

**Iowa Office of the Chief Information Officer
Contracts Declaration & Execution (“CD&E”)**

Title of Contract: E-Government Application Portal Services Agreement (“ Agreement ”) pursuant to and incorporating by reference Request for Proposal #0320-129-01, entitled E-Government Application Portal RFP (“RFP”) , and Vendor’s responsive Proposal thereto dated April 20, 2020 (“Proposal”).		Contract Number: 2020BUS0518
State Agency’s Name: Iowa Office of the Chief Information Officer (“ OCIO ” or “ Agency ”); provided however, that where the context requires, the term “Agency” may refer to or include a Governmental Entity utilizing the Application Services, System, and related Deliverables or making individual purchase(s) hereunder, including by or through a Value-Added Services Statement of Work or Time and Materials Statement of Work.		
Vendor’s Name: NICUSA, Inc. (“ Vendor ”).		
Contract to Begin/Effective Date: Date of last signature, below.	Date of Expiration: Five (5) years from the date of last signature, below (“ Initial Term ”).	Annual Extensions: Up to Five (5) Annual One Year Renewals (each individual renewal referred to as a “ Renewal Term ” or all renewals referred to collectively as “ Renewal Terms ”).
<p><u>Documents Incorporated/Order of Precedence.</u> This Agreement, any and all attachments to this Agreement which are incorporated by reference as if fully set forth herein, and the RFP and Proposal which are incorporated by reference as if fully set forth herein, together comprise the terms and conditions governing the relationship between the Parties (“Agreement”). In the case of any conflict or inconsistency between the specific provisions of this Agreement, any and all attachments to this Agreement, or the RFP and the Proposal, such conflict or inconsistency shall be resolved in the following order:</p> <ol style="list-style-type: none"> 1. First by giving preference to any Special Terms and Conditions/Ancillary Agreements addressing compliance concerns or relating to specific funding requirements, limitations, or restrictions of or relating to federal funding; 2. Second by giving preference to the specific provisions of the E-Government Application Portal Services Agreement; 3. Third by giving preference to specific provisions of the RFP; 4. Fourth by giving preference to the Proposal; 		

5. Fifth by giving preference to the specific provisions of any Purchasing Instruments (Purchase Order(s)/Statement(s)) executed under the E-Government Application Portal Services Agreement;
6. Sixth by giving preference to any other Special Terms and Conditions executed under the E-Government Application Portal Services Agreement.
7. Seventh, by giving preference to any agreed-upon program areas/aspects individual State of Iowa agencies may customize/configure as it relates to their specific enrollment in the program in order to accommodate unique, agency-specific needs as identified in the sample Enrollment Agreement attached hereto as Special Terms and Conditions and which shall be considered a Purchasing Instrument for purposes of the Agreement upon execution

Notes:

- **This Agreement does not guarantee any minimum level of purchases, usage, or compensation.**
- **This Agreement is available to any Governmental Entity, including State Agencies and political subdivisions, in the State of Iowa.**
- **As it relates to the State of Iowa, the Parties have established core Terms and Conditions defining the Applications Services and System and related Services provided through the same “Program Terms,” attached hereto as Special Terms and Conditions entitled Application Services/System(s) Description and related Fee(s)/Program Terms. These Program Terms outline, define, and describe how the program is intended to work, the core duties and responsibilities of the Parties and the Governmental Entities choosing to enroll in the program, and key services levels and other key performance metrics applicable to Vendor. The Program Terms establish no minimum purchasing commitments or guarantees for or on behalf of the State of Iowa or any Governmental Entities thereof. Certain Services available under the Program are provided at no-cost to all State of Iowa Agencies and are centrally managed by OCIO. State of Iowa agencies electing to enroll in various aspects of the program must execute “Enrollment Agreement(s),” or another similarly captioned document, a sample of which (which shall be executed in substantially the same form) is attached hereto as Special Terms and Conditions. The Parties have identified and outlined, as set forth in the sample Enrollment Agreement or other similarly captioned document, agreed-upon program areas/aspects individual State of Iowa agencies may customize/configure as it relates to their specific enrollment in the program in order to accommodate unique, agency-specific needs. An Enrollment Agreement, upon execution, constitutes a Purchasing Instrument under the Agreement and shall be deemed to have incorporated and subject to the terms and conditions set forth in the Program Terms and, in turn, the terms and conditions of the Master Agreement.**
- **Pursuant to Section 12.1, Governmental Entities making purchases hereunder may require Vendor, Vendor Contractors, or Vendor Personnel to execute ancillary agreements to address compliance, legal, confidentiality, and privacy concerns that may be unique to an applicable Governmental Entity, such as a Security Addendum as required by IRS**

Publication 1075 or a HIPAA Business Associate Agreement (“BAA”), or other non-disclosure or confidentiality agreement(s) deemed necessary by the applicable Governmental Entity. Governmental Entities may also require similar ancillary agreements to address any additional requirements that may accompany the specific funding source used to pay for the Services or Deliverables hereunder.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the Parties have entered into this Agreement and have caused their duly authorized representatives to execute this Agreement.

Vendor: NICUSA, Inc.

By (Authorized Signature)

Scott D. Somerhalder

Date Signed

10/02/2020

Printed Name and Title of Person Signing

Scott D. Somerhalder, Vice President State Enterprises

Address

25501 West Valley Parkway
Suite 300
Olathe, KS 66061

State of Iowa, acting by and through the Iowa Office of the Chief Information Officer:

By (Authorized Signature)

Annette M. Dunn

Date Signed

10/2/2020

Printed Name and Title of Person Signing

Annette Dunn, Director

Address

200 East Grand Ave.
Des Moines, IA 50309

Iowa Office of the Chief Information Officer
E-Government Application Portal Services Agreement

This Agreement for E-Government Application Portal Services is made and is effective as of the date identified on the Contract Declarations and Executions Page (“**Effective Date**”), by and between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**Agency**”), and NICUSA, Inc., a corporation organized under the laws of Kansas (“**Vendor**”). The parties may be referred to herein individually as a “**Party**” or collectively as the “**Parties**.” The Parties agree to the following:

1. Purpose, Overview, and Structure.

- 1.1. Purpose. This Agreement establishes the terms and conditions pursuant to which the Vendor will deliver E-Government Application Portal Services and related Deliverables as contemplated by and in accordance with the RFP and as set forth in the Proposal.
- 1.2. Term. The initial term of this Agreement shall be as stated on the CD&E, unless terminated earlier in accordance with the terms of this Agreement (“Initial Term”). After expiration of the Initial Term, the Agency shall have the option to extend/renew this Agreement as stated on the CD&E. The Initial Term and any extensions and renewals shall be collectively referred to herein as the “**Term**.” The decision to extend or renew this Agreement shall be at the sole option of the Agency and may be exercised by the Agency by providing written notice to Vendor.
- 1.3. Authorities. OCIO enters this Agreement, as it relates to E-Government Application Portal Services, pursuant to Iowa Code section 8B.24(5)(e) (2020) and corresponding implementing rules located at 129 IAC 10. These laws and rules authorize OCIO to enter into agreements for the purchase of Information Technology using competitive bidding procedures.
- 1.4. Relationship between this Agreement and Individual Purchasing Instruments. Each Purchasing Instrument executed hereunder shall be deemed, upon its execution, to incorporate the terms and conditions of this Agreement and shall constitute a separate, distinct, and independent Agreement between Vendor and the applicable Governmental Entity. To the extent a Governmental Entity other than OCIO makes a purchase hereunder pursuant to a Purchasing Instrument executed by it, such Governmental Entity shall be solely responsible for any payments due and duties and obligations otherwise owed Vendor under this Agreement. In addition, notwithstanding any other provision of this Agreement to the contrary, OCIO bears no obligation or liability for any other Governmental Entity’s losses, liabilities, or obligations, including Vendor’s failure to perform, arising out of or relating in any way to this Agreement. Likewise, the State of Iowa generally bears no obligation or liability for any political subdivision or other non-State Entity’s losses, liabilities, or obligations, including Vendor’s failure to perform, arising out of or relating in any way to this Agreement.
- 1.5. Agencies Participating in the Program. As it relates to the State of Iowa, the Parties have established core terms and conditions set forth in the “**Application Services/System(s) Description and related Fees**” schedule attached hereto as Special Terms and Conditions (“Program Terms”). These Program Terms outline, define the scope of, and describe how the Application Services, System, and related Deliverables are intended to work, the core duties and responsibilities of the Parties and the Governmental Entities choosing to enroll in the program, and key services levels and other key performance metrics applicable to Vendor.

- 1.5.1. As may be more fully defined in the “**Application Services/System(s) Description and related Fees**” schedule, aspects of the core Program facilitated by the Application Services, System, and related Deliverables are provided to all State of Iowa Agencies at no cost and centrally managed by OCIO. These aspects of the Program may be referred to herein as “**Core Portal Technologies.**”
 - 1.5.2. As more fully defined in the “**Application Services/System(s) Description and related Fees**” schedule, “**Payment Processing Services**” and other opportunities exist for State of Iowa Agencies and other Governmental Entities to integrate their pre-existing applications and websites and new applications or website developed hereunder pursuant to a Time & Materials Statement of Work or a Value-Added Services Fee Statement of Work into the Application Services, System, and related Deliverables at their election.
 - 1.5.3. State of Iowa agencies electing to enroll in the various aspects of the Program must execute “**Enrollment Agreement(s),**” or another similarly captioned document, a sample of which (which shall be executed in substantially the same form) is attached hereto as Special Terms and Conditions. Vendor will then work with State of Iowa Agencies to provide the applicable Services and, as applicable, integrate, configure, and connect such applications, services, websites or programs, into the Applications Services, System, and related Deliverables. The Parties have identified and outlined, as set forth in the sample Enrollment Agreement or other similarly captioned document, agreed-upon program areas/aspects individual State of Iowa agencies may customize/configure as it relates to their specific enrollment in the program in order to accommodate unique, agency-specific needs. An Enrollment Agreement shall, upon execution, constitute a Purchasing Instrument under this Agreement and shall be deemed to have incorporated and be subject to the terms and conditions set forth in the Program Terms and, in turn, the terms and conditions of this Master Agreement and any applicable Special Terms and Conditions attached hereto. Governmental Entities that have entered into Enrollment Agreements may also enter into related Purchasing Instruments (Statements of Work) governing the implementation of, configuration of, or interconnection to the Application Services, System, and related Deliverables as it relates to their Agency-specific applications, website, and programs or other similar online services to outline their specific implementation, configuration, and interconnection needs. Such “**Statements of Work**” or “SOW” shall be of no cost to the Governmental Entity and are covered by the Convenience Fees underlying the program.
- 1.6. e-Government Portal Services and Program Oversight. The State of Iowa, by and through the OCIO, shall work together with Vendor to develop a formal governance structure for the e-Government Portal Services provided hereunder (“**Oversight Authority**” or “**OCIO**”). The Oversight Authority shall review and approve on behalf of the State of Iowa all material issues relating to implementation, prioritization, and oversight of the e-Government Portal Services Program. This will include, but is not limited to, approval on behalf of the State of Iowa development/implementation priorities, Statements of Work, service level agreements, application architecture, and Value-Added Service Fees. When establishing priorities for the e-Government Portal Services Program, OCIO agrees to give reasonable consideration to available funding and resource allocation. The Oversight Authority shall also establish all strategic policies governing the e-Government Portal

Services provided hereunder. Vendor shall reasonably comply with, conform to, and be responsive to the reasonable oversight, priorities, and goals established by the Oversight Authority.

