

EXHIBIT A

DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS

CONTRACT REQUIREMENTS:

- 1) Contractor shall procure a full year's supply of blank check stock, prior to the beginning of each calendar year for the exclusive use of the Client Agency.
- 2) Due to the necessary interaction between the successful Contractor and the Client Agency, all services must be performed within a 150-mile radius of the Client Agency, Hartford, Connecticut office.
- 3) In addition to the insurance requirements in this Contract, all employees associated with the work outlined in this Contract must be bonded and the Contractor must carry Professional Liability / Errors and Omissions insurance coverage. Each occurrence: \$1,000,000. General aggregate: \$1,000,000. No Contractor will commence work under this Contract until proof of insurance requirements is fulfilled.
- 4) Contractor shall have the capacity to process and mail up to a maximum of 35,000 checks daily. Checks must be printed, folded and mailed in a mailer approved by the Client Agency.
- 5) Contractor shall process and mail checks within 24 hours of receipt of the Client Agency source data.
- 6) Contractor must be able to transmit and receive the Client Agency file electronically through an internet connection using a secured Virtual Private Network (VPN) connection with software supplied by the State's Bureau of Enterprise Systems and Technologies (BEST). As a backup, the Contractor must be able to process data supplied on a CD or other media to be determined by the Client Agency. All data associated with this Contract remains the sole property of the State.
- 7) Contractor will receive the electronic data thru FTP (File Transfer Protocol) daily by 10:00 a.m. Eastern Time from the BEST mainframe or a place designated by the Client Agency.
- 8) Contractor shall reformat all incoming electronic data to be compatible with the Client Agency form and check design.
- 9) Contractor shall be able to remove checks from any point in the mailing process and return these items to Client Agency. Check "pull" requests will be e-mailed or faxed on the day the data file is made available prior to 2:00 p.m. Eastern Time. All pulled checks that need to be returned to the Client Agency shall be done via overnight delivery service, at no cost to the Client Agency. Checks that are to be destroyed must be verified as pulled through secure e-mail.
- 10) All materials will be supplied and/or stocked by the Contractor.
- 11) All data processing, laser printing, inserting and presorting services must be performed in the Contractor's facility.

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- 12) Contractor shall have sufficient data processing equipment, mailing equipment, paid qualified programmers and operators in house to perform as directed in this Contract for the duration of this Contract.
- 13) Contractor will be responsible for all check text changes, with no additional charge to the State, as required by the Client Agency for the duration of this Contract.
- 14) Contractor shall have a system in place to control the number of checks and the total dollar amount of checks printed each day. The number of checks and the total dollar amount of checks printed daily must be reconciled to the number of taxpayers and dollar amount on the file received from the Client Agency. Contractor shall notify the Client Agency within one (1) hour of the discovery of any discrepancy.
- 15) Contractor shall have MICR coding printing capability that meets ANSI specification X9.27. Placement of MICR coding is subject to the Client Agency approval.
- 16) Contractor shall maintain a perpetual inventory record of check stock which includes the daily logging of the number of check stock procured and check stock removed for issuance.
- 17) Contractor shall have a completed disaster recovery plan acceptable to the Client Agency in place at the time of this Contract award and shall maintain it for the duration of this Contract. Contractor shall provide a copy of the disaster recovery plan at the commencement of this Contract.
- 18) The Contractor shall place a QR Code or equivalent on the check which contains the ID number, check number and dollar amount of the check. This QR Code must be visible in the window of an envelope.
- 19) Contractor shall assign at least two staff members to immediately respond to problems and inquires, and, if necessary, respond to such inquires by written response within twenty-four (24) hours of receipt of such inquiry.

MAILING REQUIREMENTS:

- 1) Contractor shall use exact mailing information as provided by Client Agency. Mailing address data will have been run through a National Change of Address (NCOA) program and address standardization program prior to delivery to Contractor. NCOA and Coding Accuracy Support System (CASS) certification will be provided to the Contractor as necessary.
- 2) Contractor shall prepare and seal the checks in the predetermined envelope. Automated sorting equipment must have the capability to read and apply a five (5) digit and expanded delivery point "intelligent mail" bar code according to United States Postal Service's specifications in order to qualify for the best postal discounts.

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- 3) Client Agency will open and fund a postage account with the United States Postal Service in the city/state the Contractor plans on utilizing to mail the checks. Contractor will provide all mail receipts to the Client Agency upon completion of each mailing.

