

# STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES  
PROCUREMENT DIVISION  
450 Columbus Boulevard, Hartford, CT 06103

Elizabeth Basso  
Contract Specialist  
  
860-713-5611  
Telephone Number

CONTRACT AWARD NO.:	14PSX0115
Contract Award Date:	26 August 2015
Proposal Due Date:	19 December 2014
SUPPLEMENT DATE:	15 July 2019

## CONTRACT AWARD SUPPLEMENT #3

**IMPORTANT: THIS IS NOT A PURCHASE ORDER. DO NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.**

DESCRIPTION:

### Statewide Cost Allocation Plan and Other Cost Allocation Services

FOR:  
Department of Administrative Services, Office of the State Comptroller, Department of Rehabilitation Services, Department of Social Services, All Using State Agencies, and Political Subdivisions

TERM OF CONTRACT:  
  
EXTENDED THROUGH AUGUST 30, 2023

AGENCY REQUISITION NUMBER: 0000002455

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
0	0	\$0	\$0

**NOTICE TO CONTRACTORS:** This notice is not an order to ship. Purchase Orders against contracts will be furnished by the using agency or agencies on whose behalf the contract is made. INVOICE SHALL BE RENDERED DIRECT TO THE ORDERING AGENCY.

**NOTE:** Dollar amounts listed next to each contractor are possible award amounts, however, they do not reflect any expected purchase amounts (actual or implied). They are for CHRO use only.

**NOTICE TO AGENCIES:** A complete explanatory report shall be furnished promptly to the Procurement Manager concerning items delivered and/or services rendered on orders placed against awards listed herein which are found not to comply with the specifications or which are otherwise unsatisfactory from the agency's viewpoint, as well as failure of the contractor to deliver within a reasonable period of time specified. Please issue orders and process invoices promptly.

**CASH DISCOUNTS:** Cash discounts, if any, shall be given SPECIAL ATTENTION, but such cash discount shall not be taken unless payment is made within the discount period.

**PRICE BASIS:** Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

**CONTRACTOR INFORMATION:**

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION. (<http://das.ct.gov/mp1.aspx?page=8>)

Company Name: MAXIMUS Consulting Services, Inc.  
Company E-mail Address (updated): [FSC-Operations@maximus.com](mailto:FSC-Operations@maximus.com)

**PLEASE NOTE:**

All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

APPROVED \_\_\_\_\_

**ELIZABETH BASSO**  
Contract Specialist  
(Original Signature on Document in Procurement Files)

# STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES  
PROCUREMENT DIVISION  
450 Columbus Boulevard, Hartford, CT 06103

Elizabeth Basso  
Contract Specialist  
860-713-5611  
Telephone Number

CONTRACT AWARD NO.:	14PSX0115
Contract Award Date:	26 August 2015
Proposal Due Date:	19 December 2014
SUPPLEMENT DATE:	3 July 2019

## CONTRACT AWARD SUPPLEMENT #2

**IMPORTANT: THIS IS NOT A PURCHASE ORDER. DO NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.**

DESCRIPTION:

### Statewide Cost Allocation Plan and Other Cost Allocation Services

**FOR:**  
Department of Administrative Services, Office of the State  
Comptroller, Department of Rehabilitation Services,  
Department of Social Services, All Using State Agencies, and  
Political Subdivisions

**TERM OF CONTRACT:**  
  
EXTENDED THROUGH AUGUST 30, 2023

**AGENCY REQUISITION NUMBER: 0000002455**

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
0	0	\$175,000.00	\$175,000.00

**NOTICE TO CONTRACTORS:** This notice is not an order to ship. Purchase Orders against contracts will be furnished by the using agency or agencies on whose behalf the contract is made. INVOICE SHALL BE RENDERED DIRECT TO THE ORDERING AGENCY.

**NOTE:** Dollar amounts listed next to each contractor are possible award amounts, however, they do not reflect any expected purchase amounts (actual or implied). They are for CHRO use only.

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**CASH DISCOUNTS:** Cash discounts, if any, shall be given SPECIAL ATTENTION, but such cash discount shall not be taken unless payment is made within the discount period.

**PRICE BASIS:** Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

**CONTRACTOR INFORMATION:**

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION. (<http://das.ct.gov/mp1.aspx?page=8>)

Company Name: MAXIMUS Consulting Services, Inc.  
Company Address: 1891 Metro Center Drive, Reston VA 20190  
Tel. No.: 804 823-8131 Fax No.: 804 323-3536  
Contact Person: Nelson H. Clugston  
Company E-mail Address: [StateandLocalMSA@maximus.com](mailto:StateandLocalMSA@maximus.com)  
Company Web Site: [www.maximus.com](http://www.maximus.com)  
Certification Type (SBE,MBE or None): n/a  
Payment Terms: Net 30 days

Agrees to Supply Political SubDivisions: Yes

Maximus Consulting Services, Inc. has agreed to maintain the current contract terms for the full four (4) year period.

**PLEASE NOTE:**

All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

APPROVED \_\_\_\_\_

**ELIZABETH BASSO**  
Contract Specialist  
(Original Signature on Document in Procurement Files)

CONTRACT SUPPLEMENT  
SP-37 - Rev. 11/17/16  
Prev. Rev. 4/28/14

Janet DelGreco Olson  
Contract Specialist

860-713-5079  
Telephone Number

# STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION

450 Columbus Boulevard, Hartford, CT 06103

CONTRACT AWARD NO.:  
14PSX0115

Contract Award Date:

26 August 2015

Bid Due Date:

19 December 2014

SUPPLEMENT DATE:

11 October 2017

## CONTRACT AWARD SUPPLEMENT #1

**IMPORTANT: THIS IS NOT A PURCHASE ORDER. DO NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.**

DESCRIPTION: **Statewide Cost Allocation Plan and Other Cost Allocation Services**

FOR:  
Department of Administrative Services, Office of the State  
Comptroller, Department of Rehabilitation Services,  
Department of Social Services, All Using State Agencies, and  
Political Subdivisions

TERM OF CONTRACT:  
August 26, 2015 through August 25, 2019

AGENCY REQUISITION NUMBER: 0000002455

CHANGE TO IN STATE (NON-SB) CONTRACT VALUE	CHANGE TO DAS-CERTIFIED SMALL BUSINESS CONTRACT VALUE	CHANGE TO OUT OF STATE CONTRACT VALUE	CHANGE TO TOTAL CONTRACT AWARD VALUE
n/c	n/c	n/c	n/c

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**PRICE BASIS:** Unless otherwise noted, prices include delivery and transportation charges fully prepaid f.o.b. agency. No extra charge is to be made for packing or packages.

*See Overleaf for Contractor Information*

**NOTE:** Supplement #1 has been issued to Contract Award 14PSX0115 to update Contractor's email address as reflected on overleaf. All terms and conditions not otherwise affected by this supplement remain unchanged and in full force and effect.

DEPARTMENT OF ADMINISTRATIVE SERVICES

By: \_\_\_\_\_  
(Original Signature on Document in Procurement Files)

Name: **JANET DELGRECO OLSON**

Title: Contract Specialist

Date: October 11, 2017

**CONTRACTOR INFORMATION:**

REFER TO THE CONTRACT ON THE DAS PROCUREMENT WEB PAGE FOR THE MOST CURRENT CONTRACTOR INFORMATION. (<http://das.ct.gov/mp1.aspx?page=8>)

*Company Name:* **MAXIMUS Consulting Services, Inc.**

*Company Address:* **1891 Metro Center Drive, Reston VA 20190**

*Tel. No.:* **804 823-8131**

*Fax No.:* **804 323-3536**

*Contract Value:* **\$450,000.00 (est.)**

*Delivery:* **To be Determined**

*Contact Person:* **Nelson H. Clugston**

*Contact Person Address:* **same as above**

*Company E-mail Address and/or Company Web Site:* [StateandLocalMSA@maximus.com](mailto:StateandLocalMSA@maximus.com) [www.maximus.com](http://www.maximus.com)

*Remittance Address:* n/a

*Certification Type (SBE, MBE or None):* **n/a**

*Agrees to Supply Political SubDivisions:* **Yes**

*Payment Terms:* **Net 30 days**

CONTRACT AWARD  
SP-38 - Rev. 5/21/14  
Prev. Rev. 3/12/14

Janet DelGreco Olson  
Contract Specialist  
860-713-5079  
Telephone Number

# STATE OF CONNECTICUT

DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION

165 Capitol Avenue, 5<sup>th</sup> Floor South, Hartford CT 06106-1659

CONTRACT AWARD NO.:

14PSX0115

Contract Award Date:

26 August 2015

Bid Due Date:

19 December 2014

## CONTRACT AWARD

**IMPORTANT: THIS IS NOT A PURCHASE ORDER. DO NOT PRODUCE OR SHIP WITHOUT AN AGENCY PURCHASE ORDER.**

DESCRIPTION: **Statewide Cost Allocation Plan and Other Cost Allocation Services**

FOR:  
Department of Administrative Services, Office of the State  
Comptroller, Department of Rehabilitation Services,  
Department of Social Services, All Using State Agencies, and  
Political Subdivisions

TERM OF CONTRACT:  
Date of Award through August 25, 2019

AGENCY REQUISITION NUMBER: 0000002455

IN STATE (NON-SB) CONTRACT VALUE	DAS CERTIFIED SMALL BUSINESS CONTRACT VALUE	OUT OF STATE CONTRACT VALUE	TOTAL CONTRACT AWARD VALUE
\$00.00	\$00.00	\$450,000.00 (est.)	\$450,000.00 (est.)

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Company Name: **MAXIMUS Consulting Services, Inc.**

Company Address: **1891 Metro Center Drive, Reston VA 20190**

Tel. No.: **804 823-8131**

Fax No.: **804 323-3536**

Contract Value: **\$450,000.00 (est.)**

Delivery: **To be Determined**

Contact Person: **Nelson H. Clugston**

Contact Person Address: **same as above**

Company E-mail Address and/or Company Web Site: [nelsonclugston@maximus.com](mailto:nelsonclugston@maximus.com) [www.maximus.com](http://www.maximus.com)

Remittance Address: n/a

Certification Type (SBE, MBE or None): **n/a**

Agrees to Supply Political SubDivisions: **Yes**

Payment Terms: **Net 30 days**

The signature below by the DAS Contract Specialist is evidence that the Contractor's solicitation response has/have been accepted and that the Contractor(s) and DAS are bound by all of the terms and conditions of the Contract.

DEPARTMENT OF ADMINISTRATIVE SERVICES

By: \_\_\_\_\_  
(Original Signature on Document in Procurement Files)

Name: **JANET DELGRECO OLSON**

Title: Contract Specialist

Date: August 26, 2015

# **CONTRACT**

**14PSX0115**

Between

**THE STATE OF CONNECTICUT**

Acting by its

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

**AND**

**MAXIMUS Consulting Services, Inc.**

Awarded Contractor

***STATEWIDE COST ALLOCATION PLAN AND OTHER COST ALLOCATION SERVICES***

# Contract # 14PSX0115

Contract Document

RFP-50 Rev. 9/3/14

Prev. Rev. 4/3/14

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**Contract # 14PSX0115**

Contract Document

RFP-50 Rev. 9/3/14

Prev. Rev. 4/3/14

This Contract (the "Contract") is made as of August 26, 2015 (the "Effective Date") by and between, **MAXIMUS Consulting Services, Inc.** (the "Contractor,") with a principal place of business at **1891 Metro Center Drive, Reston VA 20190**, acting by **Adam Polatnick** , its **Vice President** and the State of Connecticut, Department of Administrative Services ("DAS"), with a principal place of business at 165 Capitol Ave, Hartford, Connecticut 06106-1659, acting by Janet DelGreco Olson, its Contract Specialist, in accordance with Sections 4a-2 and 4a-51 of the Connecticut General Statutes.

Now therefore, in consideration of these presents, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the Contractor and the State agree as follows:

1. Definitions. Unless otherwise indicated, the following terms shall have the following corresponding definitions:
  - (a) Claims: All actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.
  - (b) Client Agency: The Department of Administrative Services ("DAS"), The Office of State Comptroller ("OSC"), Department of Rehabilitation Services ("DORS"), Department of Social Services ("DSS"), State Department of Aging ("SDA"), Office of Early Childhood ("OEC") and any department, commission, board, bureau, agency, institution, public authority, office, council, association, instrumentality or political subdivision of the State of Connecticut, as applicable, who is authorized and chooses to make purchases under, and pursuant to the terms and conditions of, this Contract.
  - (c) Confidential Information: This shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that the Client Agency or DAS classifies as "confidential" or "restricted." Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.
  - (d) Confidential Information Breach: This shall mean, generally, an instance where an unauthorized person or entity accesses Confidential Information in any manner, including but not limited to the following occurrences: (1) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the



## Contract # 14PSX0115

Contract Document

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Prev. Rev. 4/3/14

State; (3) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; or (4) if there is a substantial risk of identity theft or fraud to Client Agency, the Contractor, DAS or State.

- (e) Contract: The agreement, as of its Effective Date, between the Contractor and the State for any or all Goods or Services at the Proposal price.
- (f) Contractor: A person or entity who submits a Proposal and who executes a Contract.
- (g) Contractor Parties: A Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity.
- (h) Day: All calendar days other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.
- (i) Force Majeure: Events that materially affect the cost of the Goods or Services or the time schedule within which to Perform and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the Contractor, failure of or inadequate permanent power, unavoidable casualties, fire not caused by the Contractor, extraordinary weather conditions, disasters, riots, acts of God, insurrection or war.
- (j) Goods: For purposes of the Contract, all things which are movable at the time that the Contract is effective and which include, without limiting this definition, supplies, materials and equipment, as specified in the Request for Proposals and set forth in Exhibit A.
- (k) Goods or Services: Goods, Services or both, as specified in the Request for Proposals and set forth in Exhibit A.
- (l) Proposal: A submittal in response to a Request for Proposals.
- (m) Records: All working papers and such other information and materials as may have been accumulated by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.
- (n) Request for Proposals: A State request inviting proposals for Goods or Services. This Contract shall be governed by the statutes, regulations and procedures of the State of Connecticut, Department of Administrative Services.
- (o) Services: The performance of labor or work, as specified in the Request for Proposals and set forth in Exhibit A.
- (p) State: The State of Connecticut, including DAS, the Client Agency and any office, department, board, council, commission, institution or other agency of the State.
- (q) Termination: An end to the Contract prior to the end of its term whether effected pursuant to a right which the Contract creates or for a breach.