- 1.7. **Revenue Opportunities.** Vendor and OCIO agree and acknowledge that this Agreement is transaction-funded, and the Parties agree to work together in good faith to identify additional revenue generating opportunities for Governmental Entities that have not entered into Enrollment Agreements or for Value-Added Services to the Oversight Authority to ensure all possible opportunities for Vendor. Vendor may review the portfolio of the State of Iowa and other Governmental Entities and recommend existing or future applications, websites, and programs which have potential for revenue generation, report these to the Oversight Authority. Ultimately, whether and to what extent pre-existing applications, websites, or programs, or future applications, websites, or programs may be suitable for revenue generation may be a determination for the applicable Agency, and the Oversight Authority cannot guarantee participation or uptake. Vendor shall not condition its provisioning of the Core Portal Technologies, on the conversion of a certain volume or number of applications, websites, or programs into revenue opportunities, and will use best efforts to provide the Core Portal Technologies, regardless of the degree of participation or uptake.
2. **Definitions.** In addition to any other terms that may be defined elsewhere in this Agreement, the following terms shall have the following meanings:
 - 2.1. **“Acceptance”** means the Agency has determined a portion of the Deliverables, Application Services, or System(s) satisfy its Acceptance Tests. **“Final Acceptance”** means the Agency has determined all Deliverables, Application Services, or System(s) satisfy the Agency’s Acceptance Tests. **“Non-acceptance”** means the Agency has determined that a portion of or all of the Deliverables, Application Services, or System(s) have not satisfied the Agency’s Acceptance Tests.
 - 2.2. **“Acceptance Criteria”** means the Specifications, goals, performance measures or standards, testing results, requirements, technical standards, representations, or other criteria designated by the Agency and against which Acceptance Tests are conducted, including any of the foregoing stated or expressed in this Agreement, a Purchasing Instrument, the RFP, the Proposal, any Documentation, and any applicable state, federal, foreign, and local laws, rules, and regulations.
 - 2.3. **“Acceptance Tests”** or **“Acceptance Testing”** means the tests, reviews, and other activities that are performed by or on behalf of the Agency to determine whether any or all Deliverables, Application Services, or System(s) meet Acceptance Criteria or otherwise satisfy the Agency, as determined by the Agency in its sole discretion.
 - 2.4. **“Agency Fee(s)”** means the statutory, regulatory, or other programmatic fees (i.e., any licensing, registration, late renewal, processing, administrative fees) processed via the Payment Processing Services through the Application Services as contemplated by the RFP and Vendor’s Proposal and which further or complete a transaction between an applicable Governmental Entity and an individual or entity in connection with services provided by the Governmental Entity or in otherwise fulfilling its governmental duties, mission, or objectives. Vendor shall have no right, title, or interest in or to Agency Fees.
 - 2.5. **“Agreement,”** unless the context requires otherwise, means the collective documentation memorializing the terms of the agreement identified on the CD&E and all other

attachments to the CD&E, accompanying the CD&E, or executed under or pursuant to the Agreement.

- 2.6. **“Application Services”** means the hosted applications and related Services as further defined and described in the RFP, Proposal, and Special Terms and Conditions attached hereto and labeled **“Application Services/System(s) Description and Related Fees,”** and related Purchasing Instruments, including any initial Purchasing Instruments of or related to the implementation or configuration of the Application Services, System(s), or related Deliverables for the Agency’s specific needs or use. For the sake of clarity and not limitation, “Application Services” specifically includes any and all functionality within the meaning of the term “E-Government Application Portal” as that term is further defined, conceptualized, and used in the RFP and Vendor’s off-the-shelf, readily available services provided through hardware, software and network infrastructure hosted by Vendor or one of its Vendor Contractors or affiliates, including but not limited to Vendor’s Core Portal Technologies, the Payment Processing Services, the Gov2Go® platform, Vendor’s proprietary application development platform “Application Engine” or “App Engine” and any Enhancements to any of the foregoing or other online services as may from time to time be developed by Vendor or its Vendor Contractors or affiliates outside of this Agreement and incorporated into the Application Services and System generally for use by most or all of Vendor’s customers. For purposes of applying Section 11 (Security/Privacy, Business Continuity, and Disaster Recovery) and any SLAs governing the Application Services generally, the definition of Application Services also includes new applications, websites, or programs developed, built, or configured pursuant to a Time and Materials Statement of Work or Value-Added Services Statement of Work, and which new applications, websites, or programs are incorporated into or built on top of the Core Portal Technologies or, in the case of Value Added Services for which there are related hosting Services.
- 2.7. **“Authorized Contractors”** means independent contractors, consultants, or other Third Parties (including other Governmental Entities) who are retained, hired, or utilized by the Agency or any State Users to use, maintain, support, modify, enhance, host, or otherwise assist the Agency with any Deliverables, the Application Services, or System(s) provided hereunder.
- 2.8. **“Confidential Information”** means, subject to any applicable federal, state, or local laws and regulations, including Iowa Code Chapter 22, any confidential or proprietary information or trade secrets disclosed by either Party (**“Disclosing Party”**) to the other Party (**“Receiving Party”**) that, at the time of disclosure, is designated as confidential (or like designation), is disclosed in circumstances of confidence, or would be understood by the Parties, exercising reasonable business judgment, to be confidential. Confidential Information does not include any information that: (i) was rightfully in the possession of the Receiving Party from a source other than the Disclosing Party prior to the time of disclosure of the information by the Disclosing Party to the Receiving Party; (ii) was known to the Receiving Party prior to the disclosure of the information by the Disclosing Party; (iii) was disclosed to the Receiving Party without restriction by an independent Third Party having a legal right to disclose the information; (iv) is in the public domain or shall have become publicly available other than as a result of disclosure by the Receiving Party in violation of this Agreement or in breach of any other agreement with the Disclosing Party; (v) is independently developed by the Receiving Party without any reliance on Confidential Information disclosed by the Disclosing Party; (vi) is disclosed or is required or authorized to be disclosed pursuant to law, rule, regulation, subpoena, summons, or the

order of a court, lawful custodian, governmental agency, or regulatory authority, or by applicable regulatory or professional standards and in compliance with section 10.1.5 of this Agreement; or (vii) is disclosed by the Receiving Party with the written consent of the Disclosing Party.

- 2.9. **“Convenience Fee(s)”** means the transaction fee levied on each transaction processed via the Payment Processing Services through the Application Services as contemplated by the RFP and Vendor’s Proposal. Convenience Fees cover the cost of the Core Portal Technologies and Payment Processing Services provided through the Application Services for the E-Government Application Portal, including all related implementation, agency application integration, support, hosting and software services necessary for the full implementation of the E-Government Application Portal and Agencies shall not be charged additional fees for such implementations and related Deliverables and Services. For clarity, except as otherwise agreed to in an applicable Purchasing Instrument, for Core Portal Technologies, Vendor’s implementation responsibilities will not include direct modification of State’s preexisting intellectual property or Third-Party software. Convenience Fees are all inclusive and cover any fees charged in the payment process, with the exception of any banking fees, merchant fees, and interchange fees which shall be paid by the State of Iowa. As set forth in Vendor’s Proposal, the Convenience Fee is capped at the maximum per transaction rates as further described in the schedule provided in the **“Application Services/System(s) Description and Related Fees/Program Terms”** and processed through the Application Services, and is subject to downward adjustment by negotiation on a case-by-case basis as documented in individual Enrollment Agreements.
- 2.10. **“Customer Data”** means all information, data, materials, or documents (including Confidential Information and Personal Data) originating with, disclosed by, provided by, made accessible by, or otherwise obtained by or from the Agency, the State of Iowa, State Users, or Users, directly or indirectly, including from any Authorized Contractors of any of the foregoing, related to this Agreement in any way whatsoever, regardless of form, including all information, data, materials, or documents accessed, used, or developed by Vendor in connection with any Customer-Owned Deliverables provided hereunder and all originals and copies of any of the foregoing.
- 2.11. **“Customer Property”** means any property, whether tangible or intangible, of or belonging to the Agency, including Customer Data and Customer-Owned Deliverables, software, hardware, programs, or other property possessed, owned, or otherwise controlled, maintained, or licensed by the Agency, including Third Party Software or Third Party Intellectual Property.
- 2.12. **“Customer-Owned Deliverables”** means any Deliverables discovered, created, or developed by Vendor, Vendor Contractors, or Vendor Personnel at the direction of the Agency or for a specific project under this Agreement, including all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables, including copyrights, patents, trademarks, trade secrets, trade dress, mask work, utility design, derivative works, and all other rights and interests therein or related thereto, including any underlying Source Code and related Documentation. For the avoidance of doubt, Customer-Owned Deliverables does not include Vendor-Owned Deliverables, but does include:
- 2.12.1. Any and all Deliverables developed, provided, or configured pursuant to a Value-Added Service Fee Statement of Work or Time and Materials Statement of Work, including any or all new applications, websites, or programs; and

