: acts of civil or military authority; fires, floods, earthquakes or other natural disasters; war or riots; or government embargoes. The nonperforming party asserting Force Majeure must promptly notify the other party of the event giving rise to the Force Majeure. Performance shall only be excused hereunder if the nonperforming party can prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Contract, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

15.3 **Marketing.** Neither party to this Contract shall refer to the other party in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties.

ATTACHMENT E

BUSINESS ASSOCIATE AGREEMENT

RESERVED

ATTACHMENT F

AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS

RESERVED