Contract # **14PSX0115**

Contract Document

RFP-50 Rev. 9/3/14

Prev. Rev. 4/3/14

- (r) Title: all ownership, title, licenses, rights and interest, including, but not limited to, perpetual use, of and to the Goods or Services.
2. Term of Contract; Contract Extension. The Contract will be in effect from Effective Date through August 25, 2019. DAS, in its sole discretion, may extend this Contract for additional terms beyond the original term, prior to Termination or expiration, one or more times for a combined total period not to exceed the complete length of the original term.
3. Description of Goods or Services and Additional Terms and Conditions. The Contractor shall perform as set forth in Exhibit A. For purposes of this Contract, to perform and the performance in Exhibit A is referred to as "Perform" and the "Performance."
4. Price Schedule, Payment Terms and Billing, and Price Adjustments.
- (a) Price Schedule: Price Schedule under this Contract is set forth in Exhibit B.
- (b) Payment Terms and Billing: Payment shall be made only after the Client Agency receives and accepts the Goods or Services and after it receives a properly completed invoice. Unless otherwise specified in the Contract, payment for all accepted Goods or Services shall be due within thirty (30) days after the acceptance of the Goods or Services. The Contractor shall submit an invoice to the Client Agency for the Performance. The invoice shall include detailed information for Goods or Services, delivered and Performed, as applicable, and accepted. Any late payment charges shall be calculated in accordance with the Connecticut General Statutes.
- (c) If applicable to and during the term of this Contract, the Price Schedule will be adjusted to reflect any increase in the minimum wage rate that may occur, as mandated by state law. The Price Schedule will not be adjusted until the Contractor provides documentation, in the form of certified payroll or other documentation acceptable to the State, substantiating the increase in minimum wage rate.
- (d) Price Adjustments: No price increases are allowed under this Contract.
5. Rejected Items; Abandonment.
- (a) The Contractor may deliver, cause to be delivered, or, in any other way, bring or cause to be brought, to any State premises or other destination, Goods, as samples or otherwise, and other supplies, materials, equipment or other tangible personal property. The State may, by written notice and in accordance with the terms and conditions of the Contract, direct the Contractor to remove any or all such Goods ("the "Rejected Goods") and any or all other supplies, materials, equipment or other tangible personal property (collectively, the "Contractor Property") from and out of State premises and any other location which the State manages, leases or controls. The Contractor shall remove the Rejected Goods and the Contractor Property in accordance with the terms and conditions of the written notice. Failure to remove the Rejected Goods or the Contractor Property in accordance with the terms and conditions of the written notice shall mean, for itself and all Contractor Parties, that:
- (1) they have voluntarily, intentionally, unconditionally, unequivocally and absolutely abandoned and left unclaimed the Rejected Goods and Contractor Property and relinquished all ownership, title, licenses, rights, possession and interest of, in and to (collectively, "Title") the Rejected Goods and Contractor Property with the specific and

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- express intent of (A) terminating all of their Title to the Rejected Goods and Contractor Property, (B) vesting Title to the Rejected Goods and Contractor Property in the State of Connecticut and (C) not ever reclaiming Title or any future rights of any type in and to the Rejected Goods and Contractor Property;
- (2) there is no ignorance, inadvertence or unawareness to mitigate against the intent to abandon the Rejected Goods or Contractor Property;
- (3) they vest authority, without any further act required on their part or the State's part, in the Client Agency and the State to use or dispose of the Rejected Goods and Contractor Property, in the State's sole discretion, as if the Rejected Goods and Contractor Property were the State's own property and in accordance with law, without incurring any liability or obligation to the Contractor or any other party;
- (4) if the State incurs any costs or expenses in connection with disposing of the Rejected Goods and Contractor Property, including, but not limited to, advertising, moving or storing the Rejected Goods and Contractor Property, auction and other activities, the State shall invoice the Contractor for all such cost and expenses and the Contractor shall reimburse the State no later than thirty (30) days after the date of invoice; and
- (5) they do remise, release and forever discharge the State and its employees, departments, commissions, boards, bureaus, agencies, instrumentalities or political subdivisions and their respective successors, heirs, executors and assigns (collectively, the "State and Its Agents") of and from all Claims which they and their respective successors or assigns, jointly or severally, ever had, now have or will have against the State and Its Agents arising from the use or disposition of the Rejected Goods and Contractor Property.
- (b) The Contractor shall secure from each Contractor Party, such document or instrument as necessary or appropriate as will vest in the Contractor plenary authority to bind the Contractor Parties to the full extent necessary or appropriate to give full effect to all of the terms and conditions of this section. The Contractor shall provide, no later than fifteen (15) days after receiving a request from the State, such information as the State may require to evidence, in the State's sole determination, compliance with this section.
6. Order and Delivery. The Contract shall bind the Contractor to furnish and deliver the Goods or Services in accordance with Exhibit A and at the prices set forth in Exhibit B. Subject to the sections in this Contract concerning Force Majeure, Termination and Open Market Purchases, the Contract shall bind the Client Agency to order the Goods or Services from the Contractor, and to pay for the accepted Goods or Services in accordance with Exhibit B.
7. Contract Amendments.  
No amendment to or modification or other alteration of the Contract shall be valid or binding upon the State unless made in writing, signed by both parties and, if applicable, approved by the Connecticut Attorney General.
8. Assignment. The Contractor shall not assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of DAS. DAS may void any purported assignment in violation of this section and declare the Contractor in breach of Contract. Any Termination by DAS for a breach is without prejudice to DAS's or the State's rights or possible Claims.

## Contract # 14PSX0115

Contract Document

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Prev. Rev. 4/3/14

### 9. Termination.

- (a) Notwithstanding any provisions in this Contract, either party, through a duly authorized employee, may Terminate the Contract whenever it is solely determined by that party to be in their best interest. The terminating party shall notify the other party in writing at least thirty (30) days prior to the date of Termination pursuant to this section, which notice shall specify the effective date of Termination and the extent to which the parties must complete their Performance under the Contract prior to such date.
- (b) Notwithstanding any provisions in this Contract, either party, through a duly authorized employee, may, after making a written determination that the other party has breached the Contract, Terminate the Contract in accordance with the provisions in the Breach section of this Contract.
- (c) DAS shall send the notice of Termination via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to DAS for purposes of correspondence, or by hand delivery. Upon receiving the notice from DAS, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to the Client Agency all Records. The Records are deemed to be the property of the Client Agency and the Contractor shall deliver them to the Client Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from either DAS or the Client Agency for the Records. The Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.
- (d) Upon receipt of a written notice of Termination from DAS, the Contractor shall cease operations as DAS directs in the notice, and take all actions that are necessary or appropriate, or that DAS may reasonably direct, for the protection, and preservation of the Goods and any other property. Except for any work which DAS directs the Contractor to Perform in the notice prior to the effective date of Termination, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
- (e) The Client Agency shall, within forty-five (45) days of the effective date of Termination, reimburse the Contractor for its Performance rendered and accepted by the Client Agency in accordance with Exhibit A, in addition to all actual and reasonable costs incurred after Termination in completing those portions of the Performance which the notice required the Contractor to complete. However, the Contractor is not entitled to receive and the Client Agency is not obligated to tender to the Contractor any payments for anticipated or lost profits. Upon request by DAS or the Client Agency, as applicable, the Contractor shall assign to DAS or the Client Agency, or any replacement contractor which DAS or the Client Agency designates, all subcontracts, purchase orders and other commitments, deliver to DAS or the Client Agency all Records and other information pertaining to its Performance, and remove from State premises, whether leased or owned, all of Contractor's property, equipment, waste material and rubbish related to its Performance, all as DAS or the Client Agency may request.
- (f) For breach or violation of any of the provisions in the section concerning Representations and Warranties, DAS may Terminate the Contract in accordance with its terms and revoke any consents to assignments given as if the assignments had never been requested or

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consented to, without liability to the Contractor or Contractor Parties or any third party.

(g) Upon Termination of the Contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive Termination. All representations, warranties, agreements and rights of the parties under the Contract shall survive such Termination to the extent not otherwise limited in the Contract and without each one of them having to be specifically mentioned in the Contract.

(h) Termination of the Contract pursuant to this section shall not be deemed to be a breach of contract by DAS.

10. Cost Modifications. The parties may agree to a reduction in the cost of the Contract at any time during which the Contract is in effect. Without intending to impose a limitation on the nature of the reduction, the reduction may be to hourly, staffing or unit costs, the total cost of the Contract or the reduction may take such other form as the State deems to be necessary or appropriate.

11. Breach. If either party breaches the Contract in any respect, the non-breaching party shall provide written notice of such breach to the breaching party and afford the breaching party an opportunity to cure the breach within ten (10) days from the date that the breaching party receives such notice. Any other time greater than ten (10) days provided for in the notice shall trump such ten (10) days. Such right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective Contract Termination date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the Termination date, no further action shall be required of any party to effect the Termination as of the stated date. If the notice does not set forth an effective Contract Termination date, then the non-breaching party may Terminate the Contract by giving the breaching party no less than twenty four (24) hours' prior written notice. If DAS believes that the Contractor has not performed according to the Contract, the Client Agency may withhold payment in whole or in part pending resolution of the Performance issue, provided that DAS notifies the Contractor in writing prior to the date that the payment would have been due in accordance with Exhibit B.

12. Waiver.

(a) No waiver of any breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity.

(b) A party's failure to insist on strict performance of any provision of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of Performance and shall not be deemed to be a waiver of any subsequent rights, remedies or breach.

13. Open Market Purchases. Failure of the Contractor to Perform within the time specified in the Contract, or failure to replace rejected or substandard Goods or fulfill unperformed Services when so requested and as the Contract provides or allows, constitutes a breach of the Contract and as a remedy for such breach, such failure shall constitute authority for DAS, if it deems it to be necessary or appropriate in its sole discretion, to Terminate the Contract and/or to purchase on the open market, Goods or Services to replace those which

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have been rejected, not delivered, or not Performed. The Client Agency shall invoice the

Contractor for all such purchases to the extent that they exceed the costs and expenses in Exhibit B and the Contractor shall pay the Client Agency's invoice immediately after receiving the invoice. If DAS does not Terminate the Contract, the Client Agency will deduct such open market purchases from the Contract quantities. However, if the Client Agency deems it to be in the best interest of the State, the Client Agency may accept and use the Goods or Services delivered which are substandard in quality, subject to an adjustment in price to be determined by the Client Agency.

### 14. Purchase Orders.

- (a) The Contract itself is not an authorization for the Contractor to ship Goods or begin Performance in any way. The Contractor may begin Performance only after it has received a duly issued purchase order against the Contract for Performance.
- (b) The Client Agency shall issue a purchase order against the Contract directly to the Contractor and to no other party.
- (c) All purchase orders shall be in written or electronic form, bear the Contract number (if any) and comply with all other State and Client Agency requirements, particularly the Client Agency's requirements concerning procurement. Purchase orders issued in compliance with such requirements shall be deemed to be duly issued.
- (d) A Contractor making delivery without a duly issued purchase order in accordance with this section does so at the Contractor's own risk.
- (e) The Client Agency may, in its sole discretion, deliver to the Contractor any or all duly issued purchase orders via electronic means only, such that the Client Agency shall not have any additional obligation to deliver to the Contractor a "hard copy" of the purchase order or a copy bearing any hand-written signature or other "original" marking.

### 15. Indemnification.

- (a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) Claims arising, directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively, the "Acts") of the Contractor or Contractor Parties; and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Contractor's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Contractor's bid, proposal or any Records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the Performance.
- (b) The Contractor shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any other person or entity acting under the direct control or supervision of the State.
- (c) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The

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State shall give the Contractor reasonable notice of any such Claims.

- (d) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
- (e) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any provisions survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall cause the State to be named as an additional insured on the policy and shall provide (1) a certificate of insurance, (2) the declaration page and (3) the additional insured endorsement to the policy to the Client Agency prior to the Effective Date of the Contract evidencing that the State is an additional insured. The Contractor shall not begin Performance until the delivery of these 3 documents to the Client Agency. State shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that State is contributorily negligent.
- (f) This section shall survive the Termination of the Contract and shall not be limited by reason of any insurance coverage.
- (g) The Department agrees that Contractor's total liability to the Department for any and all damages whatsoever arising out of, or in any way related to, this Agreement from any cause, including but not limited to negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed two and a half times the contract value. This limitation shall not apply to: (i) personal injury; (ii) personal property damage; (iii) U.S. copyright infringement; and (iv) breach of Section 59 of this Agreement.

In no event shall Contractor be liable for indirect, special, incidental, economic, consequential or punitive damages, including but not limited to lost revenue, lost profits, replacement goods, loss of technology rights or services, loss of data, or interruption or loss of use of software or any portion thereof regardless of the legal theory under which such damages are sought even if Contractor has been advised of the likelihood of such damages, and notwithstanding any failure of essential purpose of any limited remedy.

16. Forum and Choice of Law. The parties deem the Contract to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

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**17. Contractor Guaranties.** Contractor shall:

- (a) Perform fully under the Contract;
- (b) Guarantee the Goods or Services against defective material or workmanship and to repair any damage or marring occasioned in transit or, at the Client Agency's option, replace them;
- (c) Furnish adequate protection from damage for all work and to repair damage of any kind, for which its workers are responsible, to the premises, Goods, the Contractor's work or that of Contractor Parties;
- (d) With respect to the provision of Services, pay for all permits, licenses and fees and give all required or appropriate notices;
- (e) Adhere to all Contractual provisions ensuring the confidentiality of Records that the Contractor has access to and are exempt from disclosure under the State's Freedom of Information Act or other applicable law; and
- (f) Neither disclaim, exclude nor modify the implied warranties of fitness for a particular purpose or of merchantability.

**18. Implied Warranties.** DAS does not disclaim, exclude or modify the implied warranty of fitness for a particular purpose or the warranty of merchantability.

**19. Goods, Standards and Appurtenances.** Any Goods delivered must be standard new Goods, latest model, except as otherwise specifically stated in the Contract. Remanufactured, refurbished or reconditioned equipment may be accepted but only to the extent allowed under the Contract. Where the Contract does not specifically list or describe any part or nominal appurtenances of equipment for the Goods, it shall be understood that the Contractor shall deliver such parts and appurtenances as are usually provided with the manufacturer's stock model.

**20. Delivery.**

- (a) Delivery shall be made as ordered and in accordance with the Contract. Unless otherwise specified in the Contract, delivery shall be to a loading dock or receiving platform. The Contractor or Contractor's shipping designee shall be responsible for removal of Goods from the carrier and placement on the Client Agency loading dock or receiving platform. The receiving personnel of the Client Agency are not required to assist in this process. The decision of DAS as to reasonable compliance with delivery terms shall be final and binding. The burden of proof of proper receipt of the order shall rest with the Contractor.
- (b) In order for the time of delivery to be extended, the Client Agency must first approve a request for extension from the time specified in the Contract, such extension applying only to the particular item or shipment.
- (c) Goods shall be securely and properly packed for shipment, according to accepted standard commercial practice, without extra charge for packing cases, baling or sacks. The containers shall remain the property of the Client Agency unless otherwise stated in the Contract.
- (d) All risk of loss and damage to the Goods transfers to the Client Agency upon Title vesting in the Client Agency.



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21. Goods Inspection. The Client Agency shall determine the manner and prescribe the inspection of all Goods and the tests of all samples submitted to determine whether they comply with all of the specifications in the Contract. If any Goods fail in any way to meet the specifications in the Contract, the Client Agency may, in its sole discretion, either reject it and owe nothing or accept it and pay for it on an adjusted price basis, depending on the degree to which the Goods meet the specifications. Any decision pertaining to any such failure or rejection shall be final and binding.
  
22. Emergency Standby for Goods and/or Services. If any Federal or State official, having authority to do so, declares an emergency or the occurrence of a natural disaster within the State of Connecticut, DAS and the Client Agency may request the Goods and Services on an expedited and prioritized basis. Upon receipt of such a request the Contractor shall make all necessary and appropriate commercially reasonable efforts to reallocate its staffing and other resources in order to give primary preference to Performing this Contract ahead of or prior to fulfilling, in whole or in part, any other contractual obligations that the Contractor may have. The Contractor is not obligated to make those efforts to Perform on an expedited and prioritized basis in accordance with this paragraph if doing so will make the Contractor materially breach any other contractual obligations that the Contractor may have. Contractor shall acknowledge receipt of any request made pursuant to this paragraph within 2 hours from the time that the Contractor receives it via purchase order or through a request to make an expedited or prioritized purchase through the State of Connecticut Purchasing Card (MasterCard) Program (the "P-Card Program"). If the Contractor fails to acknowledge receipt within 2 hours, confirm its obligation to Perform or actually Perform, as set forth in the purchase order or through the P-Card Program, then DAS and the Client Agency may procure the Performance from another source without further notice to Contractor and without creating any right of recourse at law or in equity against DAS or Client Agency.
  