SECURITY CONFIDENTIALITY REQUIREMENTS:

- 1) All check stock must be secured in a locked storage area. The acceptable degree of security is subject to Client Agency approval.
- 2) Checks must be secured in a locked area after processing and prior to mailing. The acceptable degree of security is subject to Client Agency approval.
- 3) All input data must be secured prior to and after processing. The acceptable degree of security is subject to Client Agency approval.
- 4) Contractor security systems must limit access to check stock, data, signature devices and processing equipment to employees and their supervisory staff responsible for processing the checks.
- 5) Contractor shall have working fire and security systems acceptable to the Client Agency at the time of the Contract award and shall maintain them throughout the Contract term.
- 6) Contractor shall keep all signature devices (signature plates, signature stamps, digitalized signatures, etc.) in a locked safe and shall return all signature devices to the Client Agency at the end of the Contract term. The acceptable degree of security is subject to Client Agency approval.
- 7) Contractor shall keep all data processing systems password protected with each person authorized to access information utilizing a unique password. In addition, Contractor shall maintain data processing systems with the ability to track and log the activity of the users.
- 8) Checks must be printed with an approved panagraph background watermark and include features to display *void* when reproduced. Contractor must incorporate additional features into the check design in order to enhance security when requested by the Client Agency.
- 9) Contractor shall account for and immediately return all damaged checks to the Client Agency.
- 10) In order to achieve maximum security, Contractor shall separate the following duties to the satisfaction of the Client Agency:
 - handling data
 - developing systems
 - operating systems
 - procurement of check stock
 - controlling check stock

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- generating checks
 - mailing checks
- 11) Contractor shall reconcile monthly the perpetual inventory record of check stock to actual physical inventory on hand. Upon award, Client Agency will assign a Client Agency Internal Audit Directory. Contractor shall notify the Client Agency Internal Audit Director immediately of any changes in the inventory which is not attributable to issuance activity.
- 12) Contractor shall allow for inspections by the Client Agency internal audit staff as well as the State of Connecticut Auditors of Public Accounts. The State reserves the right to inspect the Contractor's facility before an award is made and anytime during the Contract term. The Contractor may be required to demonstrate that it maintains appropriate equipment and personnel at all times to meet the Contract requirements. If the inspection finds the Contractor is not qualified to perform the work, the State may seek reimbursement from the Contractor for all inspection costs, including, but not limited to, airfare, car rental, hotel, meals and the salary of the individuals(s) performing the site inspection. The Client Agency or the State or both may inspect work in progress at any time. Part of the inspection will require the Contractor to demonstrate its ability to maintain security of all materials in a manner satisfactory to the Client Agency and the State.
- 13) Contractor shall notify and secure written approval from the Client Agency prior to the destruction of any check stock. The Client Agency may be present during check destruction at the Client Agency's discretion.
- 14) Prior to contract award, the Contractor shall provide a network diagram illustrating the process flow of data as it pertains to this Contract. The Contractor shall provide the Client Agency with its policies and procedures on accessibility to data, securing data and data wiping in addition to documenting how such policies are enforced. Such policies must meet or exceed the data security requirements of the Contract at all times.
- 15) Contractor shall not comingle Client Agency data with any other data.

Delayed Check Processing Charge:

Client Agency may reduce any Contractor invoice by up to \$500.00 per day for each day that the Contractor does not process the minimum number of checks to be processed daily or does not process the information within the twenty-four (24) hour period as specified in Contract Requirements, items #4 and #5 of this Exhibit A.

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ADDITIONAL TERMS AND CONDITIONS:

Contract Separately/Additional Savings Opportunities

DAS reserves the right to either seek additional discounts from the Contractor or to contract separately for a single purchase, if in the judgment of DAS, the quantity required is sufficiently large, to enable the State to realize a cost savings, over and above the prices set forth in Exhibit B, whether or not such a savings actually occurs.

Subcontractors

Subcontracting is not allowed under this Contract.

Security and/or Property Entrance Policies and Procedures

Contractor shall adhere to established security or property entrance policies and procedures or both for each requesting Client Agency. It is the responsibility of each Contractor to understand and adhere to those policies and procedures prior to any attempt to enter any Client Agency premises for the purpose of carrying out the scope of work described in this Contract.