- 2.12.2. Any other Deliverables identified as Customer-Owned Deliverables in any Purchasing Instrument.
- 2.13. **“Deficiency”** means a defect, flaw, error, bug, failure, omission, interruption of service, or other problem of any nature whatsoever related to a Deliverable(s), the Application Services, or the System(s), including any failure of a Deliverable(s), the Application Services, or System(s), to conform to or meet an applicable Specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of a Deliverable(s), the Application Services, or System(s) in accordance with the functional specifications set forth in the Purchasing Instrument.
- 2.14. **“Deliverables”** means all of the goods, Software, work, work product, items, materials, and property to be created, developed, produced, delivered, performed, or provided by or on behalf of, or otherwise made available through, Vendor, Vendor Contractors, or Vendor Personnel, directly or indirectly, in connection with this Agreement, including the Application Services, System(s), Software, and Services, Documentation, and Source Code, including as may be more specifically identified, defined, and agreed upon in a Purchasing Instrument executed hereunder.
- 2.15. **“Documentation”** means any and all technical information, commentary, explanations, design documents, system architecture documents, database layouts, code, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation, and materials discovered, created, or developed by Vendor, Vendor Contractors, or Vendor Personnel hereunder or otherwise related to or used in conjunction with any Deliverables, the Application Services, or the System(s), in any medium, including hard copy, electronic, digital, and magnetically, or optically encoded media.
- 2.16. **“Enhancements”** shall mean any and all updates, upgrades, bug fixes, patches, additions, modifications, or other enhancements made to or with respect to the Application Services, System(s), or related Deliverables (including any new releases or versions related thereto) or other Deliverables provided or made available by Vendor, Vendor Contractors, or Vendor Personnel, directly or indirectly, that are made available to all of Vendor’s customers generally hereunder, and all changes to any Documentation made by Vendor, directly or indirectly, as a result of such Enhancements.
- 2.17. **“Error”** means (i) with respect to any Deliverable(s), the Application Services, or System(s) any defect, flaw, error, bug, or problem of any kind, or any failure of the Deliverable(s), Application Services, or System(s) to conform to an applicable Specification; or (ii) with respect to the Application Services, System(s), or related Deliverables, any failure or problem that impairs or adversely affects the performance, availability, or functionality thereof.
- 2.18. **“Error Correction”** means either a modification, procedure, or routine that corrects an Error in all material respects.
- 2.19. **“Escrow Agent”** has the meaning set forth in Section 3.1.3.4.
- 2.20. **“Escrow Agreement”** has the meaning set forth in Section 3.1.3.4.
- 2.21. **“Finally Determined”** means when a claim or dispute has been finally determined by a court of competent jurisdiction or other agreed-upon governing body and either (a) no

associated appeal has timely been sought if capable of being sought, or (b) any and all appellate rights properly exercised have otherwise been exhausted.

- 2.22. **“Governmental Entity”** shall include any governmental entity, as defined in Iowa Code Section 8A.101, or any successor provision to that section. The term Governmental Entity includes the Executive Branch, Legislative Branch, Judicial Branch, agencies, independent agencies, courts, boards, authorities, institutions, establishments, divisions, bureaus, commissions, committees, councils, examining boards, public utilities, offices of elective constitutional or statutory officers, and other units, branches, or entities of government, including political subdivisions or other local governmental entities.
- 2.23. **“I.T. Governance Document(s)” or “Governance Document(s)”** means any Information Technology policies, standards, processes, guidelines, or procedures developed by the OCIO or the Agency.
- 2.24. **“Office of the Chief Information Officer” or “OCIO”** means the Office of the Chief Information Officer of the State of Iowa established by Iowa Code chapter 8B.
- 2.25. **“Personal Data”** means any information relating to an identified or identifiable person, including, but not limited to, Social Security or other government-issued identification numbers, account security information, financial account information, credit/debit/gift or other payment card information, account passwords, intellectual property, document identification number, and sensitive or personal data (or equivalent terminology) as defined under any law, statute, directive, regulation, policy, standard, interpretation, order (including any and all legislative or regulatory amendments or successors thereto) regarding privacy, data protection, information security obligations, or the processing of personal data. For the avoidance of doubt, Personal Data shall include:
- 2.25.1. **“Federal Tax Information” or “FTI,”** as defined by Internal Revenue Service (“IRS”) Publication 1075 (**“Pub 1075”**), available at <https://www.irs.gov/pub/irs-pdf/p1075.pdf>, and corresponding Internal Revenue Code (“IRC”) rules and regulations;
- 2.25.2. **“Protected Health Information” or “PHI” or “Electronic Protected Health Information” or “EPHI”** as defined by the Health Insurance Portability and Accountability Act of 1996, as amended, and the HIPAA Rules (collectively **“HIPAA”**);
- 2.25.3. Any data or information covered under or protected by Iowa Code chapter 715C; and
- 2.25.4. Any data or information covered under or protected by Iowa Code sections 422.20 and 422.72.

For purposes of this definition and this Agreement, **“Process” or “Processing” or “Processed”** shall mean any operation or set of operations performed upon the Personal Data, whether or not by automatic means, including collection, recording, organization, use, transfer, disclosure, storage, manipulation, combination, and deletion of Personal Data.

- 2.26. **“Proposal” or “Vendor’s Proposal”** means Vendor’s Response to the RFP dated April 20, 2020

- 2.27. **“Purchasing Instrument”** means an individual transactional document executed hereunder for the purchase of Services or Deliverable(s) pursuant to this Agreement, including a **“Purchase Order”** or **“Statement of Work”** executed hereunder (*see* the Sample Purchasing Instrument/Statement of Work attached hereto for a sample Statement of Work), regardless of form, and which identifies the specific Services or Deliverable(s) to be purchased and any Acceptance Criteria or Specifications related thereto. A Purchasing Instrument may include:
- 2.27.1. A Statement of Work, entered into by the Office and Vendor establishing duties, obligations, and expectations related to the development, implementation, configuration, and ongoing maintenance and upkeep of the Deliverables or Value-Added Services provided to the enterprise by Vendor hereunder including:
 - 2.27.1.1. A Time and Materials Statement of Work;
 - 2.27.1.2. A Value-Added Services Statement of Work;
 - 2.27.2. An Enrollment Agreement.
- 2.28. **“Release Conditions”** has the meaning set forth in Section 3.1.3.4.2.
- 2.29. **“Request for Proposal”** or **“RFP”** means the Request for Proposal identified on the CD&E, including any attachments or amendments thereto.
- 2.30. **“Security Breach”** means the unauthorized acquisition of, access to, loss or destruction of Customer Data, the Application Services, System(s), or related Deliverables, or other security incident or event, that compromises the security, confidentiality, or integrity of Customer Data, the Application Services, System(s), or related Deliverables, including instances in which internal personnel access systems in excess of their user rights or use systems inappropriately, as determined by Vendor and the State. “Security Breach” shall also be deemed to include any breach of security, confidentiality, or privacy as defined by any applicable law, rule, regulation, or order.
- 2.31. **“Services”** may include:
- 2.31.1. The Application Services and System(s), including the Core Portal Technologies and Payment Processing Services provided thereby.
 - 2.31.2. Application Services and System(s) maintenance and support services.
 - 2.31.3. Application Services and System(s) portals, including any public-facing web interfaces accessible to Users.
 - 2.31.4. Any other services within the scope of the RFP and Proposal, including services provided on a Time and Materials basis or Value-Added Services, including as may be further defined, described, and agreed upon by the Parties in a Purchasing Instrument executed hereunder.
- 2.32. **“Service Level Agreement”** or **“SLA”** means a supplemental agreement attached hereto as Special Terms and Conditions defining the level of service expected by the Agency from Vendor in connection with specific Services provided hereunder, including defining and describing the key performance metrics by which that service is measured, and the remedies or penalties should the agreed-on service levels not be achieved. The Parties agree to negotiate a programmatic SLA and an SLA governing the delivery of the Application

Services, System, and related Deliverables. Individual Governmental Entities may also negotiate SLAs applicable to Services or Deliverables purchased hereunder pursuant to a Time and Materials Statement of Work or a Value-Added Services Statement of Work.

- 2.33. **“Software”** means any and all other software, programs, applications, modules, and components, in object code form, all related Documentation, Enhancements, and Source Code, and all copies of the foregoing.
- 2.34. **“Source Code”** means the human-readable source code, source program, scripts, or programming language, including, but not limited to, HTML, XML, XHTML, Visual Basic, and JAVA, for or related to any Software. Source Code includes all source code listings, instructions (including compile instructions), programmer’s notes, commentary, and all related technical information and Documentation, including all such information and Documentation that is necessary or useful for purposes of maintaining, repairing, or making modifications or enhancements to the Software and the Source Code.
- 2.35. **“Source Material”** means, with respect to the Application Services, the Source Code of such software and all related compiler command files, build scripts, scripts relating to the operation and maintenance of such application, application programming interface (API), graphical user interface (GUI), object libraries, all relevant instructions on building the object code of such application, and all documentation relating to the foregoing, such that collectively the foregoing will be sufficient to enable a person possessing reasonable skill and expertise in computer software and information technology to build, load, and operate the machine-executable object code of such application, to maintain and support such application and to effectively use all functions and features of such software.
- 2.36. **“Special Terms and Conditions”** means any attachment hereto entitled, in whole or in part, **“Special Terms and Conditions.”**
- 2.37. **“Specifications”** means any and all specifications, requirements, technical standards, performance standards, representations, warranties, criteria, and other specifications related to any Deliverables, including the Application Services and System(s), described or stated in this Agreement (including any exhibit or documentation attached to, or provided in connection with, this Agreement), any Purchasing Instrument(s), the RFP, the Proposal, and, solely to the extent not inconsistent with the foregoing, the Documentation.
- 2.38. **“State Users”** means the State of Iowa, the Agency, OCIO, and any other Governmental Entity that has executed an Enrollment Agreement hereunder or as may be designated by the OCIO in its sole discretion and communicated to Vendor in writing, and any employees or Authorized Contractors of any of the foregoing.
- 2.39. **“System(s)”** means the Application Services including any underlying or related platforms and infrastructure, and related Deliverables, as may be further defined and described in the RFP, Proposal, Special Terms and Conditions attached hereto and labeled **“Application Services/System(s) Description and related Fees,”** and related Purchasing Instruments, including any initial Purchasing Instruments of or related to the implementation or configuration of the Application Services, System(s), or related Deliverables for the State of Iowa or any Agency’s or Governmental Entity’s specific needs or use.
- 2.40. **“Time and Materials Services”** means application development services unique to the applicable Governmental Entity or other Services or Deliverables provided by Vendor to a Governmental Entity hereunder pursuant to a Purchasing Instrument at the Optional Hourly

Rates identified in Vendor's Proposal. Such Purchasing Instruments may be referred to herein as a "Time and Materials Statement of Work" or "**T&M SOW.**"