23. Setoff. In addition to all other remedies available under this Contract, the State, in its sole discretion, may setoff (1) any costs or expenses that the State incurs resulting from the Contractor's unexcused nonperformance under the Contract and under any other agreement or arrangement that the Contractor has with the State and (2) any other amounts that are due or may become due from the State to the Contractor, against amounts otherwise due or that may become due to the Contractor under the Contract, or under any other agreement or arrangement that the Contractor has with the State. The State's right of setoff shall not be deemed to be the State's exclusive remedy for the Contractor's or Contractor Parties' breach of the Contract, all of which shall survive any setoffs by the State.
  
24. Force Majeure. The State and the Contractor shall not be excused from their obligation to Perform in accordance with the Contract except in the case of Force Majeure events and as otherwise provided for in the Contract. In the case of any such exception, the nonperforming party shall give immediate written notice to the other, explaining the cause and probable duration of any such nonperformance.
  
25. Advertising. The Contractor shall not refer to sales to the State for advertising or promotional purposes, including, but not limited to, posting any material or data on the Internet, without DAS's prior written approval.
  
26. Americans With Disabilities Act. The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 ("Act"), to the extent applicable, during the term of the Contract. DAS may Terminate the Contract if the Contractor fails to comply with the Act.

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27. Representations and Warranties. The Contractor, represents and warrants to DAS for itself and Contractor Parties, that:

- (a) if they are entities, they are duly and validly existing under the laws of their respective states of organization and authorized to conduct business in the State of Connecticut in the manner contemplated by the Contract. Further, as appropriate, they have taken all necessary action to authorize the execution, delivery and Performance of the Contract and have the power and authority to execute, deliver and Perform their obligations under the Contract;
- (b) they will comply with all applicable State and Federal laws and municipal ordinances in satisfying their obligations to the State under and pursuant to the Contract, including, but not limited to (1) Connecticut General Statutes Title 1, Chapter 10, concerning the State's Codes of Ethics and (2) Title 4a concerning State purchasing, including, but not limited to Section 22a-194a concerning the use of polystyrene foam;
- (c) the execution, delivery and Performance of the Contract will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (1) any provision of law; (2) any order of any court or the State; or (3) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound;
- (d) they are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any governmental entity;
- (e) as applicable, they have not, within the three years preceding the Contract, in any of their current or former jobs, been convicted of, or had a civil judgment rendered against them or against any person who would Perform under the Contract, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes, but is not limited to, violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (f) they are not presently indicted for or otherwise criminally or civilly charged by any governmental entity with commission of any of the offenses listed above;
- (g) they have not within the three years preceding the Contract had one or more contracts with any governmental entity Terminated;
- (h) they have not employed or retained any entity or person, other than a bona fide employee working solely for them, to solicit or secure the Contract and that they have not paid or agreed to pay any entity or person, other than a bona fide employee working solely for them, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of the Contract or any assignments made in accordance with the terms of the Contract;
- (i) to the best of their knowledge, there are no Claims involving Contractor or Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Contract;
- (j) they shall disclose, to the best of their knowledge, to DAS in writing any Claims involving

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- them that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Contract, no later than ten (10) Days after becoming aware or after they should have become aware of any such Claims. For purposes of the Contractor's obligation to disclose any Claims to DAS, the ten (10) Days in the section of this Contract concerning Disclosure of Contractor Parties Litigation shall run consecutively with the ten (10) Days provided for in this representation and warranty;
- (k) their participation in the Request for Proposals process is not a conflict of interest or a breach of ethics under the provisions of Title 1, Chapter 10 of the Connecticut General Statutes concerning the State's Code of Ethics;
  - (l) the Proposal was not made in connection or concert with any other person or entity, including any affiliate (as defined in the Tangible Personal Property section of this Contract) of the Contractor, submitting a proposal for the same Goods or Services, and is in all respects fair and without collusion or fraud;
  - (m) they are able to Perform under the Contract using their own resources or the resources of a party who is not a Contractor;
  - (n) the Contractor shall obtain in a written contract all of the representations and warranties in this section from any Contractor Parties and to require that provision to be included in any contracts and purchase orders with Contractor Parties;
  - (o) they have paid all applicable workers' compensation second injury fund assessments concerning all previous work done in Connecticut;
  - (p) they have a record of compliance with Occupational Health and Safety Administration regulations without any unabated, willful or serious violations;
  - (q) they owe no unemployment compensation contributions;
  - (r) they are not delinquent in the payment of any taxes owed, or, that they have filed a sales tax security bond, and they have, if and as applicable, filed for motor carrier road tax stickers and have paid all outstanding road taxes;
  - (s) all of their vehicles have current registrations and, unless such vehicles are no longer in service, they shall not allow any such registrations to lapse;
  - (t) each Contractor Party has vested in the Contractor plenary authority to bind the Contractor Parties to the full extent necessary or appropriate to ensure full compliance with and Performance in accordance with all of the terms and conditions of the Contract and that all appropriate parties shall also provide to DAS, no later than fifteen (15) days after receiving a request from DAS, such information as DAS may require to evidence, in DAS's sole determination, compliance with this section;
  - (u) except to the extent modified or abrogated in the Contract, all Title shall pass to the Client Agency upon complete installation, testing and acceptance of the Goods or Services and payment by the Client Agency;
  - (v) if either party Terminates the Contract, for any reason, they shall relinquish to the Client Agency all Title to the Goods delivered, accepted and paid for (except to the extent any invoiced amount is disputed) by the Client Agency;

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- (w) with regard to third party products provided with the Goods, they shall transfer all licenses which they are permitted to transfer in accordance with the applicable third party license;
- (x) they shall not copyright, register, distribute or claim any rights in or to the Goods after the Effective Date of the Contract without DAS's prior written consent;
- (y) they either own or have the authority to use all Title of and to the Goods, and that such Title is not the subject of any encumbrances, liens or claims of ownership by any third party;
- (z) the Goods do not infringe or misappropriate any patent, trade secret or other intellectual property right of a third party;
- (aa) the Client Agency's use of any Goods shall not infringe or misappropriate any patent, trade secret or other intellectual property right of a third party;
- (bb) if they procure any Goods, they shall sub-license such Goods and that the Client Agency shall be afforded the full benefits of any manufacturer or subcontractor licenses for the use of the Goods; and
- (cc) they shall assign or otherwise transfer to the Client Agency, or afford the Client Agency the full benefits of any manufacturer's warranty for the Goods, to the extent that such warranties are assignable or otherwise transferable to the Client Agency.

28. Representations and Warranties Concerning Motor Vehicles. If in the course of Performance or in any other way related to the Contract the Contractor at any time uses or operates "motor vehicles," as that term is defined by Conn. Gen. Stat. §14-1 (including, but not limited to such services as snow plowing, sanding, hauling or delivery of materials, freight or merchandise, or the transportation of passengers), the Contractor, represents and warrants for itself and the Contractor Parties, that:

- (a) It is the owner of record or lessee of record of each such motor vehicle used in the Performance of the Contract, and each such motor vehicle is duly registered with the Connecticut Department of Motor Vehicles ("ConnDMV") in accordance with the provisions of Chapter 246 of the Connecticut General Statutes. Each such registration shall be in valid status, and shall not be expired, suspended or revoked by ConnDMV, for any reason or cause. If such motor vehicle is not registered with ConnDMV, then it shall be duly registered with another state or commonwealth in accordance with such other state's or commonwealth's applicable statutes. Each such registration shall be in valid status, and shall not be expired, suspended or revoked by such other state or commonwealth for any reason or cause.
- (b) Each such motor vehicle shall be fully insured in accordance with the provisions of Sections 14-12b, 14-112 and 38a-371 of the Connecticut General Statutes, as amended, in the amounts required by the said sections or in such higher amounts as have been specified by ConnDMV as a condition for the award of the Contract, or in accordance with all substantially similar provisions imposed by the law of the jurisdiction where the motor vehicle is registered.
- (c) Each Contractor Party who uses or operates a motor vehicle at any time in the Performance of the Contract shall have and maintain a motor vehicle operator's license or commercial driver's license of the appropriate class for the motor vehicle being used or operated. Each such license shall bear the endorsement or endorsements required by the provisions of Section 14-36a of the Connecticut General Statutes, as amended, to operate such motor

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vehicle, or required by substantially similar provisions imposed by the law of another jurisdiction in which the operator is licensed to operate such motor vehicle. The license shall be in valid status, and shall not be expired, suspended or revoked by ConnDMV or such other jurisdiction for any reason or cause.

- (d) Each motor vehicle shall be in full compliance with all of the terms and conditions of all provisions of the Connecticut General Statutes and regulations, or those of the jurisdiction where the motor vehicle is registered, pertaining to the mechanical condition, equipment, marking and operation of motor vehicles of such type, class and weight, including, but not limited to, requirements for motor vehicles having a gross vehicle weight rating of 18,000 pounds or more or motor vehicles otherwise described by the provisions of Conn. Gen. Stat. § 14-163c(a) and all applicable provisions of the Federal Motor Carrier Safety Regulations, as set forth in Title 49, Parts 382 to 399, inclusive, of the Code of Federal Regulations.

29. Disclosure of Contractor Parties Litigation. The Contractor shall require that all Contractor Parties, as appropriate, disclose to the Contractor, to the best of their knowledge, any Claims involving the Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to Perform fully under the Contract, no later than ten (10) Days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.
30. Entirety of Contract. The Contract is the entire agreement between the parties with respect to its subject matter, and supersedes all prior agreements, proposals, offers, counteroffers and understandings of the parties, whether written or oral. The Contract has been entered into after full investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in the Contract.
31. Documents Incorporated Into the Contract. All Exhibits and their attachments referred to in and attached to this Contract and forms RFP-26 and SP-38 are incorporated in this Contract by such reference and shall be deemed to be a part of it as if they had been fully set forth in it.
32. Executive Orders. This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services. If Executive Order 14 is applicable, it is deemed to be incorporated into and made a part of the Contract as if it had been fully set forth in it. At the Contractor's request, the Client Agency or DAS shall provide a copy of these orders to the Contractor.
33. Non-discrimination.

- (a) For purposes of this Section, the following terms are defined as follows:

- (1) "Commission" means the Commission on Human Rights and Opportunities;
- (2) "Contract" and "contract" include any extension or modification of the Contract or

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contract;

(3) "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;

(4) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.

(5) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;

(6) "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;

(7) "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced;

(8) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;

(9) "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and

(10) "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

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For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved;

(2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission;

(3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or worker's representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a – 68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68-f; and

(5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statues § 46a-56. If the contract is a public works contract, the

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Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g)
  - (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;
  - (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;



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- (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and
  - (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

**34. Tangible Personal Property.**

- (a) The Contractor on its behalf and on behalf of its Affiliates, as defined below, shall comply with the provisions of Conn. Gen. Stat. §12-411b, as follows:
  - (1) For the term of the Contract, the Contractor and its Affiliates shall collect and remit to the State of Connecticut, Department of Revenue Services, any Connecticut use tax due under the provisions of Chapter 219 of the Connecticut General Statutes for items of tangible personal property sold by the Contractor or by any of its Affiliates in the same manner as if the Contractor and such Affiliates were engaged in the business of selling tangible personal property for use in Connecticut and had sufficient nexus under the provisions of Chapter 219 to be required to collect Connecticut use tax;
  - (2) A customer's payment of a use tax to the Contractor or its Affiliates relieves the customer of liability for the use tax;
  - (3) The Contractor and its Affiliates shall remit all use taxes they collect from customers on or before the due date specified in the Contract, which may not be later than the last day of the month next succeeding the end of a calendar quarter or other tax collection period during which the tax was collected;
  - (4) The Contractor and its Affiliates are not liable for use tax billed by them but not paid to them by a customer; and
  - (5) Any Contractor or Affiliate who fails to remit use taxes collected on behalf of its customers by the due date specified in the Contract shall be subject to the interest and penalties provided for persons required to collect sales tax under chapter 219 of the general statutes.

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- (b) For purposes of this section of the Contract, the word "Affiliate" means any person, as defined in section 12-1 of the general statutes, that controls, is controlled by, or is under common control with another person. A person controls another person if the person owns, directly or indirectly, more than ten per cent of the voting securities of the other person. The word "voting security" means a security that confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business, or that is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. "Voting security" includes a general partnership interest.
- (c) The Contractor represents warrants that each of its Affiliates has vested in the Contractor plenary authority to so bind the Affiliates in any agreement with the State of Connecticut. The Contractor on its own behalf and on behalf of its Affiliates shall also provide, no later than 30 days after receiving a request by the State's contracting authority, such information as the State may require to ensure, in the State's sole determination, compliance with the provisions of Chapter 219 of the Connecticut General Statutes, including, but not limited to, §12-411b.

35. Whistleblowing. This Contract may be subject to the provisions of Section 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

36. Notice. All notices, demands, requests, consents, approvals or other communications required or permitted to be given or which are given with respect to this Contract (for the purpose of this section collectively called "Notices") shall be deemed to have been effected at such time as the notice is placed in the U.S. mail, first class and postage pre-paid, return receipt requested or placed with a recognized, overnight express delivery service that provides for a return receipt. All such Notices shall be in writing and shall be addressed as follows:

If to DAS:

State of Connecticut, Department of Administrative Services  
165 Capitol Avenue, 5<sup>th</sup> Floor S.  
Hartford CT 06106-1659  
Attn: Janet DelGreco Olson

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If to Contractor:

MAXIMUS Consulting Services, Inc.  
1891 Metro Center Drive  
Reston VA 20190  
Attn: Adam Polatnick, Vice President

37. Insurance. Before commencing Performance, the Contractor shall obtain and maintain at its own cost and expense for the duration of the Contract, the following insurance as described in (a) through (h) below. Contractor shall assume any and all deductibles in the described insurance policies. The Contractor's insurers shall have no right of recovery or subrogation against the State and the described Contractor's insurance shall be primary coverage. Any failure to comply with the claim reporting provisions of the policy shall not affect coverage provided to the State.

(a) Reserved

(b) Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 aggregate for bodily injury including death, personal and advertising injury and property damage. Coverage shall include, Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the project or the general aggregate limit shall be twice the occurrence limit.

(c) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/contractor does not own an automobile, but one is used in the execution of the contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of the contract then automobile coverage is not required.

(d) Workers' Compensation and Employers Liability: Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee.

(e) Reserved

(f) Umbrella Liability: Excess/umbrella liability insurance may be included to meet minimum requirements. Umbrella coverage must indicate the existing underlying insurance coverage.

(g) Claims Made: Not acceptable with the exception of Professional Liability when specified.

(h) Reserved

38. Headings. The headings given to the sections in the Contract are inserted only for convenience and are in no way to be construed as part of the Contract or as a limitation of the scope of the particular section to which the heading refers.

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39. Number and Gender. Whenever the context so requires, the plural or singular shall include each other and the use of any gender shall include all genders.

40. Parties. To the extent that any Contractor Party is to participate or Perform in any way, directly or indirectly in connection with the Contract, any reference in the Contract to "Contractor" shall also be deemed to include "Contractor Parties", as if such reference had originally specifically included "Contractor Parties" since it is the parties' intent for the terms "Contractor Parties" to be vested with the same respective rights and obligations as the terms "Contractor."

41. Contractor Changes. The Contractor shall notify DAS in writing no later than ten (10) Days from the effective date of any change in:

- a) its certificate of incorporation or other organizational document;
- b) more than a controlling interest in the ownership of the Contractor; or
- c) the individual(s) in charge of the Performance.

This change shall not relieve the Contractor of any responsibility for the accuracy and completeness of the Performance. DAS, after receiving written notice by the Contractor of any such change, may require such agreements, releases and other instruments evidencing, to DAS's satisfaction, that any individuals retiring or otherwise separating from the Contractor have been compensated in full or that provision has been made for compensation in full, for all work performed under terms of the Contract. The Contractor shall deliver such documents to DAS in accordance with the terms of DAS's written request. DAS may also require, and the Contractor shall deliver, a financial statement showing that solvency of the Contractor is maintained. The death of any Contractor Party, as applicable, shall not release the Contractor from the obligation to Perform under the Contract; the surviving Contractor Parties, as appropriate, must continue to Perform under the Contract until Performance is fully completed.

42. Further Assurances. The parties shall provide such information, execute and deliver any instruments and documents and take such other actions as may be necessary or reasonably requested by the other party which are not inconsistent with the provisions of this Contract and which do not involve the vesting of rights or assumption of obligations other than those provided for in the Contract, in order to give full effect to the Contract and to carry out the intent of the Contract.

43. Audit and Inspection of Plants, Places of Business and Records.

(a) Audit and Inspection of Plants, Places of Business and Records. The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Contractor's and Contractor Parties' plants and places of business which, in any way, are related to, or involved in, the performance of this Contract.

(b) The Contractor shall maintain, and shall require each of the Contractor Parties to maintain, accurate and complete Records. The Contractor shall make all of its and the

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Contractor Parties' Records available at all reasonable hours for audit and inspection by the State and its agents.

- (c) The State shall make all requests for any audit or inspection in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
- (d) All audits and inspections shall be at the State's expense.
- (e) The Contractor shall keep and preserve or cause to be kept and preserved all of its and Contractor Parties' Records until three (3) years after the latter of (i) final payment under this Contract, or (ii) the expiration or earlier termination of this Contract, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.
- (f) The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
- (g) The Contractor shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Contractor Party.

44. Background Checks. The State may require that the Contractor and Contractor Parties undergo criminal background checks as provided for in the State of Connecticut Department of Emergency Services and Public Protection Administration and Operations Manual or such other State document as governs procedures for background checks. The Contractor and Contractor Parties shall cooperate fully as necessary or reasonably requested with the State and its agents in connection with such background checks.

45. Continued Performance. The Contractor and Contractor Parties shall continue to Perform their obligations under the Contract while any dispute concerning the Contract is being resolved.

46. Working and Labor Synergies. The Contractor shall be responsible for maintaining a tranquil working relationship between the Contractor work force, the Contractor Parties and their work force, State employees, and any other contractors present at the work site. The Contractor shall quickly resolve all labor disputes which result from the Contractor's or Contractor Parties' presence at the work site, or other action under their control. Labor disputes shall not be deemed to be sufficient cause to allow the Contractor to make any claim for additional compensation for cost, expenses or any other loss or damage, nor shall those disputes be deemed to be sufficient reason to relieve the Contractor from any of its obligations under the Contract.

47. Contractor Responsibility.

- (a) The Contractor shall be responsible for the entire Performance under the Contract regardless of whether the Contractor itself performs. The Contractor shall be the sole point

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of contact concerning the management of the Contract, including Performance and payment issues. The Contractor is solely and completely responsible for adherence by the Contractor Parties to all applicable provisions of the Contract.

(b) The Contractor shall exercise all reasonable care to avoid damage to the State's property or to property being made ready for the State's use, and to all property adjacent to any work site. The Contractor shall promptly report any damage, regardless of cause, to the State.

48. Severability. If any term or provision of the Contract or its application to any person, entity or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of the Contract or the application of such term or provision shall not be affected as to persons, entities or circumstances other than those as to whom or to which it is held to be invalid or unenforceable. Each remaining term and provision of the Contract shall be valid and enforced to the fullest extent possible by law.

49. Confidential Information. The State will afford due regard to the Contractor's request for the protection of proprietary or confidential information which the State receives. However, all materials associated with the Proposal and the Contract are subject to the terms of the Connecticut Freedom of Information Act ("FOIA") and all corresponding rules, regulations and interpretations. In making such a request, the Contractor may not merely state generally that the materials are proprietary or confidential in nature and not, therefore, subject to release to third parties. Those particular sentences, paragraphs, pages or sections that the Contractor believes are exempt from disclosure under the FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption consistent with the FOIA must accompany the request. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Contractor that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the FOIA. To the extent that any other provision or part of the Contract, especially including the Proposal, the Records and the specifications, conflicts or is in any way inconsistent with this section, this section controls and shall apply and the conflicting provision or part shall not be given effect. If the Contractor indicates that certain documentation is submitted in confidence, by specifically and clearly marking said documentation as CONFIDENTIAL, DAS will endeavor to keep said information confidential to the extent permitted by law. DAS, however, has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. The Contractor shall have the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue. In no event shall DAS or the State have any liability for the disclosure of any documents or information in its possession which the State or DAS believes are required to be disclosed pursuant to the FOIA or other requirements of law.

50. References to Statutes, Public Acts, Regulations, Codes and Executive Orders. All references in this Contract to any statute, public act, regulation, code or executive order shall mean such statute, public act, regulation, code or executive order, respectively, as it has been amended, replaced or superseded at any time. Notwithstanding any language in this Contract that relates to such statute, public act, regulation, code or executive order, and notwithstanding a lack of a formal amendment to this Contract, this Contract shall always be read and interpreted as if it contained the most current and applicable wording and requirements of such statute, public act, regulation, code or executive order as if their most current language had been used in and requirements incorporated into this Contract at the time of its execution.

51. Cross-Default.

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- (a) If the Contractor or Contractor Parties breach, default or in any way fail to Perform satisfactorily under the Contract, then DAS may, in its sole discretion, without more and without any action whatsoever required of the State, treat any such event as a breach, default or failure to Perform under any or all other agreements or arrangements (“Other Agreements”) that the Contractor or Contractor Parties have with DAS. Accordingly, DAS may then exercise at its sole option any and all of its rights or remedies provided for in the Contract or Other Agreements, either selectively or collectively and without such election being deemed to prejudice any rights or remedies of DAS, as if the Contractor or Contractor Parties had suffered a breach, default or failure to perform under the Other Agreements.
- (b) If the Contractor or Contractor Parties breach, default or in any way fail to Perform satisfactorily under any or all Other Agreements with DAS or the State, then DAS may, in its sole discretion, without more and without any action whatsoever required of the State, treat any such event as a breach, default or failure to Perform under the Contract. Accordingly, the State may then exercise at its sole option any and all of its rights or remedies provided for in the Other Agreements or the Contract, either selectively or collectively and without such election being deemed to prejudice any rights or remedies of DAS or the State, as if the Contractor or Contractor Parties had suffered a breach, default or failure to Perform under the Contract.

- 52. Disclosure of Records. This Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this statute, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to FOIA and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.
- 53. Summary of State Ethics Laws. Pursuant to the requirements of section 1-101qq of the Connecticut General Statutes, the summary of State ethics laws developed by the State Ethics Commission pursuant to section 1-81b of the Connecticut General Statutes is incorporated by reference into and made a part of the Contract as if the summary had been fully set forth in the Contract.
- 54. Sovereign Immunity. The parties acknowledge and agree that nothing in the Request for Proposals or the Contract shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this section conflicts with any other section, this section shall govern.
- 55. Time of the Essence. Time is of the essence with respect to all provisions of this Contract that specify a time for performance; provided, however, that this provision shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Contract.

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**56. Certification as Small Contractor or Minority Business Enterprise.**

This paragraph was intentionally left blank.

**57. Campaign Contribution Restriction.** For all State contracts as defined in Conn. Gen. Stat. § 9-612(g)(1) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice, as set forth in "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations," attached as Exhibit C.

**58. Health Insurance Portability and Accountability Act.**

- (a) If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
- (b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and
- (c) The Client Agency is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and
- (d) The Contractor, on behalf of the Client Agency, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and
- (e) The Contractor is a "business associate" of the Department, as that term is defined in 45 C.F.R. § 160.103; and
- (f) The Contractor and the Client Agency agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the HITECH Act), (Pub. L. 111-5, sections 13400 to 13423), and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
- (g) Definitions. For the purposes of this Section of the Contract:
  - (1) "Breach" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. §17921(1)).'
  - (2) "Business Associate" shall mean the or Contractor or Contractor Parties.
  - (3) "Covered Entity" shall mean the Client Agency.
  - (4) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.



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- (5) "Electronic Health Record" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. §17921(5)).
- (6) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
- (7) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.
- (8) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
- (9) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
- (10) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- (11) "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.
- (12) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
- (13) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.
- (14) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and part 164, subpart A and C.
- (15) "Unsecured protected health information" shall have the same meaning as the term as defined in § 13402(h)(1)(A) of HITECH. Act. (42 U.S.C. §17932(h)(1)(A)).
- (16)

**(h) Obligations and Activities of Business Associates.**

- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.
- (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- (3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
- (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.

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- (5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- (6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.
- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with clause h. (10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees that at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.
- (13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. sections 164.504(e), 164.308, 164.310, 164.312, and 164.316.
- (14) In the event that an individual requests that the Business Associate (a) restrict disclosures of PHI; (b) provide an accounting of disclosures of the individual's PHI; or (c) provide a copy of the individual's PHI in an electronic health record, the Business Associate agrees to notify the covered entity, in writing, within two business days of

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the request.

(15) Business Associate agrees that it shall not directly or indirectly receive any remuneration in exchange for PHI of an individual without (1) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and (2) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act, (42 U.S.C. § 17935(d)(2)) and in any accompanying regulations

(16) Obligations in the Event of a Breach

(A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. § 17932(b) and the provisions of this section of the contract.

(B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to section 13402 (g) of HITECH (42 U.S.C. § 17932(g)). A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.

(C) The Business Associate agrees to include in the notification to the Covered Entity at least the following information:

1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.
2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).
3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.
4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.
5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and contact information for said official.

(D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and

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contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site and a postal address. Business Associate agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written description of the procedures that have been established to meet these requirements. Costs of such contact procedures will be borne by the Contractor or Contractor Parties.

- (E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.

(i) Permitted Uses and Disclosure by Business Associate.

(1) General Use and Disclosure Provisions. Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(2) Specific Use and Disclosure Provisions.

- (A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
- (B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- (C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(j) Obligations of Covered Entity.

- (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- (3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or

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disclosure of PHI.

(k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

(1)Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with clause h. (10) of this Section of the Contract is provided to the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(2)Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- (A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
- (B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
- (C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3)Effect of Termination.

- (A) Except as provided in (l)(2) above, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with clause h. (10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
- (B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

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**(m) Miscellaneous Provisions.**

- (1)Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- (2)Amendment. The Parties agree to take such action as in necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pul. L. No. 104-191.
- (3)Survival. The respective rights and obligations of Business Associate shall survive the termination of this Contract.
- (4)Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.
- (5)Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.
- (6)Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, civil or criminal penalty, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI contrary to the provisions of this Contract or applicable law. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
- (7)Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against any and all claims, liabilities, judgments, fines, assessments, penalties, awards and any statutory damages that may be imposed or assessed pursuant to HIPAA, as amended or the HITECH Act, including, without limitation, attorney's fees, expert witness fees, costs of investigation, litigation or dispute resolution, and costs awarded thereunder, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this section of the contract, under HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

**59. Protection of Confidential Information.**

- (a) Contractor and Contractor Parties, at their own expense, have a duty to and shall protect from a Confidential Information Breach any and all Confidential Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.
- (b) Each Contractor or Contractor Party shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The

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safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of DAS or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:

- (1) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
  - (2) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
  - (3) A process for reviewing policies and security measures at least annually;
  - (4) Creating secure access controls to Confidential Information, including but not limited to passwords; and
  - (5) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.
- (c) The Contractor and Contractor Parties shall notify DAS, Client Agency and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Contractor or Contractor Parties have come to possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Contractor shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the Client Agency and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Contractor at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Contractors' costs and expenses for the credit monitoring and protection plan shall not be recoverable from DAS, the Client Agency or any State of Connecticut entity or any affected individuals.
- (d) The Contractor shall incorporate the requirements of this Section in all subcontracts directly connected to the services provided under this Contract, requiring each Contractor Party to safeguard Confidential Information in the same manner as provided for in this Section.
- (e) Nothing in this Section shall supersede in any manner Contractor's or Contractor Party's

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obligations pursuant to HIPAA or the provisions of this Contract concerning the obligations of the Contractor as a Business Associate of Covered Entity.

60. Audit Requirements for Recipients of State Financial Assistance.

This paragraph was intentionally left blank.

61. Accuracy of Information.

Contractor shall provide guidance to the Client Agency in determining which data will be required to complete the Services. The Client Agency acknowledges and agrees that Contractor shall be entitled to rely upon the accuracy and completeness of the data provided by the Client Agency to perform the Services. The Client Agency shall provide all such data in a timely manner sufficient to allow Contractor to provide the Services. Contractor shall have no liability to the Client Agency whatsoever if the Client Agency provides incomplete or inaccurate data or provides data in an untimely manner.

62. Consultant Liability as a result of Federal Audit of Client Agency.

The Client Agency represents that all financial and statistical information provided to Contractor by the Client Agency, its employees and/or agents is accurate and complete to the best of the Client Agency's knowledge. Contractor shall, upon notice of audit, make work papers and other records available to the auditors. Contractor's sole responsibility under an audit shall be to provide reasonable assistance to the Client Agency through the audit and to make those changes to the work product as required as a result of the audit. Contractor shall not be liable for any audit disallowances or any missed or lost revenue associated with, or related to, the Services, unless any disallowances or missed revenue are caused by Contractor's gross negligence or failure to perform the Services to the standard accepted in the industry.

IN WITNESS WHEREOF, the parties have executed this Contract by their duly authorized representatives with full knowledge of and agreement with its terms and conditions.

MAXIMUS Consulting Services, Inc.

STATE OF CONNECTICUT

Department of Administrative Services

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Adam Polatnick

Name: Janet DelGreco Olson

Title: Vice President

Title: Contract Specialist

Date: August 26, 2015

Date: August 26, 2015



**EXHIBIT A**

**DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS**

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***DEFINITIONS***

*(Listed as they appear in Exhibit A)*

SWCAP	State Wide Cost Analysis Plan
HHS	U.S. Department of Health and Human Services
CAS	Cost Allocation Services
ICRs	Indirect Cost Rates
DAS	Department of Administrative Services
OSC	Office of the State Comptroller
DORS	State Department of Rehabilitation Services
DSS	Department of Social Services
SDA	State Department of Aging
OEC	Office of Early Childhood
CAPs	Cost Allocation Plans
OMB	Office of Management and Budget
CFR	Code of Federal Regulations
PMP	Project Management Plan
IT	Information Technology
QA	Quality Assurance
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
BEST	Business Enterprise and Systems Technology
ICRPs	Indirect Cost Rate Proposals
PACAP	Public Assistance Cost Allocation Plan
CAFR	Comprehensive Annual Financial Report
TANF	Temporary Assistance to Needy Families
SNAP	Supplemental Nutrition Assistance Program
RMS	Random Moment Sampling
MOU	Memorandum of Understanding
OPM	Office of Policy and Management
P-Card	Purchasing MasterCard Credit Card

## EXHIBIT A

### **DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS**

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As part of the federal reporting process, states are required to annually submit a SWCAP to HHS/ CAS. This SWCAP provides documentation of allocated costs for implementation of federal programs in the state and allows for recover of those costs. Contractor shall prepare the SWCAP for the State on an annual basis in accordance<sup>3</sup> with Client Agency instructions and timelines.