- 2.41. **"Third Party"** means a person or entity (including any form of business organization, such as a corporation, partnership, limited liability corporation, association, etc.) that is not a party to this Agreement.
- 2.42. **"Third Party Intellectual Property"** shall mean intellectual property, including Third Party Software, licensed, made, conceived, or developed by a Third Party and provided or used by or on behalf of the Agency or Vendor, as applicable, including:
 - 2.42.1. As it relates to intellectual property provided to the Agency by Vendor, intellectual property comprising or embedded in the Application Services, System(s), or any other Services or Deliverables provided by Vendor under this Agreement, including any Third Party Software used by or on behalf of Vendor to host the Application Services or System(s);
 - 2.42.2. As it relates to intellectual property provided to Vendor by the Agency, intellectual property comprising or embedded in any Customer Property, including any Third Party Software licensed to the Agency and accessed or used by Vendor in transitioning the Agency from legacy applications and systems to the Application Services and System(s) provided by Vendor hereunder.
- 2.43. **"Third Party Software"** means any software owned or licensed by a Third Party.
- 2.44. **"Users"** means the State Users and any other users of the Application Services or System(s), including external entities or individuals who may enter, upload, download, import, have payments processed by, or otherwise access data or information into the System(s) through public-facing web interfaces.
- 2.45. **"Value-Added Services"** shall generally have the meaning as may be further defined or described in the RFP, any application development services and related Service or Deliverables unique to the applicable Governmental Entity and provided by Vendor pursuant to a Purchasing Instrument hereunder using a transaction-based, Value-Added Service Fee model as mutually agreed to by the applicable Governmental Entity and Vendor and set forth in the applicable Purchasing Instrument. Such Purchasing Instruments may be referred to herein as a **"Value-Added Services Fee Statements of Work"** or a **"VASF SOW."** For the sake of clarity, Value-Added Services Fees shall not include any costs for functionality otherwise provided by the Core Portal Technologies enumerated in Section 1.1.1.2 of the Program Terms. Notwithstanding the foregoing, nothing in this Section shall prohibit Vendor from utilizing App Engine or any other Core Portal Technologies connection with Services provided pursuant to a VASF SOW; provided that such utilization of the App Engine or Core Portal Technologies as the underlying platform shall not be, in and of itself, at any additional cost or charge to the applicable Governmental Entity.
- 2.46. **"Value-Added Service Fee(s)"** means a transaction fee levied on each transaction processed in connection with a Value-Added Service as mutually agreed to by the applicable Governmental Entity and Vendor and as set forth in the applicable Value-Added Services Statement of Work. Proposed Value-Added Service Fees are subject to review and approval by the OCIO for compliance with Iowa law, including taking into consideration whether the proposed Value-Added Service Fee is reasonable.
- 2.47. **"Vendor,"** in addition to its meaning in the CD&E, shall, unless the context clearly requires the contrary, be deemed to include Vendor Contractors and Vendor Personnel.

- 2.48. **“Vendor Personnel”** means employees, agents, independent contractors, or any other staff or personnel acting on behalf of or at the direction of Vendor or any Vendor Contractor performing or providing Services or Deliverables under this Agreement.
- 2.49. **“Vendor Contractor(s)”** means any of Vendor’s authorized subcontractors, affiliates, subsidiaries, or any other Third Party acting on behalf of or at the direction of Vendor, directly or indirectly, in performing or providing Services or Deliverables under this Agreement.
- 2.50. **“Vendor-Owned Deliverable(s)”** means software that were independently and exclusively developed by Vendor or its affiliates prior to the Effective Date of this Agreement, and including any modifications, enhancements, derivations, and improvements thereof. The Application Services, System, and Enhancements thereto shall be considered Vendor-Owned Deliverables. Notwithstanding the foregoing, Vendor-Owned Deliverables do not include new applications, websites, or programs developed, built, or configured pursuant to a Time and Materials Statement of Work or a Valued-Added Services Statement of Work.

3. Services and Deliverables.

3.1. Performance.

3.1.1. *Generally.* Vendor shall commence, complete, and deliver all work and provide all Services, Deliverables, the Application Services, and System(s) as defined by, described by, and in accordance with the terms, conditions, requirements, Specifications, and Acceptance Criteria forth in this Agreement, including any Special Terms and Conditions, any Purchasing Instrument(s) executed by the Agency hereunder, the RFP, the Proposal, and any Service Level Agreement or any related attachments or documents attached hereto or associated herewith, including a “project plan(s)” or other similarly captioned document. Except as otherwise set forth herein or in a Service Level Agreement attached as Special Terms and Conditions hereto, performance standards, monitoring, and review provisions applicable to specific projects are as set forth in the applicable Purchasing Instrument.

3.1.2. *Purchasing Instruments.*

3.1.2.1. *Generally.* The Agency and Vendor may execute individual Purchasing Instrument(s) identifying specific Services or Deliverables to be purchased and provided hereunder and defining related Acceptance Criteria, Specifications, or terms and conditions associated with the performance and provisioning of such Services or Deliverables. Individual Purchasing Instruments will be effective and become valid and enforceable only when signed by both the Agency and Vendor. Once a Purchasing Instrument has been executed, Vendor will carry out and complete the duties and responsibilities set forth in the applicable Purchasing Instrument in accordance with the terms, conditions, requirements, Specifications, and Acceptance Criteria set forth in this Agreement, including any Special Terms and Conditions, the Purchasing Instrument, the RFP, the Proposal, and any Service Level Agreement or any related attachments or

documents attached hereto or associated herewith, including a “project plan(s)” or other similarly captioned document.

- 3.1.2.2. *Template Purchasing Instruments.* The Parties have developed template Time and Materials Statements of Work and Value-Added Services Statements of Work, attached hereto as exhibits. Vendor agrees to use those templates as the starting point for any discussions or negotiations with individual Governmental Entities in connection with any such potential engagements, Vendor will not modify or alter any provisions or related disclaimers contained in such template Purchasing Instruments identified as “key,” “important,” or prefaced with other like terms in such templates prior to presenting proposed Purchasing Instruments to Governmental Entities for discussion or negotiation in a way that would deprive any Governmental Entity of any ability to understand and meaningfully assess the potential importance of any such provisions, including specifically as it relates to ownership of Customer-Owned Deliverables or any other Deliverables to be provided in connection with or resulting from Value-Added Services or Time and Materials Services, or any intellectual property rights or interests of or related to the foregoing.
- 3.1.2.3. *Amendments to Purchasing Instruments.* A Purchasing Instrument may be amended, modified, or replaced at any time during the Term upon the mutual written consent of Vendor and the Agency.
- 3.1.2.4. *Change Order Procedure.* The Agency may at any time request a modification to the scope of a Purchasing Instrument using a change order. The following procedures for a change order shall be followed:
 - 3.1.2.4.1. *Written Request.* The Agency shall specify in writing the desired modifications to the Purchasing Instrument with the same degree of specificity as in the original Purchasing Instrument.
 - 3.1.2.4.2. *Vendor’s Response.* Vendor shall submit to the Agency any proposed modifications to the Purchasing Instrument and a firm cost proposal, if applicable, for the requested change order within five (5) business days of receiving the Agency’s change order request.
 - 3.1.2.4.3. *Effect of Change Order.* Both Parties must sign and date the change order to authorize the change in the Services or Deliverable(s) described therein and incorporate the changes into the applicable Purchasing Instrument and this Agreement. No Services or Deliverable(s) shall be provided pursuant to the change order, and no payment shall be made on account of the change order until the change order is fully executed by both Parties. Upon such execution, a change order shall alter only that portion of a Purchasing Instrument to which it expressly relates and shall not otherwise affect the terms and

conditions of the Purchasing Instrument or this Agreement.

3.1.3. *Delivery.*

3.1.3.1. *Risk of Loss.* To the extent any Deliverable(s), including any hardware or equipment, are mailed or shipped, Vendor or Vendor Contractors shall bear all freight, shipping, handling, and insurance costs for the delivery and shall bear all risk of loss, including any losses resulting from any damage to or destruction, in whole or in part, which may occur prior to the delivery.

3.1.3.2. *Documentation.* Vendor acknowledges and agrees that it or Vendor Contractors shall, at no charge to the Agency, deliver and provide to the Agency all Documentation related to the Applications Services, System(s), Software or other Deliverable(s) that are created, developed, produced, delivered, performed or provided by or on behalf of, or made available through, Vendor, Vendor Contractors, or Vendor Personnel, directly or indirectly, hereunder, unless otherwise agreed to by the Agency in writing.

3.1.3.3. *Source Code.* Vendor acknowledges and agrees that it or Vendor Contractors shall deliver and provide to the Agency all Source Code related to any Customer-Owned Deliverables and to any other Software or Deliverables as agreed to in writing by the Parties.

3.1.3.4. *Source Code Escrow.*

3.1.3.4.1. *Escrow Agent.* Vendor, Agency, and an escrow agent approved by the Parties (“Escrow Agent”) shall concurrently with execution of this Agreement, enter into a Source Code Escrow Agreement (“Escrow Agreement”). Immediately following the execution of the Escrow Agreement, for Customer-Owned Deliverables, and any other Software or Deliverables as agreed to in writing by the Parties, Vendor shall deliver to the Escrow Agent for deposit all Source Materials. Vendor shall on a quarterly basis update the Source Material by promptly depositing in the escrow each new release, update, version, enhancement, correction, patch, and improvement of the Services. Vendor’s duty to update the Source Material shall continue through the Term.

3.1.3.4.2. *Release Conditions.* In addition to the rights and obligations contained in the Escrow Agreement, the Source Material will be held in the Escrow and the events upon which the Agency shall have access to the Source Material shall include (collectively the “Release Conditions”): (1) the insolvency of Vendor; (2) the making of a general assignment by Vendor for the benefit of its creditors or a filing of a voluntary or

involuntary petition in bankruptcy by or against Vendor that is not dismissed within thirty (30) days of the filing thereof; (3) in the event Vendor ceases to provide, maintain, and/or support the Application Services for any reason other than the Agency's failure to pay for, or election not to receive, the Application Services or corresponding Support Services, whichever is applicable, and no other qualified entity has assumed the obligation to provide, maintain, and/or support the Application Services; (4) Vendor violates or commits a material breach of any term or condition of this Agreement and fails to cure said breach within the applicable cure period; (5) Vendor assigns, transfers, delegates, or subcontracts any of its obligations or duties under this Agreement without the prior written consent of the Agency; (6) Vendor violates or commits a breach of any term or condition of the Escrow Agreement, which breach has not been cured by Vendor within any applicable time period stated therein for curing such breach. Notwithstanding any other provision of this Agreement to the contrary, if a Release Condition occurs, the Agency may hire Vendor personnel to assist the Agency with using and understanding the Source Material.