The allocated costs from SWCAP will be used as the basis for developing the ICRs that are applied to Federal grants and programs for cost reimbursement purposes. In addition to the SWCAP, Contractor shall provide additional cost allocation services for the following agencies:

- DAS
- OSC
- DORS
- DSS
- SDA
- OEC
- Other Client Agencies upon Client Agency request.

The cognizant agency for each Client Agency varies and support may be required to work with several different cognizant agencies. "Cognizant Agency" is defined as the federal agency to which the reporting described in this Contract is directed to. Depending on the circumstances, Client Agencies could be required to report to several Cognizant Agencies.

Upon Client Agency request, Contractor shall review the support relationship between the Client Agency requesting Services and other identified Client Agencies to ensure that indirect overhead costs are allocated properly and are not duplicated in the various CAPs or indirect cost proposals generated by the group of potentially affected Client Agencies.

On December 26, 2013, OMB issued Title 2: Grants and Agreements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in the CFR. With the issuance of Part 200, the former Part 225 (OMB Circular A-87) will be superseded effective December 26, 2014; standards set forth in Subpart F (audit requirements) apply to audits of FYs beginning on or after December 26, 2014. The new guidelines reference is: 2 CFR Chapter 1, and Chapter II, Parts 299, 215, 220, 225 and 230. The title of the new guidelines is "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. To view click on the following link: <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf> Moreover, 2 CFR Part 200 has been coined "Super Circular" as the guidance supersedes the requirements of the previous OMB cost circulars, including OMB Circular A-87. Through the term of the Contract, Contractor shall follow the appropriate guidelines, depending on the effective date of the new regulations as they apply to Client Agency SWCAP. OMB Circular A-87 can be viewed by clicking the following link: [http://www.whitehouse.gov/omb/circulars\\_a087\\_2004](http://www.whitehouse.gov/omb/circulars_a087_2004).

#### **1. Contractor Methodology & Tools:**

Contractor shall use, but not be limited to, the following best practices when preparing SWCAPs for Client Agency and that will be utilized during engagement include:

- Employing a structured methodology to attain consistent, high-quality, auditable results,
- Employing a "Double Step-Down Allocation" as described in Section 1.2.1 of this Exhibit A of costs to make sure that all recoverable costs are appropriately allocated,
- Utilizing a software tool that has the capability to flexibly and efficiently prepare SWCAPs and CAPs and
- Conducting a new top-down, bottom-up analysis of cost and overhead structures for each year's plan in accordance with standards for the analysis approved by the Client Agency.

## EXHIBIT A

### **DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS**

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#### **1.2 Methodology:**

Contractor shall use a Client Agency approved flexible methodology that can be customized to meet the specific needs of Client Agency. Contractor shall use this methodology as the roadmap for developing the SWCAP.

##### **1.2.1 Proprietary Software:**

Contractor shall use MAXCARS™, or an equivalent cost allocation solution in the event that MAXCARS is no longer supported or utilized by the Contractor, in developing, preparing and delivering reports to Client Agency.

- **Double Step-Down Cost Methodology:** Contractor shall use the MAXCARS multiple-iteration functional costing system (double step-down methodology) within which central service costs are cross-allocated (one more than one level of cross allocation) to reflect their impact on each other and enhance the accuracy of cost allocation.

Contractor shall utilize MAXCARS to break down cost central service departments into functional cost grouping, line item by line item. Costs cross-allocated between central service departments are distributed further within component functions of receiving departments on a variety of appropriate bases by MAXCARS. Contractor shall single out and target specific costs, in whole or in part, to specific functions through the process.

**1.2.2 Additional Services:** All optional services listed in this Exhibit A must be ordered by Client Agency through a mutually agreed upon Contract amendment duly signed by both parties, in accordance with Section 7 of Contract (**Contract Amendments**).

#### **2. Services to OSC as Client Agency:**

- a. **Task 1 – Initial Project:** Contractor shall identify and assemble appropriate people, processes and tools prior to the first meeting with a Client Agency. Contractor shall conduct a brief kickoff meeting with key Client Agency stakeholders, gain commitment to common objective, gauge any new expectations of various participants and gain input for continuation of Contractor’s work. During this kickoff Contractor will discuss its overall plan and schedule as well as identify Client Agency review points in the process. Following said kickoff meeting, Contractor shall document the process in a Project Management Plan (“PMP”) document and finalize their proposed project schedule. Both the PMP and the project schedule must be approved by the Client Agency in writing prior to execution of the PMP.

Contractor shall create a centralized repository for all documentation related to each Client Agency project. Work papers related to each Client Agency project created during the course of Contract will be filed in this repository, facilitating an audit trail for work performed. At the beginning of each Contract year, Contractor shall repeat this task to discuss any changes to their approach and to verify that OSC’s expectations have not changed.

- b. **Task 2 – Gather Financial Information:** Contractor shall work with OSC’s operating results for the year under review. Contractor shall work with OSC to determine the relevant documentation and coordinate these efforts. To accomplish task, Contractor shall conduct the following steps:
  - **Step 1: Send out information requests:** Contractor shall prepare an initial list of expected information needs. As necessary, Contractor shall schedule meetings with the Client Agency to review to discuss the initial information requests and develop agreed upon data gathering methods for additional information and a schedule for the gathering of such information. Should follow-up data gathering activities be required

## EXHIBIT A

### **DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS**

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for Contractor to perform, Contractor shall document any such additional needs and schedule a review to discuss with OSC.

- **Step 2: Gather available financial information:** The data gathered from Client Agencies may either be in electronic or hard copy format. During the planning phase for each project, Contractor shall work with all parties to determine the appropriate format for their data. Contractor shall use MAXCARS™ or equivalent, to support the data gathering and analysis. Once the information has been received, Contractor shall consult with the appropriate OSC staff to ensure that the information is what was requested, and is accurate and complete. If necessary, Contractor shall follow-up with OSC to obtain additional information necessary to perform. At a minimum, Contractor shall collect the following:
  - Allocation statistics,
  - Fixed asset depreciation schedules,
  - Audit reports and correspondence,
  - Organization charts,
  - Financial reports from the statewide accounting system and
  - Annual billing for all direct billed services

Contractor shall work with OSC to determine any additional information necessary to perform a complete review.

- c. **Task 3 – Review Collected Financial Information:** Contractor shall review the information collected during *Task 2* with an eye towards completeness and compliance with recently implemented modifications, as well as upcoming changes in regulations (“Super Circular”). To accomplish this task, Contractor shall conduct the following steps:
  - **Step 1: Verify that previous year’s CAS-negotiated modifications have been implemented:** Contractor shall review the correspondence from the previous year or most current negotiations to determine if there were any required changes to OSC’s SWCAP methodology. If applicable, Contractor shall review the current year’s SWCAP methodology to verify that the changes were implemented. This may involve interviews with relevant OSC personnel as well as documentation review.
  - **Step 2: Verify previous year’s single audit modifications have been implemented:** As in the first activity of this step, if any methodology modifications were identified during the previous FY’s single audit, Contractor shall verify that the changes have been implemented. This may involve interviews with OSC personnel as well as documentation review.
  - **Step 3: Determine “Super Circular” impact on OSC’s SWCAP:** Contractor shall review OSC’s SWCAP to determine the specific impacts that the “Super Circular” will have on the development of the OSC SWCAP.
- d. **Task 4 – Analyze expenditures and classify costs:** Contractor shall use the information gathered during *Task 3* to gain a complete understanding of OSC’s organizational structure, as well as to identify non-departmental cost centers. This task includes review source documents and may require follow-up interview with OSC staff for the purpose of clarification. To accomplish task, Contractor shall conduct the following steps:
  - **Step 1 – Review and classify all department units and associated costs:** After updating the latest organization charts, Contractor shall classify all organizational units as indirect (overhead) units or direct units. The direct unit (“Agencies”) are the defined “final cost objectives” that will receive the allocated indirect costs. Contractor shall group OSC organizational accounts into the indirect and direct cost pools. Contractor shall use OMB A-87 as a guide in determining allocable activities to each pool.
  - **Step 2 – Inventory State, Federal and Enterprise funds:** Contractor shall analyze all funds to identify those that qualify for inclusion in cost recovery efforts (i.e. recovery of overhead costs expended by the Client Agency from federal programs or funds that allow for reimbursement of such costs) or require specific reporting. Contractor shall focus on efficient cost recovery efforts that will yield State

## EXHIBIT A

### **DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS**

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- enhanced allowable recoveries. This may involve conducting a brief survey of programs and federal funds being received by the State, especially those that may reimburse indirect costs.
- **Step 3 – Determine administrative departments:** Contractor shall focus on identifying those departments (normally administrative departments) with responsibility for providing services to other departments. These departments are typically performing such services as Information Technology (“IT”), financial accounting, payroll and personnel administration and purchasing). This classification will allow Contractor to review the SWCAP to uncover any missing or incorrectly identified administrative costs. Contractor shall closely examine the relationship between departments during this step to identify and eliminate any duplicate cost reporting.
- e. **Task 5 – Analyze Cost Allocation Processes:** Contractor shall review the structure of the CAP and the statistical base on an annual basis. To accomplish this task, Contractor will conduct the following steps:
- **Step 1 - Determine the indirect cost pools and allocation statistics:** Based on the information gathered in *Task 3*, Contractor shall conduct a detailed analysis of the indirect pools to be allocated using OMB Circular A-87 as a guide. The services that are provided by each overhead unit must be measurable in specific units of service in accordance with the standards set forth in OMB Circular A-87.
  - **Step 2 - Eliminate unallowable costs and determine cost allocation adjustments:** Using OMB Circular A-87A as a guide, Contractor shall review the SWCAP and confirm that the State has excluded all unallowable costs (such as capital outlays and costs related to legislative activities). Contractor shall also determine if any allowable costs should be included in the report such as fringe benefits, insurance, and other costs not shown on the financials (e.g., group insurance and retirement funded by the State for general review funded employees).
  - **Step 3 – Document changes in cost allocations:** For each change in allocation of cost or determination of costs, the impact will be fully documented in a separate report for OSC review and approval.
- f. **Task 6 – Prepare a Draft SWCAP Section I Report:** Contractor shall prepare the draft SWCAP Section I Report in compliance with OMB Circular A-87 standards. For each State agency that receives services from statewide central services agencies, Contractor shall summarize costs. The SWCAP Section I document must include a narrative description of all functions, activities and allocation basis, including any alternative allocation methods. Contractor shall conduct a thorough internal Quality Assurance (“QA”) review cycle before submitting its deliverable to the State. This will include a peer review by Contractor team initially made up of: Project Director Nelson Clugston, CPA, Project Manager Charles Satterfield, Project Advisors John Glennon and Cost Allocation Consultants John Schultz and Kyle Tyson; followed by independent quality reviews by both the above mentioned project manager and project director. Contractor may replace individuals on its peer review team at any time following written notice of the change to the Client Agency.
- g. **Task 7 – Prepare Fixed Cost Summary Schedule:** Contractor shall produce a Fixed Cost Summary Schedule which will be disseminated to the appropriate State agencies following its approval by HHS. To accomplish this task, Contractor shall conduct the following steps:
- **Step 1 – Summarize the carry-forward computation:** Contractor shall prepare a report summarizing the carry-forward calculations on a service-by-service basis for each State agency.
  - **Step 2 – Summarize proposed fixed cost allocations:** Contractor shall also prepare a report summarizing the proposed fixed allocations for each State agency, including carry-forwards, to be submitted to the federal government.
  - **Step 3 – Develop projection of next FY allocated central services costs:** Contractor shall prepare Section I Plans including a projection of the next FY’s allocated central services cost. Plans must also include a reconciliation of actual allocated central service costs to the estimated costs used for the most recently completed year. The reconciliation differences are carried forward to the projected plan year.

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- h. Task 8 – Review Draft Section / SWCAP Report with OSC:** Contractor shall review the draft materials with OSC and assess for completeness, accuracy and consistency.
- i. Task 9 – Finalize and Submit SWCAP Section I Report:** Once draft documentation has been reviewed and discussed with OSC representatives, Contractor shall incorporate comments and prepare final copies for submission to Cognizant Agencies. Following an internal QA review, Contractor shall provide presentation ready copies as well as all supporting documentation that may be required for audit or negotiation purposes. To accomplish this task, Contractor shall conduct the following steps:
- **Step 1 – Document Section I in a formal report:** Contractor shall document Section I materials in formal reports for submission to HHS. The MAXCARS™, or equivalent detail schedules must provide cost information for each allocated central service. The detail schedules for each central service department include:
    - A schedule of the costs to be allocated, including adjustments and cross-allocated indirect costs,
    - A schedule of activities (functions) and the distribution of the costs to the various functions prior to the allocation,
    - An allocation schedule for each of the allocated functions and
    - A final summary schedule of the costs for each central service.

MAXCARS™ may also be used to produce a number of summary schedules which typically include:

- Schedule A: The final summary of allocated costs by department,
  - Schedule C: The summary of allocated expenses, which shows the expenses included within the plan for each central service and any associated cost adjustments or disallowances. This schedule must also delineate the total allocated costs to each department/agency.
  - Schedule E: The summary of allocation basis, which shows the chosen allocation statistics used in the allocation of costs.
- **Step 2 – Prepare analysis comparing indirect cost to prior FY indirect cost:** After the SWCAP Section I Report is complete, Contractor shall prepare a written analysis comparing the amount of the indirect cost of the then current FY plan to the allocated amounts in the plan for the prior FY, explaining in detail the reasons by Client Agency for any significant differences. This analysis will assist Client Agency staff with explaining variances to the receiving State agencies. Contractor shall deliver associated work papers, and one (1) electronic and two (2) hard copies of each plan to OSC for each FY throughout the term of the Contract.
- j. Task 10 – Analyze Section II Special Reporting Requirements:** Contractor shall focus on the special reporting requirements for direct billed services. Contractor shall analyze the financial reports to determine if the State is at risk for developing excess OMB A-87 balances in its billed services and offer solutions that have been effective for other states in reducing or eliminating federal paybacks. To accomplish this task, Contractor shall conduct the following steps:
- **Step 1 – Determine if billed services are reporting at the Fund or Service level:** Contractor shall review the reporting level for billed services in the State’s Section II report. During Contractor’s review, Contractor shall identify the services that have large excess or negative OMB A-87 retained earning balances.
  - **Step 2 – Review the operating schedules for each billed service:** For each billed service Contractor shall review the operating reports for the most recent FY. Contractor shall review the revenues (actual and imputed); expenses (allowable, unallowable and allocated); working capital reserve; contributed capital; and the retained earnings OMB A-87 balance. Contractor shall assess the cost allocation models in use for each billed service to determine if the operating results are misrepresenting each

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- service level's profit or loss. Contractor shall prepare any additional schedules that are required to track A-87 fund balances and compile the schedules into an A-87 compliant Section II report.
- **Step 3 – Review and assess previous Section II negotiated settlements:** Contractor shall review any recent Section II negotiated settlements to assess if the methods utilized by the State and CAS were fair and equitable. Contractor shall evaluate and offer suggestions for the State to use for future negotiations.
- k. Task 11 – Prepare Section II OMB A-87 Reports and Supporting Schedules:** For this task Contractor shall conduct the following steps:
- **Step 1 - Prepare Draft SWCAP Section II:** Contractor shall prepare Draft Section II OMB A-87 reports and their supporting schedules. This step involves the Contractor gathering the financial information in the steps above and preparing OMB A-87 reconciliations. Listed below are the SWCAP reporting requirements for all billed service funds with an operating budget of five million dollars (\$5,000,000.00) or more, as outlined in OMB A-87:
    - Brief description of each service,
    - Balance sheet for each fund based on individual accounts contained in the governmental unit's accounting system,
    - Revenue/expense statement with revenues broken out by source,
    - List of non-operating transfers (as defined by GAAP into and out of the fund),
    - Description of the methodology used to charge the costs of each service to users, including how billing rates are determined,
    - Schedule of current rates and
    - Schedule comparing total revenues (including imputed revenues) generated by the service to the allowable costs of the service under OMB A-87, with an explanation of how variances will be handled.
  - **Step 2 - Review Draft SWCAP Section II Report with OSC:** Contractor shall review the draft materials with OSC and assess for completeness, accuracy and consistency. Contractor shall confirm that all necessary issues are addressed in the SWCAP Section II Report, all Client Agency questions are answered and the SWCAP Section II Report is ultimately delivered in accordance with federal reporting requirements.
  - **Step 3 – Assess potential federal payback/review impact with management:** Contractor shall review the results of OMB A-87 reconciliations that identify each service with an OMB A-87 balance in excess of the sixty (60) day working capital allowance. Contractor shall use this report and the summary of agency billings by service to assess any potential federal payback requirement. Contractor shall also assess alternative strategies to avoid/minimize potential federal paybacks.
  - **Step 4 – Finalize SWCAP Section II report:** Once draft documentation has been reviewed and discussed with OSC, Contractor shall incorporate comments and prepare final copies. Following an internal QA review, Contractor shall provide presentation ready copies as well as all supporting documentation that may be required for audit or negotiation purposes.
- l. Task 12 – Assist OSC in Negotiating SWCAP with Federal Government:** After federal negotiators have reviewed the submitted SWCAP, negotiations on certain classifications of costs may be required. Contractor shall act as OSC's advocate to secure the fairest plan to all concerned, consistent with the principles defined in OMB Circular A-87. If there are costs questioned by the federal negotiators, Contractor shall conduct the following steps:
- **Step 1 – Meet with OSC to review the federal agency's position and concerns:** Contractor shall review the correspondence between the negotiating agency and OSC to understand the issues and concerns.
  - **Step 2 – Research appropriate federal regulations and OMB guidance:** Contractor shall review current regulations and guidance specific to the expressed concerns being negotiated to understand the issues raised and to identify appropriate responses to those issues for the negotiations.

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- **Step 3 – Research similar appeals of cost allocations:** Contractor shall research appeals case history to identify situations that are similar to the issue at hand. Contractor shall identify precedents that may be appropriate to the negotiation.
  - **Step 4 – Prepare a negotiation strategy and review it with OSC:** Contractor shall develop a strategy for approaching negotiations; identifying their logic, appropriate guidance and associated precedence. This strategy will be documented in a presentation format. Contractor shall review this strategy with OSC and adjust, where necessary, based on discussion.
  - **Step 5 – Finalize the strategy and prepare draft language for the negotiations:** Contractor shall prepare language for inclusion in the State’s response to the federal entity during negotiation that defines Contractor’s position regarding the claimed costs.
  - **Step 6 – Provide functional and technical expertise to OSC’s negotiating team:** Contractor shall continue to support the negotiation by furnishing functional and technical expertise, as required, throughout the process. When necessary, Contractor shall provide OSC with written documentation to use in the negotiation process.
- m. Deliver electronic and hard copies of each plan and associated work papers for the FYs identified in the following list to OSC.

State Wide Cost Allocation Plan

<i>Period Covered</i>	<i>Due Date</i>
F/Y 2017	12/31/2015* (extension will be sought)
F/Y 2018	12/31/2016*
F/Y 2019	12/31/2017*
F/Y 2020	12/31/2018*
F/Y 2021	12/31/2019

Initial Cycle F/Y 2017 based on  
F/Y 2015 Actual

Subsequent Cycle – F/Y 2018 based on:  
F/Y 2016/07 Actual

Subsequent Cycle- F/Y 2019 based on:  
F/Y 2017/08 Actual

Subsequent Cycle – F/Y 2020 based on:  
F/Y 2018

Subsequent Cycle F/2021 based on:  
F/Y 2019 Actual

\*An extension for up to six (6) months may be sought from the U.S. Department of Health and Human Services, Division of Cost Allocation



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#### **3. Services to DAS as Client Agency:**

- a. **Task 1 – Initial Project:** Contractor shall initiate this project by conducting a planning and administrative meeting with DAS staff. Purpose of meeting will be for Contractor to confirm and finalize the specific objectives of the project. At this meeting, Contractor shall provide its initial information requests for the organizations, and Contractor will expect to learn which Client Agency personnel will be involved in the project. Contractor shall finalize the project schedule during this meeting.
- b. **Task 2 – Review Prior Year Revolving Fund Section II SWCAP Submissions:** To determine the optimal approach for centrally billed services, for each unique service, Contractor shall conduct the following steps:
- **Step 1 – Verify that the services will be billed and collected in a revolving fund or billed service fund:** If the services will not be billed and collected in a revolving fund or billed service fund, Contractor shall verify the use of memorandum billings and assess the proposed funding structure.
  - **Step 2 – Determine the current financial health of the billed service:** Contractor shall assess the current health of the billed service by asking the following questions:
    - What is the cash balance of the fund? Are there operating issues related to cash flow, such as the ability to meet payroll on a regular basis?
    - What are the annual operating revenues and expenses of the billed service? Are there other cash requirements of the fund such as bond payments or large capital outlays?
    - What is the A-87 fund balance? Since Connecticut is required by the CAS to complete annual service level A-87 reconciliations, what are the A-87 service level balances? Are there services with A-87 balances greater than a sixty (60) day working capital allowance?
    - Is any history of audit findings or federal paybacks related to excess A-87 balances? If so, Contractor shall review the history of these issues and note the areas of emphasis for future rate setting procedures.
  - **Step 3 – Identify critical issues facing the billed service:** Contractor shall identify any critical issues currently facing the billed service; questions that may be asked include:
    - Are current service levels meeting customer expectations? What are the current levels of customer satisfaction and customer relations? Are they providing identifiable value to customers?
    - Are customers required to utilize the services provided by the billed service? Are there alternative contractors they can utilize? Contractor's questions will focus on the State model where customer agencies are required to purchase services from the billed service rather than the open marketplace.
    - Is the cost to delivery services increasing or decreasing? Are there technology advances that are changing the nature of services?
    - Is there a need for capital investment to upgrade infrastructure or invest in newer technology?
- At the close of this step, Contractor shall review its initial assessment with DAS to confirm that Contractor has identified the key issues facing the charge-back cost recovery model.
- c. **Task 3 – Review Recent Audit Findings and Rate Structures for State Revolving Funds (Billed Services):** Contractor shall review recent audit findings as well as the rate structures for the State's billed services. Contractor will conduct the following steps:
- **Step 1 - Review recent audit findings for State revolving funds:** Contractor shall review the last set of audit findings regarding revolving funds and make recommendations for compliance with OMB A-87 and 2 CFR Chapters 1 and 2 when applicable. If any methodology modifications were identified during the previous FY's single audit, Contractor shall verify that these changes have been implemented. This may involve interviews with DAS personnel as well as documentation review.

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- **Step 2 - Review the rate structure for all revolving fund businesses:** As part of its review Contractor shall make recommendations for methodology and rate setting changes for compliance with OMB A-87 and 2 CFR Chapters 1 and 2 when applicable.
  - **Step 3 – Assist in making a determination of which businesses/services qualify as revolving fund businesses:** This determination is made based on revenue and businesses or services should be funded through a general fund appropriation.
  - **Step 4 – Assist in developing accounting and reporting to comply with State GAAP requirements:** Contractor shall provide the date needed for GAAP reporting.
  - **Step 5 – Review the administrative costs associated with the revolving funds currently utilized by the Client Agency:** As part of Contractor’s review, Contractor shall recommend a method of capturing and allocating these costs.
  - **Step 6 – Analyze the methodology of allocating actual costs into a consistent rate structure for the three (3) revolving funds:** Contractor shall evaluate the current practice and steps involved in updating rates or developing new service rates. As part of this step, Contractor shall also examine:
    - **Timeline:** What is the normal timeline for adjusting rates? Are rates calculated prior to the start of a FY? Are projected rate increases communicated to customer agencies prior to their FY budget requests?
    - **Rate base:** There are three (3) general options available to use in the development of rates through MAXCARS. Timeliness parameters will often dictate which option is the most effective or practical. Parameters are based on reporting deadlines and timeliness of studies as dictated by OMB A-87 and any other applicable law or regulation.
    - **Actual costs for each service.** Historical costs will not be utilized in this analysis.
    - **Budget costs:** Contractor shall review budgeted costs and ensure that they reflect forecasted costs rather than total budget amounts approved by the State.
    - **Modified actual costs:** Contractor shall incorporate increases to interest expense and depreciation expense as compared to relevant prior FY data. If there are expected changes in staffing levels or fringe benefits rates Contractor shall forecast those changes into the rate base. Contractor shall also look for decreases in costs, if investment in new technology will reduce operating costs Contractor shall adjust savings in the rate development process.
- d. Task 4 – Develop SWCAP Section II Billing Rates:** This task includes the steps for developing rates for DAS BEST as the Client Agency. To accomplish this task, Contractor shall conduct the following steps:
- **Step 1 - Conduct planning and project initiation activities:** Contractor shall review the detailed plans and schedule Contractor activities related to these tasks with BEST management. As appropriate, any refinements in approach will be identified and incorporated into Contractor’s plan.
  - **Step 2 – Conduct a service review (applicable to forecast rates):** Contractor shall work with BEST managers to confirm the services to be costed. Contractor shall identify BEST noted service additions, deletions and changes in service delivery for inclusion in the rate models.
  - **Step 3 – Collect data:** This step includes all activities necessary to assemble and prepare the data required to develop cost accumulations and rates. To expedite analyses, it is expected that this data will be provided electronically by the Client Agency to the Contractor in almost all cases. This data will include expenditure detail for all BEST organizations (i.e., “Line Sequences”), service utilization data and revenues. Financial data will need to be obtained for at least the following items:
    - Salaries/wages and benefits,
    - Fixed asset depreciation or replacement allowances,
    - Equipment maintenance,
    - Software licenses and support charges,
    - Occupancy costs (space and utilities, if applicable),
    - Miscellaneous operating costs,
    - Capital outlay,

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- Finance contracts/leases,
  - External costs (such as any assessments) and
  - Actual revenues billed by service.
- From appropriate Client Agency sources, Contractor shall obtain actual revenues billed which will be needed by service. In addition, Contractor shall obtain historical usage data for billing services; examples of this data may include:
- Host utilization data accumulated by the IBM operating system,
  - Time reporting data reflecting utilization of labor-based services and
  - Other sources as required (e.g., pages printed, number of email accounts, desktop counts and pieces of mail handled).
- **Step 4 - Build rate models:** Contractor shall develop the shell of the cost allocation/rate development model to reflect the current financial organizations and services provided. This shell will be populated with expenditures and allocation rules as determined in the prior task (*Task 3*). The Contractor shall verify the rate model for structural integrity and utilize the model to produce the cost associated with each identified service. These costs are then divided into the units consumed by external paying customers to develop the cost-based rates. Contractor shall review these initial cost accumulations and rates with BEST management before finalization. Contractor shall provide up to two (2) iterations per deliverable (i.e., “re-runs” of the rate modeling software to accommodate nominal changes) for the scope of work described. BEST may request up to two (2) additional re-runs of the rate model above and beyond the initial run of the model.
- **Step 5 – Prepare service profit/loss analysis and service carry forwards:** Contractor shall calculate a service profit and loss analysis with the actual rate model by comparing actual allocated costs by service with billed revenues by service. These profits/losses will then be the basis for determination of the service carry forwards to be incorporated into the forecasted rates two (2) FYs later.
- **Step 6 – Prepare final product:** Contractor shall provide the end products of the project in hard copy and electronic (pdf) format. The deliverables must include the following:
- Rate model based on forecasted costs and
  - Rate model based on actual costs which includes a profit and loss by service/carry forward analysis by service.

Contractor shall involve BEST management throughout the engagement. Interim review with BEST staff will be required to ensure that Contractor’s data and assumptions are accurate and that its progress is on target. A major review of draft products with management will focus on assuring a broad understanding of Contractor’s results and confirming the validity of the allocation/rate methodology.

#### **4. Services to DORS as Client Agency:**

- a. **Task 1 – Initial Project:** Contractor shall conduct a planning and administrative meeting with representatives of DORS. Timeframe will be dictated by Client Agency request and needs. The purpose of this meeting will be to confirm and finalize the specific objectives of the project.
- b. **Task 2 – Review Consolidated DORS CAP Documentation:** Contractor shall review current cost recovery procedures, background information, organizational structure, charts of accounts and legacy Indirect Cost Rate Proposals (“ICRPs”) or CAPs and comments made by any auditors concerning the current methodology and effort reporting. Contractor shall recommend changes in accordance with the standards set forth in OMB Circular A-87.
- c. **Task 3 – Evaluate Options for Recovering Indirect Costs:** Contractor shall coordinate with DORS in revisiting the decisions that were made during the past FY. If mutually agreed Contractor will not conduct Task 3. Contractor shall use past results to inform its conduct in Task 4 – Develop CAP and ICRs, if needed.

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- d. **Task 4 – Develop CAP and ICRs:** If necessary to ensure compliance with applicable federal regulations, Contractor shall create a provisional indirect rate request for DORS. To accomplish this task Contractor will conduct the following steps:
- **Step 1 – Identify and review financial information:** Contractor shall identify the sources of financial information to be used in the current analysis. At a minimum, Contractor shall review the actual expenditures for the most current year, DORS's current and prior budgets and the current DORS organizational chart. Contractor shall review facility and fixed asset records as well as any additional financial information not included in the organization's expenditure reports to determine allowable use charges under applicable federal regulations. .
  - **Step 2 – Review and confirm the new DORS organization and functions:** Utilizing the current DORS organizational structure, Contractor shall confirm the functions performed by all the organizational units with specific emphasis on administrative divisions. Contractor shall conduct a review of allowable overhead and directs costs that will help ensure that cost recovery is enhanced.
  - **Step 3 – Inventory Federal grants administered by DORS:** Contractor will involve collection data to determine what Federal grants are being received, for which programs and the extent of recovery of administrative costs in accordance with OMB Circular A-87.
  - **Step 4 – Analyze expenditure data:** Contractor shall identify the expenditure data for each unit in the CAP. For each allocated unit Contractor shall prepare a worksheet showing the allowable expenditures during the FY. Using OMB Circular A-87 as a guide, Contractor shall eliminate all unallowable costs, and determine any costs that should be included which are not in the expenditure data (e.g., fringes, pension, insurance and building costs). Contractor shall also review how compensated absences are being treated; and identify overhead costs allocated to the department from other State departments using the SWCAP and the DSS PACAP allocation results. A PACAP is a narrative description of the procedures that State departments use in identifying, measuring and allocating costs incurred in support of the public assistance program they administer or supervise.
  - **Step 5 – Confirm functional responsibilities of each unit:** For each unit, Contractor shall confirm that the current DORS organizational chart accurately reflects the major responsibilities (or functions) performed by each identified unit.
  - **Step 6 – Determine allocation basis for allocating services to benefiting programs:** Contractor shall examine alternative allocation bases for each function of allocable cost to determine the impact upon the benefiting program and make allocation recommendations to Client Agency based on their findings.
  - **Step 7 – Develop allocation data for each allocation basis:** Contractor shall collect the data for each allocation basis and enter it into the SWCAP when deciding on an allocation basis for each service, Contractor will have been aware that each service needed to be measurable in specific units of service in accordance with OMB Circular A-87 and producing the best recovery for Client Agency.
  - **Step 8 – Determine the most appropriate methodology:** Contractor consultants will work with DORS management team to determine the most appropriate methodology to incorporate all of the various programs within Client/ Cognizant Agencies and coordinate the ICRP/CAP with any changes resulting from revisions to the DSS PACAP as a result of this analysis to ensure compliance with OMB Circular A-87.
  - **Step 9 – Summarize cost by benefiting program:** Costs are summarized in the CAP for each unit and office which received services from other units within DORS. In the MAXCARS™ software or equivalent, Schedule A will provide this summary information. Contractor will review the results of this schedule and make recommendations for appropriate action to achieve the highest cost recovery to DORS personnel.
  - **Step 10 – Develop ICR:** Contractor shall compile all relevant indirect costs for DORS. Contractor shall compile the cost data for the appropriate cost centers to determine the ICR base and reconcile to the CAFR. These costs will be included in the ICRP calculation. If necessary, Contractor shall submit the provisional indirect rate to the Cognizant Agency to ensure DORS' compliance with applicable federal regulations.