3.1.3.4.3. *Use of Source Material.* Upon the occurrence of a Release Condition (or any other release conditions that may be specified under the Escrow Agreement), the Agency will, upon payment of the duplication cost and other handling charges of the Escrow Agent, be entitled to obtain a copy of the Source Material from the Escrow Agent. The Agency shall be entitled to use the Source Material as needed to remedy the event of release and mitigate any damages arising from such event. Such use will include, but is not limited to, the Agency's right to host, perform its own support and maintenance for, and/or alter or modify the Source Material using its own equipment and employees and/or that of third party contractors, including Authorized Contractors. Nothing herein shall relieve Vendor of its obligation to provide Services, including Support Services, as required under this Agreement.

3.1.3.4.4. *Proprietary Rights.* The Source Material referred to herein is subject to the confidentiality and proprietary provisions of Section 12. Notwithstanding the foregoing, following the occurrence of a Release Condition and subsequent release of the Source Material to the Agency, Source Material may be provided to any Authorized Contractor to service, maintain, repair, operate, or otherwise facilitate and

continue the use and operation of the Application Services as provided herein. The Agency shall require such Authorized Contractors to execute an agreement protecting the confidentiality of the Source Material consistent with the terms of this Agreement. Should use of the Source Material as provided in this Section involve the use or practice of any patent, copyright, trade secret, trademark or other proprietary information in which Vendor has an interest, Vendor, its assignee, or successors, agree not to assert a claim for patent, copyright, trade secret, trademark or other proprietary information infringement against the Agency provided the use of Application Services and Source Material is in accordance with this Agreement.

- 3.1.3.4.5. *The Agency's Right to Verify Source Material.* Regardless of whether one of the Release Conditions occurs, the Agency shall have the right, at the Agency's sole expense, to verify (itself or through use of Third Party contractors, including the Escrow Agent) the relevance, completeness, currency, accuracy, and functionality of the Source Material by, among other things, compiling the Source Material and performing test runs for comparison with the capabilities of the Application Services. In the event such testing demonstrates the Source Material does not correspond to the Application Services, Vendor shall reimburse Agency for all costs and fees incurred in the testing and immediately deposit the correct Source Material with the Escrow Agent.
- 3.1.3.4.6. *Version Verification.* The Escrow Agreement shall provide that, upon the Agency's request, the Escrow Agent shall indicate the version of the Source Materials held in the escrow and the date such Source Materials were received from the Vendor.
- 3.1.3.4.7. *Agreement Supplementary.* The Escrow Agreement shall be "supplementary" to this Agreement within the meaning of Section 365(n) of the U.S. Bankruptcy Code (11 U.S.C. 365(n)). If this Agreement and/or the Escrow Agreement are/is rejected by Vendor as a debtor in possession or a trustee or by any other person or entity under the U.S. Bankruptcy Code, then Agency may elect to retain its rights as provided in Section 365(n). The Parties intend that no bankruptcy or bankruptcy proceeding, petition, law, or regulation, and no other proceeding, petition, law, or regulation of a similar nature in any state or foreign jurisdiction, will impede, delay, or prevent the release of Source Materials to Agency in accordance with the provisions

of this Agreement and the Escrow Agreement, and Vendor hereby conveys and licenses to Agency such rights, including intellectual property rights, as are necessary to allow Agency to lawfully exercise its rights hereunder. This license is granted as of the date of this Agreement and shall predate any bankruptcy petition subsequent to such date.

3.1.3.5. Vendor shall inform the Agency of the availability of an escrow for any Third Party Software solutions it provides to the Agency.

3.1.4. *Equipment or hardware.* No equipment may be sold or leased under this Agreement.

3.1.5. *Software.* Vendor shall make commercially reasonable efforts to ensure that all Third Party Software provided hereunder, including Third Party Software comprising or embedded in the Customer-Owned Deliverables is licensed to the Agency pursuant to a license agreement, the terms and conditions of which are acceptable to the Agency. With respect to the Application Services or System, Vendor shall ensure that all Third Party Software provided hereunder, including Third Party Software comprising or embedded in the Application Services and System, or related Deliverables is either licensed to the Agency pursuant to a license agreement, the terms and conditions of which are acceptable to the Agency, or that the Vendor has sufficient rights to provide the Agency with access to the Third Party Software without a separate license agreement.

3.1.6. *Third Parties.* Vendor shall take all reasonable actions to ensure the Agency is able and entitled to receive and enjoy all warranties, indemnities, or other benefits associated with Value-Added Services provided hereunder. At the Agency's request, if it is able Vendor shall assign to the Agency all of licensor's and manufacturer's warranties, indemnities, or other associated benefits pertaining to such Value-Added Services under any related license agreement or other agreement between Vendor and the applicable Third Party. If Vendor is unable to secure any such warranties, indemnities, or other associated benefits pertaining to such Value-Added Services, Vendor will notify the Agency in writing.

3.2. Application Services/System.

3.2.1. *Grant of License.* Subject to the terms and conditions of this Agreement, Vendor grants to the Agency, the State of Iowa, State Users for the State of Iowa's governmental and business activities and purposes, including for the provisioning of information and services to State Users, Users, and, to the extent federal funds are used to pay for the Application Services or System(s), in whole or in part, the federal government, during the Term a non-exclusive license to: (i) access, use, and, to the extent applicable, maintain and support, the Application Services, System(s), and related Deliverables; and (ii) access, use, reproduce, and distribute Documentation.

3.2.2. *Implementation/Configuration.* Vendor will implement, modify, and configure the Application Services, System(s), and related Deliverables to satisfy the Agency's specific needs in accordance with the terms and conditions of

applicable Purchasing Instrument(s), the RFP, and Proposal, and any related “project plan(s)” or other similarly captioned document.

- 3.2.3. *Not Required to Accept or Install Enhancements.* Except for Vendor-Owned Deliverables, Vendor shall not condition the Agency’s rights or Vendor’s obligations under this Agreement, or any other contract, on the Agency accepting or installing any Enhancements related to the Application Services, System(s), or related Deliverables. In the case of Vendor-Owned Deliverables, Vendor shall not condition the Agency’s rights or Vendor’s obligations under this Agreement, or any other contract, on the Agency accepting or installing any Enhancements that materially alter or adversely impact the functionality of the Application Services or System, or that negatively impact the Agency’s ability to utilize the Application Services or System to fulfill the Agency’s governmental objectives and functions. Vendor may install Enhancements that do not materially alter or adversely impact the functionality.
- 3.2.4. *Terms of Use for Vendor-Owned Deliverables.* Each Purchasing Instrument may set forth a reasonably detailed description of any Vendor-Owned Deliverables. Except as otherwise contemplated herein (including in connection with any enduring access and use rights in connection with a Release Condition triggered pursuant to Section 3.1.3.4 (Source Code Escrow) or any related Escrow Agreement executed in connection with this Agreement):
 - 3.2.4.1.1. The State’s access to Vendor-Owned Deliverables shall terminate upon termination of this Agreement; provided, however, that the State or any subsequent contractor may contract for the Application Services separately at the termination of the Agreement.
 - 3.2.4.1.2. The State does not have any rights to have or to make copies or archival copies of Vendor-Owned Deliverables during the Term or following its expiration.
 - 3.2.4.1.3. The State agrees to use Vendor-Owned Deliverables for the “**Permitted Uses.**” As it relates to Vendor-Owned Deliverables, Permitted Uses shall mean that Vendor-Owned Deliverable will be used in a manner consistent with the grant of license set forth in Section 6.1 (Ownership of Vendor-Owned Deliverables), below. In the interest of clarity, this use excludes any sale, licensing or other transfer or use for commercial purposes, including transfer or sublicense to any other Third-Party, including any other state in the union, federal agency or governmental unit, or local Agency or local unit of government; provided that where OCIO or another Governmental Entity utilizing such Vendor-Owned Deliverables is a centralized administrative agency, subunit, or division of a larger Governmental Entity (such as the State of Iowa), such Governmental Entity operating as a centralized administrative agency may provide access to, use of, or data processing services or otherwise make use, including a corresponding right to bill other Governmental Entities in connection with any of the foregoing consistent with the centralized administrative agency’s legal duties and responsibilities, of the Vendor-Owned Deliverables to fulfill its duties and responsibilities on behalf of the larger Governmental

Entity, including in the provisioning of services to any subordinate agencies, subunits, or divisions of that larger Governmental Entity which it serves or to the Users of such Governmental Entity or the subordinate agencies, subunits, or divisions thereof.

4. Compensation and Additional Rights and Remedies.

4.1. Pricing/Compensation. The fees for the Services, Deliverables, Application Services, and System shall be in accordance with the RFP and Proposal and as set forth:

4.1.1. In the case of the Application Services and System(s), including the Core Portal Technologies and Payment Processing Services provided thereby, in the Special Terms and Conditions attached hereto and labeled “**Application Services/System(s) Description and related Fees**”; and

4.1.2. In the case of all other Customer-Owned Deliverables, subject to the following, in the applicable Purchasing Instrument(s).

4.1.2.1. In the case of Customer-Owned Deliverables purchased as part of a Time and Materials Statement of Work, the fees for such Services and Deliverables shall be consistent with and not otherwise exceed the Optional Hourly Rates identified in Vendor’s Proposal. Such Optional Hourly Rates have been attached hereto as Special Terms and Conditions entitled “Optional Hourly Rates Fee Schedule.” Notwithstanding the foregoing, after the Initial Term, for every renewal year thereafter, Vendor’s rates shall not increase or escalate beyond 85% of the Consumer Price Index (CPI) for the Midwest Region (Chicago) in years of service 4-10. The Vendor shall notify the State of its updated rates on the renewal date.

4.1.2.2. In the case of Value-Added Service Fees purchased as part of a Value-Added Service Fees Statement of Work, proposed Value-Added Service Fees are subject to review and approval by the OCIO, including for consideration of whether the proposed Value-Added Service Fee is reasonable.

Failure of the Agency to pay any undisputed fees that may be owing in accordance with the terms of this Agreement shall not result in any suspension or termination of any Services or Deliverables, including the Application Services or System(s), so long as payment of such undisputed fees is made within the applicable cure period. For the avoidance of doubt, in the event of any dispute related to fees, Vendor shall continue to perform and provide Services and Deliverables, including the Application Services or System(s), until such dispute has been Finally Determined by a court of competent jurisdiction or other agreed-upon governing body.

4.2. No Additional Fees. Other than as permitted by Section 4.1 (Pricing/Compensation), the Agency shall not be obligated to pay any other compensation, fees, expenses, costs, charges or other amounts to Vendor in connection with this Agreement. For the avoidance of doubt, there shall be no reimbursable expenses associated with this Agreement, and Vendor shall be solely responsible for all other costs, charges, and expenses it incurs in connection with this Agreement, including equipment, supplies, personnel, salaries, benefits, insurance, training, conferences, telephone, utilities, start-up costs, travel and lodging, and all other operational and administrative costs and expenses.