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- **Step 11 – Submit CAP and ICRP:** Contractor shall develop and submit the indirect rate proposed to the Cognizant Agency to ensure DORS’s compliance with applicable federal regulations.
  
- e. **Task 5 – Negotiate ICRPs:** Contractor shall prepare and successfully negotiate the final ICRPs with DORS’ Cognizant Agency in accordance with OMB Circular A-87. To accomplish this task, Contractor shall follow the same steps described in **Number 1. Services to OSC: Task 12 - Assist OSC in Negotiating SWCAP with Federal Government.**
  
- f. **Task 6 – Calculate End of Grant Year Retrospective Reconciliation:** When the rates based on the prior FY costs are negotiated through Task 5, Contractor shall work with DORS staff to provide instructions on how to update all federal reports and claims to reflect the final approved ICR. Contractor shall work with each department/agency within DORS to ensure all claims are reconciled with the approved rate and document all modifications for audit trail purposes.

#### **5. Services to DSS:**

- a. **Task 1 – Initial Project:** Contractor shall conduct a planning and administrative meeting with representatives of DSS. The purpose of this meeting will confirm and finalize the specific objectives of the project. At this meeting Contractor shall request information that they will need from the DSS organizations, and DSS shall identify which of its personnel will be involved in the project. Contractor shall finalize the project schedule during this meeting.
  
- b. **Task 2 – Review of DSS PACAP:** DSS administers a number of federal/state public assistance programs including TANF, Child Support Enforcement (Title IV-D), Medicaid (Title XIX), SNAP and other federally funded programs and grants and is therefore required to develop and maintain a PACAP for the purpose of charging all administrative costs (direct and indirect) to federally financed programs.

Contractor shall conduct a review of the existing DSS PACAP for federal compliance and required revisions. This review will include reviewing organizational updates and allocation base updates as well as conducting interviews with DSS management. To accomplish this task, Contractor shall conduct the following steps:

- **Step 1: Conduct initial discussion with DSS personnel:** Contractor shall meet with DSS staff to review the status of current or expected organizational and programmatic changes, any cost allocation or Federal negotiation issues and to obtain copies of basic information needs. Contractor shall also discuss the general framework of the DSS PACAP, cost allocation process and Random Moment Sampling (“RMS”) operation, and any specific matters of concern or focus that DSS management may have in these areas.
- **Step 2: Determine available information:** Contractor shall identify and obtain copies of the current DSS PACAP in Microsoft Word format and other supporting documentation. Contractor shall utilize the most recently prepared PACAP as the primary source of their review. Contractor may also request prior amendments to use in its assessment. Additionally, Contractor shall obtain the following data:
  - Current MAXCARS™, or equivalent, cost allocation model/file,
  - Current and proposed DSS organization charts,
  - Current and proposed DSS program descriptions,
  - Current and proposed DSS funding sources (both federal and state),
  - DSS staff contacts for each program area and
  - Current DSS expenditure data by funding source and cost center.
- **Step 3: Gain an organizational understanding:** Contractor shall review the information to gain an understanding of the DSS organization units, accounting system(s), cost structures and funding sources for cost recovery. Based on Contractor’s review of the provided information, documentation and discussions with staff, Contractor shall gain a thorough understand of the current and expected organization and cost recovery environment. Contractor shall ascertain which federal programs administered by DSS provide for the recovery of allowable costs and those programs that may provide limitations on the amount of

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administrative costs that may be claimed. Contractor shall also discuss, document and address any concerns (by recommending changes necessary to comply with federal requirements) with the current cost recovery processes. At the conclusion of Step 3, Contractor shall have a thorough understanding of the organization units, accounting system(s), programs, processes used for recovering allowable costs, the cost structure and the benefiting federal programs that should be receiving an equitable allocation of costs.

- **Step 4: Perform an assessment of the current DSS PACAP:** Based on the information and documentation received and reviewed during Step 1 (*Conduct Initial Discussion with DSS Personnel*), Step 2 (*Determine available information*) and Step 3 (*Gain an organizational understanding*); Contractor shall perform an assessment of the current practices and processes utilized by DSS for cost recovery. During Step 4, Contractor shall identify DSS organizational and programmatic changes that must be appropriately presented within the PACAP in compliance with OMB Circular A-87 and other applicable federal requirements. Contractor's assessment will also take into account the reviews and assessments of the current DSS cost allocation and RMS operations. Contractor shall assess alternative allocation methodologies that may be necessary to ensure allowable costs are properly allocable to benefiting programs.

- **Step 5: Identify, required and recommended revisions to the PACAP:** Contractor shall identify required and recommended additions, deletions and edits to the existing PACAP to appropriately reflect the current organization and programs, and to achieve compliance with 45 CFR §95.509 and applicable federal regulations. Based on Contractor's assessments performed during Step 4 (*Perform an assessment of the current DSS PACAP*) and its understanding of the organizational responsibilities and activities Contractor shall identify the organizational and programmatic changes that should be presented within the DSS PACAP. Contractor shall, as necessary, also develop reasonable and viable alternatives for allocating and recovering administrative costs from benefiting programs.

During Step 5, Contractor shall perform a cost impact analysis for any proposed or recommended modifications to the PACAP. 45 CFR §95.507(b) (5) requires an estimated cost impact resulting from any proposed changes to a previously approved PACAP. The estimated cost impact is required solely to permit an evaluation of the procedures used for identifying, measuring and allocating costs by HHS/CAS. Moreover, the cost impact analysis will provide DSS management with vital information on the potential revenue impact of any proposed changes to the PACAP.

Contractor shall review any alternative allocation methodologies thoroughly and Contractor shall vet these with DSS staff for reasonableness, impact on DSS current cost recoveries and ability to be implemented by DSS. All proposed methodologies must be in compliance with the cost principles of OMB Circular A-87 (2 CFR Part 225) and applicable implementation guidance including ASMB C-10 (Implementation Guide for OMB Circular A-87), which is used by HHS/CAS. At the conclusion of Step 5 and in collaboration with DSS management, Contractor shall have identified the PACAP changes and allocation methodologies that will be proposed to HHS/DCA for Cognizant Agency approval.

- c. **Task 3 – Revise and negotiate DSS PACAP:** Contractor shall revise the DSS PACAP to reflect its recommendations from the preceding tasks and negotiate with the HHS/CAS through final approval of the revised PACAP. To accomplish this task, Contractor shall conduct the following steps:

- **Step 1: Prepare required written documentation:** Contractor shall develop the written materials and documentation that will be submitted to HHS/CAS for review and approval. With assistance of the DSS team, Contractor shall prepare narrative documentation in accordance with the existing DSS PACAP. Contractor shall develop written narratives describing the activities and responsibilities of the organization units of the DSS and, if not readily apparent in the unit description, how the unit benefits federal programs administered by the DSS. Additionally, Contractor shall describe the DSS accounting system(s) used to document costs and the cost allocation tools to be utilized to distribute the administrative costs to benefiting programs if not already defined. These descriptions must be reviewed with the DSS team for completeness and correctness. Contractor shall include the cost impact analysis that is required for any PACAP modifications.

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- **Step 2: Finalize the cost allocation plan materials:** After review of the cost plan documentation with DSS team, Contractor shall assist DSS staff to finalize the document for submission to HHS/CAS. Pursuant to 2 CFR Part 225 and 45 CFR Part 95, there are specific plan requirements that must be contained in the document (§95.507 45 CFR Part 95). Contractor shall work with DSS staff to prepare the plan materials to comply with these requirements. Contractor shall draft any material necessary for submission to the federal representatives including a cover letter.
  - **Step 3: Assist in the negotiation of the PACAP:** Contractor shall assist in the conduct of meetings with designated managers to explain the cost allocation model and the methodology supporting allocations to benefiting divisions and programs. Following the cognizant official's review of the PACAP, Contractor shall act as advocates to secure the fairest plan to all concerned, consistent with the principals of OMB Circular A-87. Contractor shall represent the DSS in negotiations with the Cognizant Agency and be available during any site visits by the appropriate officials. Contractor shall provide support at an hourly rate to respond to additional cognizant inquiries.
- d. **Task 4 – Review and Assess DSS Cost Allocation Software, Training and Management Reporting:** Contractor shall conduct a thorough assessment of the current cost allocation system and processes, and the underlying financial and information technology practices that support the quarterly processing of the SWCAP. To accomplish this task, Contractor shall conduct the following steps:
- **Step 1: Review PACAP training and understanding:** Contractor shall interview the DSS staff responsible for the quarterly processing of the PACAP to detail and document the process and staff's knowledge and understanding. Contractor shall review the DSS data collection and storage processes for the current SWCAP and perform an assessment of best practices. Contractor shall review the DSS cost allocation documentation for a specific quarter and confirm that there is a central repository for all information required to fully process the plan allocations.
  - **Step 2: Review current cost allocation processes:** Contractor shall review the current cost allocation preparation, management reporting/documentation and production processes. Contractor shall conduct interviews with the DSS staff responsible for producing the quarterly cost allocation result. Contractor shall review the current plan preparation and production process, as well as the current quality control and plan practices. Based on Contractor's interviews and reviews, Contractor shall identify any potential opportunities to improve upon the timelines of the cost allocation production, enhance quality control over the cost allocation results and/or improve DSS staff understanding and production of the quarterly cost allocation plan required by HHS.
  - **Step 3: Review current cost allocation software:** Contractor shall review the existing cost allocation software capabilities. Contractor review will focus on the DSS use of the system's full functionality and how state accounting expenditures are manipulated into cost pools with the current software. Contractor shall assess the strengths and weaknesses of MAXCARS™ in relation to the DSS requirements for its cost allocation process. Based on this assessment, Contractor may propose alternative cost allocation solutions that may better meet the cost allocation needs of the DSS. If Contractor proposes an alternative to the current software, Contractor shall provide DSS management with an assessment of the strengths and weaknesses of the alternative system, as well as the potential costs associated with a change, including licensing, technical support and training costs.
  - **Step 4: Prepare a draft report:** Contractor shall prepare a draft report summarizing its review, assessments and recommendations for DSS cost allocation processes, production and software. Contractor shall review the draft report with DSS management and work collaboratively to ensure Contractor's recommendation are clearly identified and agreed upon by the parties. After review and approval of the cost allocation recommendations by DSS, Contractor shall finalize its report.
- e. **Task 5 – Review and Assess DSS RMS Software:** The results of the RMS time studies form the statistical basis for claiming Federal funds, therefore, the RMS results and the system used to generate and manage the time study must be statistically valid and in full compliance with applicable Federal and State rules, regulations and

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### **DESCRIPTION OF GOODS & SERVICES AND ADDITIONAL TERMS & CONDITIONS**

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requirements, including but not limited to the Department's CAP, PACAP and the OMB A-87 circular. Further, due to the critical nature of the RMS results in calculating timely, accurate and auditable claims for Federal reimbursement, the RMS software and process must be periodically reviewed to ensure that it is still meeting DDS goals and objectives.

Contractor shall review DSS RMS system as well as RMS training materials to assess whether the current training efforts are sufficient for supporting DSS cost recovery efforts. To accomplish this task, Contractor will conduct the following steps:

- **Step 1: Review the quarterly RMS processes:** Contractor shall review the DSS RMS administration instruction manuals and interview DSS staff responsible for the operation and processing of the quarterly RMS study. Contractor shall detail and document the quarterly RMS process to gain an understanding of staff activities and responsibilities each quarter. Contractor's review must focus on DSS processes and timeframes for identifying staff to be included in the sample population, adding/deleting staff from the sample roster, validating employee data, adding/deleting RMS programs and activities, generating the quarterly samples, validating RMS responses, "no response" disposition and quarterly reporting of the RMS results for inclusion in the cost allocation process.
  - **Step 2: Review and assess the RMS training materials:** Contractor shall review the DSS RMS training materials and schedule(s), review the current program and activity descriptions and the associated allocation matrices and funding sources. Based on Contractor's reviews and assessments, Contractor shall identify any new activities and funding sources required to be included within the RMS process. Further, Contractor shall identify any activities and funding sources that are no longer applicable to the RMS due to the reorganization and/or programmatic changes. Contractor shall assist the DSS staff in making any necessary and DSS approved modifications to the RMS processes as a result of this review. Contractor shall continue to monitor and identify any DSS proposed changes to the RMS application. Contractor shall interview select RMS supervisors to discuss their roles in the RMS process and assess DSS staff's understanding of available RMS activity choices. Contractor shall also review RMS response data over the most recent eight (8) quarters, if available. Based on Contractor's reviews, interviews and analyses, Contractor shall develop an assessment of whether the current DSS training efforts are sufficient to properly support RMS operations and claiming efforts. Contractor shall develop, if necessary, recommendations to improve the RMS training program so that DSS time studied staff understand the available activity choices.
  - **Step 3: Review and assess the reporting capabilities of the RMS software:** Contractor shall assess if the currently available reports are sufficiently meeting DSS management and cost allocation needs. If it is determined that additional reporting is required to meet the RMS or cost allocation objectives, Contractor shall provide DSS management with the specifications of the report(s) and the potential costs associated with the development of the new report(s). The actual development and implementation of any new or enhanced reports within the WebRMS™, or equivalent, application (part of the Contractor's proprietary RMS application) are outside the scope of these services. Contractor shall only initiate the development of new reports upon the written approval of DSS and after the execution of a mutually agreeable amendment to this Contract which details the specific report specifications has been executed by DAS, the Client Agency and the Contractor.
  - **Step 4: Prepare a draft report:** Contractor will prepare a draft report summarizing its reviews, assessments and recommendations for the DSS RMS process and reporting capabilities. The report must outline Contractor's assessment of the overall effectiveness of the current RMS efforts and recommendations for potential enhancements, if needed. Contractor shall review the draft report with DSS management and work collaboratively to ensure Contractor recommendations are clearly identified and agreed upon. After review and approval of the RMS recommendations, Contractor shall finalize their report.
- f. **Task 6 – Identify Shared Services:** During Task 3 (*Revise and Negotiate DSS PACAP*), Contractor shall develop written narratives describing the activities and responsibilities of the organizational units of DSS. Under this task Contractor shall revisit those activities and responsibilities every year and modify the CAPS and ICRP's to reflect



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any changes as activities and responsibilities transition from shared service to being performed by the organizational units of DSS.