- 4.3. Satisfactory Performance. Vendor is not entitled to payment for Customer-Owned Deliverable(s) in whole or in part, provided under this Agreement or any Purchasing Instrument(s) if such Customer-Owned Deliverable(s) fails to meet or conform to the functional specifications or that there is a material Deficiency or Error with respect to such Customer-Owned Deliverable(s).
- 4.4. Effect of Purchasing Instruments. In no event shall the Agency be obligated to pay Vendor any fees, costs, compensation, or other amounts in excess of the amounts consistent with the RFP or the Proposal for any Services or Deliverable(s), including the Application Services and System(s). In addition, in no event shall the Agency be obligated to pay Vendor any fees, costs, compensation, or other amounts in excess of the amounts set forth in an applicable Purchasing Instrument or Special Terms and Conditions attached hereto and labeled "Application Services/System(s) Description and related Fees," for any one or more Services or Deliverable(s), including the Application Services or System(s), unless the Agency agrees to pay such fees, costs, compensation, or other amounts pursuant to a duly executed Change Order or written amendment to the applicable Purchasing Instrument or Special Terms and Conditions.
- 4.5. Payment does not Imply Acceptance. Payment, including final payment, shall not be construed as acceptance of any Services or Deliverables with Deficiencies, Errors, or incomplete work, and Vendor shall remain responsible for full performance in strict compliance with the terms and conditions of this Agreement. Vendor's acceptance of the last payment from the Agency shall operate as a release of any and all claims related to this Agreement that Vendor may have or be capable of asserting against the Agency.
- 4.6. Invoices.
- 4.6.1. Generally. Upon receipt of written notice of Acceptance from the Agency with respect to one or more Services or Deliverable(s), or in the frequencies set forth in the applicable Purchasing Instrument or, in the case of the Application Services and System(s), in the Special Terms and Conditions attached hereto and labeled "Application Services/System(s) Description and related Fees," Vendor shall submit an invoice to the Agency requesting payment of the fees or other compensation to which it is entitled under Section 4.1(Pricing/Compensation), less any Retained Amount(s) to be withheld in accordance with Section 4.7 (Retention) or other applicable offsets. All invoices submitted by Vendor shall comply with all applicable rules concerning payment of such fees, charges, or other claims and shall contain appropriate documentation as necessary to support the fees or charges included on the invoice and all information reasonably requested by the Agency. The Agency shall verify Vendor's performance/provisioning of Services or Deliverable(s) outlined in the invoice before making payment. The Agency shall pay all approved invoices in arrears and, to the extent applicable, in conformance with Iowa Code section 8A.514 and corresponding implementing rules, regulations, and policies. The Agency may pay in less than sixty (60) days, but an election to pay in less than sixty (60) days shall not, to the extent applicable, act as an implied waiver of Iowa Code section 8A.514. Notwithstanding anything herein to the contrary, the Agency shall have the right to dispute any invoice submitted for payment and withhold payment of any disputed amount if the Agency believes the invoice is inaccurate or incorrect in any way.

- 4.6.2. **Payment Processing.** All fees processed in connection with transactions by or through the Payment Processing Services, including all Agency Fees, Convenience Fees, and Value-Added Service Fees shall be deposited directly into the State of Iowa account(s) as identified in the applicable Enrollment Agreement, with no intermediary deposit into non-state accounts. Convenience Fees and Value-Added Service Fees payable to the Vendor for applicable Services and Deliverables shall be invoiced by Vendor to the applicable Agency in accordance with the immediately preceding Section 4.6.1 governing invoicing generally, and payable in arrears. Vendor shall neither net fees due for transactions at the time of payment, nor deposit into State of Iowa accounts, unless otherwise agreed as part of an amendment to this Agreement.
- 4.7. **Retention.** To secure Vendor's performance under this Agreement, the Agency may retain 15% of the fees or other compensation associated with each Deliverable provided under a Purchasing Instrument ("**Retained Amounts**") until all Deliverables under such Purchasing Instrument have been supplied/provided and the Agency has given its Final Acceptance. Retained Amounts shall be payable upon the Agency's delivery of written notice of Final Acceptance, subject to the terms and conditions hereof. This Section shall not apply to the provision of Application Services or any Customer-Owned Deliverables where Vendor is compensated entirely via Convenience Fees.
- 4.8. **Erroneous Payments and Credits.** Vendor shall promptly pay or refund to the Agency the full amount of any overpayment or erroneous payment within ten (10) business days after either discovery by Vendor or notification by the Agency of the overpayment or erroneous payment. In the event Vendor fails to timely pay or refund any amounts due the Agency under this Section 4.8 (Erroneous Payments and Credits), the Agency may charge interest of one percent (1%) per month compounded on the outstanding balance each month after the date payment or refund is due, or the maximum amount otherwise allowed by law, whichever is greater. The Agency may, in its sole discretion, elect to have Vendor apply any amounts due and owing the Agency under this Section 4.8 (Erroneous Payments and Credits) against any amounts payable by the Agency under this Agreement.
- 4.9. **Set-off Against Sums Owed by Vendor.** In the event Vendor owes the Agency any sum under the terms of this Agreement, any other agreement, pursuant to a judgment, or pursuant to any law, the Agency may set off such sum against any sum invoiced to the Agency by Vendor in the Agency's sole discretion. Any amounts due the Agency as damages may be deducted by the Agency from any money or sum payable by the Agency to Vendor pursuant to this Agreement or any other agreement between Vendor and the Agency.
- 4.10. **Withholding Payments.** In addition to pursuing any other remedy provided herein or by law, the Agency may withhold compensation or payments to Vendor, in whole or in part, without penalty or legal liability to the Agency or work stoppage by Vendor, in the event the Agency determines:
- 4.10.1. Vendor has materially failed to perform any of its duties or obligations as set forth in this Agreement; or
- 4.10.2. Any Deliverable, the Application Services, or System(s) has failed to materially meet or conform to any applicable Acceptance Criteria or Specification(s) or contains or is experiencing a material Deficiency or Error(s).

No interest shall accrue or be paid to Vendor on any compensation or other amounts withheld or retained by the Agency under this Agreement. Prior to withholding any payment as permitted hereunder, Vendor shall be provided written notice and thirty (30) days to cure or correct the failed performance, Deficiency(ies), or Error(s).

- 4.11. Correction/Cure. The Agency may correct any Deficiencies or Errors with respect to any Customer-Owned Deliverable(s) or to cure Vendor material default under this Agreement without prejudice to any other remedy it may have if Vendor fails to correct such Deficiencies or Errors as required in this Agreement. If the Agency first gives Vendor at least thirty (30) days to cure, and Vendor declines, the Agency may procure the Customer-Owned Deliverable(s) reasonably necessary to correct any undisputed, material Deficiencies or Errors or cure any material Vendor default, in which event Vendor shall reimburse the Agency for the actual reasonable costs incurred by the Agency for such Deliverable(s) or cure, after making every reasonable attempt to mitigate its damages including the reasonable value of the time expended by the Agency's personnel or its Authorized Contractors to secure substitute Customer-Owned Deliverable(s) or cure such default. In addition, Vendor shall reasonably cooperate with the Agency or any Third Parties retained by the Agency which assist in curing such default.
- 4.12. Error Correction. With respect to each notice from the Agency to Vendor during the Term that notifies Vendor that any Customer-Owned Deliverable(s) contains or experiences a material Deficiency or Error, Vendor shall, at no cost to the Agency, promptly:
- 4.12.1. Correct the Deficiency or Error and repair the affected Customer-Owned Deliverable(s); and
- 4.12.2. Provide the Agency with all necessary and related materials related to such repaired or corrected Customer-Owned Deliverable(s), including, to the extent applicable, the provision of new Source Code, master program disks, or other media acceptable to the Agency, and related Documentation.
- 4.13. Repayment Obligation. In the event that any State of Iowa or federal funds are deferred or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, Vendor will be liable to the Agency for the full amount of any claim disallowed (or the amount of funds expended in violation of such applicable laws) and for all related penalties incurred, less any merchant or interchange fees that are not assessed or managed by Vendor directly or indirectly. If the State of Iowa or any federal agency concludes Vendor has been paid for any cost that is unallowable, unallocable, or unreasonable under this Agreement, Vendor will be liable to the Agency for such cost. Vendor shall pay to the Agency all amounts for which the Vendor is liable under this Section 4.13 (Repayment Obligation) within ten (10) business days of receiving the Agency's written demand or written notice. The Agency may withhold any payment under this Agreement if Vendor fails to timely make any payment required by this Section 4.13 (Repayment Obligation).
- 4.14. Survives Termination. Vendor's duties, obligations, and liabilities as set forth in this Section 4 (Compensation and Additional Rights and Remedies) shall survive termination of this Agreement and shall apply to all acts or omissions taken or made in connection with Vendor's, Vendor Contractor's, or Vendor Personnel's performance of this Agreement regardless of the date any potential claim or breach is made or discovered by the Agency or its Authorized Contractors.

5. Acceptance Tests, Project Management, and Program Management.

- 5.1. Acceptance Testing. All Deliverables, the Application Services, and the System(s) shall be subject to the Agency's Acceptance Testing and Acceptance, as may be further described in a Purchasing Instrument(s). Upon completion of all work to be performed by Vendor with respect to any Deliverable or group of Deliverables, the Application Services, or the System(s), Vendor shall deliver a written notice to the Agency certifying that the foregoing meets and conforms to applicable Acceptance Criteria and is ready for the Agency to conduct Acceptance Tests; provided, however, that Vendor shall pretest the Deliverable(s), Application Services, and System(s) to determine that it meets and operates in accordance with applicable Acceptance Criteria prior to delivering such notice to the Agency. At the Agency's request, Vendor shall assist the Agency in performing Acceptance Tests at no additional cost to the Agency. Within a reasonable period of time after the Agency has completed its Acceptance Testing, the Agency shall provide Vendor with written notice of Acceptance or Nonacceptance with respect to each Deliverable, the Application Services, or System(s), or any portion thereof, evaluated during such Acceptance Testing. If the Agency determines that a Deliverable(s), the Application Services, or the System(s), in whole or in part, satisfies its Acceptance Tests, the Agency shall provide Vendor with notice of Acceptance with respect to such Deliverable(s), the Application Services, and System(s). If the Agency determines that a Deliverable(s), the Application Services, or System(s), in whole or in part, fails to satisfy its Acceptance Tests, the Agency shall provide Vendor with notice of Non-Acceptance with respect to such Deliverable(s), the Application Services, and System(s). In the event the Agency provides notice of Non-Acceptance to Vendor with respect to any Deliverable(s), the Application Services, and System(s), Vendor shall correct and repair such Deliverable(s), the Application Services, and System(s) and submit it to the Agency within ten (10) days of Vendor's receipt of notice of Non-acceptance so the Agency may re-conduct its Acceptance Tests with respect to such Deliverable(s), the Application Services, or System(s). In the event the Agency determines after re-conducting its Acceptance Tests such Deliverable(s), Application Services, and System(s) continue to fail to satisfy its Acceptance Tests, then the Agency shall have the continuing right, at its sole option, to:
- 5.1.1. Require Vendor to correct and repair such Deliverable(s), Application Services, and System(s) within such period of time as the Agency may specify in a written notice to Vendor;
 - 5.1.2. Refuse to accept such Deliverable(s), Application Services, or System(s) without penalty or legal liability and without any obligation to pay any fees or other amounts associated with such Deliverable(s), the Application Services, or System(s), or receive a refund of any fees or amounts already paid with respect to such Deliverable(s), Application Services, or System(s);
 - 5.1.3. Accept such Deliverable(s), the Application Services, or System(s) on the condition that any fees or other amounts payable with respect thereto shall be reduced or discounted to reflect, to the Agency's satisfaction, the Deficiencies or Errors present therein and any reduced value or functionality of such Deliverable(s), the Application Services, or System(s), or the costs likely to be incurred by the Agency to correct such Deficiencies or Errors; or
 - 5.1.4. Terminate the applicable Purchasing Instrument or seek any and all available remedies, including damages. Notwithstanding any other provisions of this Agreement related to termination, the Agency may terminate a Purchasing Instrument in its entirety pursuant to this Section 5.1.4 without providing Vendor any notice or opportunity to cure.

The Agency's right to exercise the foregoing rights and remedies, including termination of the applicable Purchasing Instrument, shall remain in effect until Acceptance Tests are successfully completed to the Agency's satisfaction and the Agency has provided Vendor with written notice of Final Acceptance. Vendor's receipt of any notice of Acceptance, including Final Acceptance, with respect to any Deliverable(s), the Application Services, and System(s), shall not be construed as a waiver of any of the Agency's rights to enforce the terms of this Agreement or require performance in the event Vendor breaches this Agreement or any Deficiency or Error is later discovered with respect to such Deliverable(s), the Application Services, or System(s). In addition, Vendor's receipt of any notice of Acceptance with respect to any Deliverable(s), the Application Services, or System(s) shall not be construed as a waiver by the Agency of its right to refuse to provide notice of Final Acceptance.

5.2. Project Management and Reporting.

- 5.2.1. *Vendor or Project Manager.* Vendor shall designate, in writing, a Project Manager acceptable to the Agency. Vendor will assign a Project Manager of a management level sufficient to ensure timely responses from all Vendor Personnel, timely completion of tasks and achievement of milestones, and whose resume and qualifications will be reviewed and approved by the Agency prior to his or her appointment as Vendor's Project Manager. Vendor represents and warrants that its Project Manager will be fully qualified to perform the tasks required of that position under this Agreement. Any written commitment by Vendor's Project Manager and persons designated by her or him in writing for this purpose, within the scope of this Agreement, shall be binding upon Vendor. Vendor's Project Manager shall exercise her or his best efforts while performing under this Agreement. Vendor's Project Manager shall be at the Agency's site as needed during the course of work and will be available either in person, by telephone, or by email to respond promptly during the business day to inquiries from the Agency.
- 5.2.2. *Review Meetings.* Vendor's Project Manager shall meet weekly with the Agency's project manager and representatives, unless otherwise mutually agreed by the Parties, to discuss progress made by Vendor or performance issues. At each review meeting, Vendor's Project Manager shall provide a status report, which shall include, at minimum, the information described in Section 5.2.3 (Reports) and describe any problems or concerns encountered since the last meeting. At the next scheduled meeting after which any Party has identified a problem in writing, Vendor shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any Party may recommend alternative courses of action or changes that will facilitate problem resolution. Vendor shall maintain records of such reports and other communications issued in writing during the course of its performance of this Agreement.
- 5.2.3. *Reports.* Vendor shall provide the Agency with weekly status reports that describe, at a minimum, the previous week's activities, including problems encountered and their disposition, results of tests, whether or not deadlines were met, status of Services or Deliverables, any problems that may have arisen that need to be addressed before proceeding to the next week's activities, and any other information the Agency may request. Vendor's proposed format and level of detail for its status reports shall be subject to the Agency's approval.

- 5.2.4. *Problem Reporting Omissions.* The Agency's receipt of a report that identifies any problems shall not relieve Vendor of any obligation under this Agreement or waive any other remedy under this Agreement or at law or equity the Agency may have. The Agency's failure to identify the extent of a problem, Deficiency, or Error, or the extent of damages incurred as a result of a problem, Deficiency, or Error, shall not act as a waiver of performance or constitute Acceptance under this Agreement.

6. Ownership and Intellectual Property.

- 6.1. Ownership of Vendor-Owned Deliverables. Except as specifically granted in a Purchasing Instrument, other agreement, or as otherwise provided in this Agreement, Vendor shall own all Deliverables that were independently and exclusively developed by Vendor prior to the Effective Date of this Agreement ("**Vendor-Owned Deliverables**"). Further, except where a more specific grant of license is set forth in a Purchasing Instrument, other agreement, or as otherwise provided in this Agreement, with respect to all Deliverables, the grant of license set forth in Section 3.2.1 (Grant of License) shall extend to all Vendor-Owned Deliverables provided hereunder.
- 6.2. Ownership and Assignment of Customer-Owned Deliverables. Upon Vendor receiving full payment as set forth in the Purchasing Instrument but subject to any applicable right to withhold, set-off, retain, or otherwise deny payment hereunder (including as permitted by Section 4.7 (Retention), 4.9 (Set-off Against Sums Owed by Vendor), and 4.10 (Withholding Payments), Vendor, Vendor Contractors, and Vendor Personnel hereby irrevocably assigns, transfers, and conveys to the Agency all right, title and interest in and to Customer-Owned Deliverables and, solely as it relates to Customer-Owned Deliverables provided pursuant to a VASF SOW, for the **Permitted Uses**. For purposes of Customer-Owned Deliverables, Permitted Uses shall have the same meaning as ascribed to it in Section 3.2.4.1.3 relating to Vendor-Owned Deliverables; provided, however, that, notwithstanding any limitation set forth in Section 3.2.4.1.3, as it relates to Customer-Owned Deliverables, Vendor acknowledges and agrees that upon full payment, Governmental Entities located in the State of Iowa are not restricted from providing, licensing, or selling Customer-Owned Deliverables purchased or originating hereunder to other Governmental Entities of or located within the State of Iowa, or where required by applicable law, the federal government. Vendor represents and warrants that the Agency shall acquire good and clear title to all Customer-Owned Deliverables, free from any claims, liens, security interests, encumbrances, intellectual property rights, proprietary rights, or other rights or interests of Vendor or of any Third Party, including Vendor Contractors and Vendor Personnel. Vendor, Vendor Contractors, and Vendor Personnel shall not retain any property interests or other rights in or to Customer-Owned Deliverables and shall not use any Customer-Owned Deliverables, in whole or in part, for any purpose, without the prior written consent of the Agency commissioning such Deliverables and the payment of such royalties or other compensation as the Agency deems appropriate. Immediately upon the request of the Agency, Vendor will deliver to the Agency or destroy, or both, at the Agency's option, all copies of any Customer-Owned Deliverables in the possession of Vendor.
- 6.2.1. For purposes of this Section, Vendor shall be considered to have received full payment, as follows: (i) Vendor receives full and complete payment for Time and Materials Deliverables or (ii) Vendor is given the opportunity to collect the Value-Added Fee for the entire Term Commitment, as set forth in the Purchasing Instrument. Until such time that full payment is made or term commitment is

complete, Vendor grants State a non-exclusive, worldwide, royalty free, license to use Customer-Owned Deliverables during the Term for the Permitted Uses.

- 6.2.2. **Perpetual Use License:** Solely as it relates to Customer-Owned Deliverables provided pursuant to a VASF SOW, the State hereby grants Vendor an immediate, non-exclusive, irrevocable, worldwide, transferable, fully paid, royalty free, license to reproduce, modify, distribute, publicly perform, publicly display, and use any Customer-Owned Deliverable, and any modifications, upgrades or enhancements thereto, in each case without any restrictions, and to sublicense any or all such rights to all Customer-Owned Deliverable to third parties. The State acknowledges and agrees that the Vendor may use Customer-Owned Deliverables for any purpose.
- 6.3. Waiver. To the extent any of Vendor's, Vendor Contractor's, or any Vendor Personnel's rights in any Customer-Owned Deliverables are not subject to assignment or transfer hereunder, including any moral rights or any rights of attribution or integrity, Vendor, Vendor Contractors, and Vendor Personnel hereby irrevocably and unconditionally waives all such rights and enforcement thereof and agrees not to challenge the Agency's rights in and to Customer-Owned Deliverables.
- 6.4. Acknowledgement. Vendor acknowledges and agrees that the Agency, as owner and assignee of Customer-Owned Deliverables, shall have all rights incident to complete ownership, and may, without limitation:
- 6.4.1. Obtain, secure, file, and apply for any legal protection necessary to secure or protect any rights in and to Customer-Owned Deliverables, including the prosecution and issuance of letters patent, copyright registrations, and other analogous protection, and any extensions or renewals with respect thereto;
 - 6.4.2. Adapt, change, modify, edit, or otherwise use Customer-Owned Deliverables as the Agency sees fit, including in combination with the works of others, prepare derivative works based on Customer-Owned Deliverables, and publish, display, perform, host, and distribute throughout the world any Customer-Owned Deliverable(s) in any medium, whether now known or later devised, including any digital or optical medium; and
 - 6.4.3. Make, use, sell, license, sublicense, lease, or distribute Customer-Owned Deliverables (and any intellectual property rights therein or related thereto) without payment of additional compensation to Vendor or any Third Party, including Vendor Contractors or Vendor Personnel.
 - 6.4.4. For clarity, as it relates to the App Engine that may be used to develop and support certain Customer-Owned Deliverables, the underlying App Engine itself will remain a Vendor-Owned Deliverable and Vendor will provide to the State of Iowa and any and all Agency(ies) thereof the App Engine object files along with a, for use only, fully paid-up, royalty free, non-transferable, non-exclusive, license to use host (in object code only), copy, install, access, execute, modify, maintain, support, repair, enhance, test, and otherwise use the App Engine framework for the sole purpose of operating, maintaining, modifying, or otherwise using for the State of Iowa or any of its Agencies' governmental purposes or objectives any Customer-Owned Deliverables developed using App Engine and that were purchased, provided, or commissioned pursuant to this Agreement. Consistent with the prior statement of purpose and objective, the

foregoing grant of license shall include the right of the State of Iowa and any of its Agencies to:

- 6.4.4.1. Utilize Authorized Contractors in hosting (in object code only), copying, installing, accessing, executing, modifying, maintaining, supporting, repairing, enhancing, testing, and otherwise using the App Engine framework; and
- 6.4.4.2. Grant rights to access and use the App Engine and related Customer-Owned Deliverables and their functions to State Users and Users.