- g. Task 7 – Identify Administrative Claims:** During Task 3 (*Revise and Negotiate DSS PACAP*), Contractor shall examine the DSS accounting system(s) used to document costs and the cost allocation tools utilized to distribute the administrative costs to benefiting programs; this includes analyzing all claims that DSS must reimburse and assessing the validity and effect of each claim. Contractor will verify that interagency claims and agreements are in compliance and appropriate with all applicable federal regulations. To accomplish this task, Contractor will perform the following steps:
- **Step 1: Review Memorandum of Understanding (“MOU”):** Contractor shall review MOUs and interagency agreements that DSS has with other State agencies to ensure that they are in compliance with federal regulations and are properly claimed in the PACAP.
  - **Step 2: Provide recommendation:** After analyzing the DSS agreements with other State agencies and the resulting reimbursements, Contractor shall provide DSS management with a set of recommendations regarding the administrative claims. Contractor shall provide guidance concerning any recommended modifications to the agreements, the implementation of the agreements and any other concerns that Contractor may uncover during its review.
- h. Task 8 – Review Cost Allocation and RMS Software:** Contractor shall work with DSS, if necessary, to make necessary changes to the cost allocation and RMS software systems to implement recommendations identified in the above tasks. This may include revisions to the allocation software import interface which is an automated interface between the cost allocation software and the Connecticut Core CT State account system and new activities and funding sources to be added to the RMS software.

#### **6. Services to SDA:**

- a. Task 1 – Initial Project:** Contractor shall conduct a review of the existing SDA PACAP for federal compliance and make required revisions with staff of SDA. This will include reviewing organization updates and allocation base updates as well as conducting interviews with SDA management to learn which personnel will be involved in the project. To accomplish this task, Contractor shall conduct the following steps:
- Contractor shall complete this task within ninety (90) days of the Effective Date.
- b. Task 2 – Review Current SDA, DORS and DSS CAPs, ICRs and Other Cost Recovery Methodologies:** Contractor will review current SDA, DORS and DSS CAPs, ICRs and other cost recovery methodologies to gain an understanding of the current environment. Contractor will review current cost recovery procedures to gain a thorough understanding of how the organizations conduct their business, review any background information and comments made by any auditors concerning the current methodology, review effort reporting in each organization and recommend changes if required and review the department’s organization structure, chart of accounts and prior indirect rate calculations or CAPs.
- c. Task 3 – Evaluate Options for Recovering Indirect Cost:** Contractor shall coordinate with SDA in revising the decisions that were made during the past FY. If mutually agreed Contractor will not conduct Task 3. Contractor shall use past results to inform its conduct of Task 4 (Develop CAP and ICRs) if needed.
- d. Task 4 – Develop CAP and ICRs if needed:** To accomplish this task, Contractor shall conduct the following steps:
- **Step 1: Identify and review financial information:** Contractor shall identify the sources of financial information to be used in the current analysis. At a minimum, Contractor will need the actual expenditures for the most recently completed year, the organizations’ current and prior budgets and a

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- current SDA organization chart. Contractor shall review facility and fixed asset records to determine allowable use charges. Contractor shall also review any additional financial information not included in the organizations' expenditure reports.
- **Step 2: Review and confirm the new SDA organization and functions:** Contractor shall confirm that the functions performed by all of the organizational units of SDA are in compliance with Circular OMB A-87.
  - **Step 3: Inventory federal grants administered by SDA:** Contractor shall collect data to determine what federal grants are being received, for which programs and the extent of recovery of administrative costs currently conducted by SDA.
  - **Step 4: Analyze expenditure data:** Contractor shall identify the expenditure data for each unit in the CAP. For each allocated unit, a worksheet showing the allowable expenditures during the FY is prepared. Using OMB Circular A-87 as a guide, Contractor shall eliminate all unallowable costs, and Contractor shall determine any costs that should be included which are not in the expenditure data (e.g., fringes, pension, insurance, building costs). Contractor shall also look into the issue of how compensated absences are being treated.
  - **Step 5: Confirm functional responsibilities of each unit:** For each unit, Contractor shall confirm and enter in the plan the major responsibilities (or functions) performed. Most of the preliminary work for this step will have been accomplished during Step 3 (*Inventory federal grants administered by SDA*).
  - **Step 6: Determine allocation basis for allocating services to benefiting programs:** Contractor shall examine alternative allocation bases for each function of allocable cost to determine the impact upon the benefiting program.
  - **Step 7: Develop allocation data for each allocation basis:** Contractor shall collect data for each allocation basis and enter it into the plan.
  - **Step 8: Determine the most appropriate methodology:** Contractor shall work with SDA management team to determine the most appropriate methodology to incorporate all of the various programs within the agencies and coordinate the ICR/CAP with any changes resulting from revisions to the SDA and/or DORS CAP or the DSS PACAP to ensure compliance with OMB Circular A-87.
  - **Step 9: Summarize cost by benefiting program:** Contractor shall review the results of the current MAXCARS™ schedule with SDA personnel.
  - **Step 10: Develop ICR:** Contractor shall compile all relevant indirect costs for SDA. Contractor shall compile the cost data for the appropriate cost centers to determine the ICR base and reconcile to the CAFR.
  - **Step 11: Submit CAP and indirect rate proposal:** Contractor shall submit the indirect rate proposal to the Cognizant Agency to ensure SDA's compliance with federal regulations.
- e. **Task 5 – Revise DORS CAP:** Contractor shall account for DORS support for SDA as part of its work on the DORS CAP. Refer to **Number 2. Services to DORS**.
- f. **Task 6 – Compare the New Plan Results to the Existing Organization Plans:** Contractor shall compare the results achieved from the new CAPs and cost recovery process to the results obtained from the most recent separate organization CAPs. Contractor shall also provide necessary information which will allow SDA an understanding of the development of its CAPs and the current and future administration of its CAPs.
- g. **Task 7 – Present and Negotiate with the Federal Negotiators:** When appropriate, Contractor shall prepare and successfully negotiate the final proposal with SDA's Cognizant Agency. To accomplish Task 7, Contractor shall follow the same steps as described in **Number 1. Services to OSC: Task 12 - Assist OSC in Negotiating SWCAP with Federal Government**.
- h. **Task 8 – Perform and Calculate Any Necessary End of Grant Year Retrospective Reconciliation of Provisional Versus Actual Rates:** When the rates based on FY 14 actual costs are negotiated, Contractor shall work with SDA staff to provide instruction on how to update all federal reports and claims to reflect the final approved

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ICR. Contractor shall work with each department/agency to ensure all claims are reconciled with the approved rate and document all modifications for audit trail purposes.

#### **7. Services to OEC:**

- a. **Task 1 – Initial Project:** Contractor shall conduct a planning and administrative meeting with representatives of OEC. The purpose of this meeting will be to confirm and finalize the specific objectives of the project. At this meeting Contractor shall request information that they will need from OEC organizations and OEC shall identify which of its personnel will be involved in the project. Contractor shall finalize the project schedule during this initial meeting.
- b. **Task 2 – Review Current DSS, Department of Education and OEC CAPS, ICRs and Other Cost Recovery Methodologies:** Contractor will review the current DSS, Department of Education and OEC CAPS, ICRs and other cost recovery methodologies to gain a thorough understanding of how the organizations conduct their business, review any background information and comments made by any auditors concerning their current methodology, review effort reporting in each organization and recommend changes. Contractor shall conduct the following steps:
- **Step 1: Review DSS, Department of Education and OEC cost allocation documents:** Contractor will review any background information and comments made by auditors concerning the current methodology. Contractor will also review effort reporting in each organization and recommend changes if required. Contractor will review the Department’s organizational structure, charge of accounts and prior indirect rate calculations or CAPS.
  - **Step 2: Identify and review financial information:** Contractor, at a minimum, will need the actual expenditures for the most recently completed year, the organizations’ current and prior budgets and a Department organization chart. Contractor will review facility and fixed asset records to determine allowable use charges. Contractor will also review any additional financial information not included in the organizations’ expenditure reports.
  - **Step 3: Review and confirm the OEC organization and function:** Contractor will confirm the functions performed by all the organization units based on the Department’s organizational structure.
  - **Step 4: Inventory federal grants administered by OEC:** Contractor will collect data to determine what federal grants are being received, for what programs and the extent of the recovery of administrative costs.
  - **Step 5: Analyze expenditure data:** Contractor will identify the expenditure data for each unit in the CAP. For each allotted unit, a worksheet showing the allowable expenditures during the FY will be prepared. Using OMB Circular A-87 as a guide, Contractor will eliminate all unallowable costs and will determine any costs that should be included which are not in the expenditure data (e.g., fringes, pension, insurance, building costs). Contractor will also look into the issues of how compensated absences are being treated.
  - **Step 6: Confirm functional responsibilities of each unit:** For each unit Contractor will confirm and enter in the plan the major responsibilities (or functions) performed. Most of the preliminary work for this task will have been accomplished in Step 4 (*Inventory federal grants administered by OEC*).
  - **Step 7: Evaluate three (3) options for overhead cost recovery:** Contractor shall evaluate three (3) options for recovering indirect cost and/or directly charging federal programs for certain overhead costs (ICR, CAP or a combination of the two (2)) for OEC.
  - **Step 8: Review Department of Education service and impact on rate:** Contractor shall document the services provided by the Department of Education to OEC and determine if the costs are material and if they can be reasonably allocated to OEC.
- c. **Task 3 – Revise OEC CAP:** Contractor shall revise the CAP for OEC. To accomplish this task Contractor shall conduct the following steps:

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- **Step 1: Determine most appropriate methodology:** Contractor shall determine the most appropriate methodology to incorporate all of the various programs within the agencies and coordinate the ICR/CAP with any changes resulting from revisions to the OEC CAP or the DSS PACAP to ensure compliance with OMB Circular A-87.
  - **Step 2: Complete calculations and draft proposal:** Contractor shall complete the calculations and draft proposals for the chosen methodology or methodologies.
  - **Step 3: Present proposals:** Contractor shall present the proposed rates or cost allocation methodologies, as well as any other key considerations, in a summary report to each designated agency management team and representative of OPM.
  - **Step 4:** Contractor shall document CAPs, ICRs and cost claims in its formal reports.
- d. **Task 4: Compare the New Plan Results to the Existing Organization Plans:** Contractor shall compare the results achieved from the new CAPs and cost recovery process to the results obtained from the most recent separate organization CAPs.
- e. **Task 5: Present and Negotiate with the Federal Negotiators:** When appropriate, Contractor shall prepare and successfully negotiate the final proposal with OEC's Cognizant Agency. To accomplish this task, Contractor will follow the same steps described in **Number 1. Services to OSC: Task 12 - Assist OSC in Negotiating SWCAP with Federal Government.**
- f. **Task 6: Perform and Calculate Any Necessary End of Grant Year Retrospective Reconciliation of Provisional Versus Actual Rates:** Contractor will work with OEC staff to provide instruction on how to update all federal reports and claims to reflect the final approved ICR. Contractor will work with each department/agency to ensure all claims are reconciled with the approved rate and document all modifications for audit trail purposes in accordance with Circular OMB A-87.

#### **8. Services to Client Agencies:**

- a. Contractor shall provide cost allocation services for other Client Agencies. Based on the requirements stated in Section 7 Contractor shall perform similar services as those delineated in **Number 6. Services for SDA and Number 7 Services for OEC** with minor adjustments. . When developing the specific project plan and schedule for any work performed under this task, Contractor shall work with the Client Agency and other relevant State personnel to determine the specific requirements and deliverables necessary to complete the work.
9. **Mandatory Extension to State Entities:** Contractor shall offer and extend Contract (including pricing, terms and conditions) to political sub-divisions of the State (towns and municipalities), schools and not-for-profit organizations.
10. **P-Card (Purchasing MasterCard Credit Card):** All Client Agency purchases that are less than one thousand dollars (\$1000.00) shall be made using the State of Connecticut Purchasing Card (MasterCard). Exceptions to this policy would be for purchases that must be approved using the Core 10 process, Contractors who do not accept credit cards and purchases to restock inventories carried in the Core-CT inventory module. Contractor shall be equipped to receive purchase orders against Contract using the MasterCard. Contractor shall be responsible for the credit card user-handling fee associated with credit card purchases. Contractor shall charge the State's MasterCard only upon delivery of Goods or rendering Services.

Questions regarding the State of Connecticut MasterCard Program should be directed to Ms. Kerry DiMatteo, Procurement Card Program Administrator at 860-713-5072.

11. **Subcontractors:** No subcontracting is allowed under Contract.

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- 12. Security and/or Property Entrance Policies and Procedures:** Contractor shall adhere to established security and/or property entrance policies 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 Contract.

CONTRACTOR NAME:	<b>MAXIMUS Consulting Services, Inc.</b>
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ITEM #	DESCRIPTION OF COMMODITY AND/OR SERVICES	QUANTITY	UNIT OF MEASURE	UNIT PRICE	TOTAL PRICE
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Contractor to provide Statewide Cost Allocation Plan and Other Cost Allocation Services per terms and conditions contained in Contract Award.

Not-to-exceed price for preparing and negotiating SWCAP submission for year of Contract:

<b>Contract Year</b>	<b>Hourly Rate</b>	<b>Hours</b>	<b>Price</b>
<b>2015</b>	<b>\$170.00</b>	<b>210</b>	<b>\$35,700.00</b>
<b>2016</b>	<b>\$170.00</b>	<b>210</b>	<b>\$35,700.00</b>
<b>2017</b>	<b>\$170.00</b>	<b>210</b>	<b>\$35,700.00</b>
<b>2018</b>	<b>\$170.00</b>	<b>210</b>	<b>\$35,700.00</b>
<b>2019</b>	<b>\$170.00</b>	<b>210</b>	<b>\$35,700.00</b>
<b>Total for 5 Year Contract:</b>			<b>\$178,500.00</b>

CONTRACTOR:	<b>MAXIMUS Consulting Services, Inc.</b>
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ITEM #	DESCRIPTION OF COMMODITY AND/OR SERVICES	QUANTITY	UNIT OF MEASURE	UNIT PRICE	TOTAL PRICE
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Hourly rates for Other Cost Allocation Services as outlined in Contract. Rates are inclusive of “other costs” such as travel, clerical, printing, etc. as an “as needed” basis:

Services	Hourly Rate	Hours	Price
<b>DAS Services</b>			
<b>Construction Services</b>	<b>\$200.00</b>	<b>136</b>	<b>\$27,200.00</b>
<b>General Services, Revolving Fund</b>	<b>\$200.00</b>	<b>145</b>	<b>\$29,000.00</b>
<b>BEST</b>	<b>\$200.00</b>	<b>339</b>	<b>\$67,800.00</b>
<b>DORS</b>	<b>\$170.00</b>	<b>95</b>	<b>\$16,150.00</b>
<b>DSS</b>	<b>\$170.00</b>	<b>1,176</b>	<b>\$199,920.00</b>
<b>SDA</b>	<b>\$170.00</b>	<b>90</b>	<b>\$15,300.00</b>
<b>OEC</b>	<b>\$170.00</b>	<b>90</b>	<b>\$15,300.00</b>
<b>Others</b>	<b>\$170.00</b>	<b>TBD</b>	<b>TBD</b>



## Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

This notice is provided under the authority of Connecticut General Statutes §9-612(G)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on the reverse side of this page).

### CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor or principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

### DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

### PENALTIES FOR VIOLATIONS

Contributions of solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

**Civil Penalties** – Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

**Criminal Penalties** – Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

### CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "Lobbyist/Contractor Limitations."





## DEFINITIONS

“State contractor” means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. “State contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Prospective state contractor” means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. “Prospective state contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Principal of a state contractor or prospective state contractor” means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

“State contract” means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. “State contract” does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

“State contract solicitation” means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

“Managerial or discretionary responsibilities with respect to a state contract” means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

“Dependent child” means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

“Solicit” means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

“Subcontractor” means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. “Subcontractor” does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Principal of a subcontractor” means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.