6.5. Further Assurances. At the State of Iowa's or Agency's request, Vendor will both during and after the termination or expiration of this Agreement, execute and deliver such instruments, provide all facts known to it, and take such other action as may be requested by the State of Iowa or Agency to:

- 6.5.1. Establish, perfect, or protect the Agency's rights in and to Customer-Owned Deliverables and to carry out the assignments, transfers, and conveyances set forth in Section 6.2 (Ownership and Assignment of Customer-Owned Deliverables); and
- 6.5.2. Obtain and secure copyright registration or such other registrations or intellectual property protections as may be desirable or appropriate to the subject matter, and any extensions or renewals thereof.

In the event the Agency is unable, after reasonable effort, to secure Vendor's, Vendor Contractor's, or any Vendor Personnel's signature on any letters patent, copyright, or other analogous protection relating to the Customer-Owned Deliverables, for any reason whatsoever, Vendor, Vendor Contractors, and Vendor Personnel hereby irrevocably designates and appoints the Agency and its duly authorized officers, employees, and agents, as their agent and attorney-in-fact, to act for and in its behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright registrations, and other analogous protection, including extensions and renewals thereon, with the same legal force and effect as if executed by Vendor.

6.6. Third Party Intellectual Property. Except as otherwise agreed to by the Parties in writing, in the event a Deliverable(s) is comprised of Third Party Intellectual Property, Vendor shall provide whatever license it is able to obtain from the Third Party and provide it to the State. Vendor agrees to identify Third Party Intellectual Property in the Purchasing Instrument and work with the Agency to facilitate the negotiation of any necessary license agreement, the terms and conditions of which are acceptable to the agency, where feasible.

6.7. Rights of the Federal and State Government. If all or a portion of the funding used to pay for Customer-Owned Deliverables is being provided through a grant from the Federal Government, Vendor acknowledges and agrees that pursuant to applicable federal laws, regulations, circulars, and bulletins, the awarding agency of the Federal Government reserves and will receive certain rights, including, if applicable, a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for Federal Government purposes, the Customer-Owned Deliverables developed under this Agreement and the copyright in and to such Customer-Owned Deliverables.

- 6.8. Customer Property. Vendor, Vendor Contractors, and Vendor Personnel may have access to Customer Property to the extent necessary to carry out its responsibilities under the Agreement and in compliance with Agency's security and confidentiality requirements. Customer Property shall at all times remain the property of the Agency or applicable Third Party owning Customer Property that has been licensed to the Agency. Vendor, Vendor Contractors, Vendor Personnel and the Application Services, System(s), or related Deliverables shall comply with any and all the license terms, conditions, or restrictions applicable to any Customer Property that has been licensed to the Agency or otherwise made available or accessible to the Agency or Vendor by a Third Party, including to the extent the Application Services, System(s), or related Deliverables must interface, integrate, or connect to such Customer Property. Vendor shall indemnify and hold harmless the Agency and its officers, directors, employees, officials, and agents from and against any and all claims, demands, liabilities, suits, actions, damages, losses, taxes, penalties, costs, and expenses of every kind and nature whatsoever arising out of, resulting from, or in any way related to Vendor's, Vendor Contractor's, or Vendor Personnel's, or the Application Services, System(s), or related Deliverables breach of any license terms, conditions, or restrictions applicable to, or violation or misappropriation of any intellectual property rights or interests in, any Customer Property that has been licensed to the Agency or otherwise made available or accessible to the Agency or Vendor by a Third Party.
- 6.9. Survives Termination. Vendor's duties, obligations, and liabilities as set forth in this Section 6 (Ownership and Intellectual Property) shall survive termination of this Agreement and shall apply to all acts or omissions taken or made in connection with Vendor's, Vendor Contractor's, or Vendor Personnel's performance of this Agreement regardless of the date any potential claim or breach is made or discovered by the Agency or its Authorized Contractors.

7. Representations, Warranties, and Covenants.

- 7.1. Deliverables Free of Deficiencies. Vendor represents and warrants that the Deliverables, Application Services, and System(s), in whole and in part, shall: (i) be free from material Deficiencies and Errors; and (ii) meet, conform to and operate in accordance with all Acceptance Criteria and in accordance with this Agreement. During the Term, Vendor shall, within ten (10) days of receiving notice of such Deficiencies, Errors, or failures from the Agency and at its expense, repair, correct, or replace any Deliverable(s), the Application Services, and System(s) that contains or experiences material Deficiencies or Errors or fails to meet, conform to, or operate in accordance with Acceptance Criteria or Specification(s). The foregoing shall not constitute an exclusive remedy under this Agreement, and the Agency shall be entitled to pursue any other available contractual, legal, or equitable remedies. Vendor shall be available at all reasonable times to assist the Agency with questions, problems, and concerns about the Deliverable(s), the Application Services, and System(s); to inform the Agency promptly of any known Deficiencies or Errors in any Deliverable(s), the Application Services, and System(s); repair and correct any Deliverable(s), the Application Services, and System(s) not performing in accordance with the warranties contained in this Agreement, notwithstanding that such Deliverable(s), the Application Services, and System(s) may have been accepted by the Agency; and provide the Agency with all necessary materials and any related Services with respect to such repaired or corrected Deliverable(s), the Application Services, and System(s). Acceptance Testing will not in any way relieve Vendor of its responsibilities to correct any material Deficiency or Error.

- 7.2. Fitness for Intended Purpose. Vendor represents and warrants that it is fully aware of the Agency's requirements and intended purposes and uses for the Deliverables, the Application Services, and System(s), including as may be further identified or defined in a subsequent Purchasing Instrument executed hereunder, and that the Deliverables, Application Services, and System(s) shall satisfy such requirements, including all Specifications, in all material respects and are fit for their intended purposes and uses.
- 7.3. Quiet Enjoyment. Vendor represents and warrants that: (i) it owns, possesses, holds, and has received or secured all rights, permits, permissions, licenses, and authority necessary to provide Deliverables, the Application Services, and System(s) to the Agency hereunder and to assign, grant, and convey the rights, benefits, licenses and other rights assigned, granted, or conveyed the Agency hereunder without violating any rights of any Third Party; (ii) it has not previously and will not grant any rights in any Deliverables, the Application Services, and System(s) to any Third Party that are inconsistent with the rights granted to the Agency herein; and (iii) the Agency shall peacefully and quietly have, hold, possess, use, and enjoy the Deliverables, the Application Services, and System(s) without suit, disruption, or interruption.
- 7.4. Intellectual Property. Vendor represents and warrants that: (i) the Deliverables, the Application Services, and System(s) (and all intellectual property rights therein and related thereto); and (ii) the Agency's use of, and exercise of any rights with respect to, the Deliverables, the Application Services, and System(s) (and all intellectual property rights therein and related thereto), do not and will not, under any circumstances, misappropriate a trade secret or infringe upon or violate any copyright, patent, trademark, trade dress, or other intellectual property right, proprietary right, or personal right of any Third Party. Vendor further represents and warrants there is no pending or threatened claim, litigation, or action that is based on a claim of infringement or violation of an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret related to any Deliverables, the Application Services, and System(s). Vendor shall inform the Agency in writing immediately upon becoming aware of any actual, potential, or threatened claim of or cause of action for infringement or violation of an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret. If such a claim or cause of action arises or is likely to arise, Vendor shall, at the Agency's request and at Vendor's sole expense: (i) procure for the Agency the right or license to continue to use the Deliverable(s), the Application Services, and System(s) at issue, or relevant aspect thereof; (ii) replace the infringing, violating, or misappropriated aspects of such Deliverable(s), the Application Services, and System(s) with a functionally equivalent replacement; (iii) modify or replace the affected portion of the Deliverable(s), the Application Services, and System(s) with a functionally equivalent or superior Deliverable(s), Application Services, and System(s) free of any such infringement, violation or misappropriation; or (iv) accept the return of the Deliverable(s) at issue and refund to the Agency all fees, charges, and any other amounts paid by the Agency under this Agreement or any related agreement with respect to such Deliverable(s) or, in the case of the Application Services and System(s), accept an equitable downward adjustment of the fees, charges, and any other amounts paid by the Agency under this Agreement or any related agreement to the extent such infringement, violation, or misappropriation prevents the Agency's use of an affected aspect of the Application Services or System(s). In addition, Vendor agrees to indemnify and hold harmless the Agency and its officers, directors, employees, officials, and agents as provided in the Indemnification section of this Agreement, including for any breach of the representations and warranties made by Vendor in this Section 7.4 (Intellectual Property). The foregoing remedies shall be in addition to and not exclusive of other

remedies available to the Agency under this Agreement or otherwise and shall survive termination of this Agreement.

- 7.5. Workmanlike Manner. Vendor represents, warrants, and covenants that all Services to be performed under this Agreement shall be performed in a professional, competent, diligent, and workmanlike manner by knowledgeable, trained, and qualified personnel, all in accordance with the terms and conditions of this Agreement and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a Specification for the performance of any portion of this Agreement, the Parties agree that the applicable specification shall be the generally accepted industry standard. So long as the Agency notifies Vendor of any Services performed in violation of this standard, Vendor shall re-perform the Services at no cost to the Agency, such that the Services are rendered in the above-specified manner, or if Vendor is unable to perform the Services as warranted, Vendor shall reimburse the Agency any fees or compensation paid to Vendor for the unsatisfactory Services.
- 7.6. Compliance with Law. Vendor represents, warrants, covenants, and promises that Vendor, Vendor Contractors, and Vendor Personnel have complied with, and shall continue to comply, and, to the extent applicable, the Deliverables, Application Services, and System(s) comply with all applicable federal, state, foreign, and local laws, rules, regulations, codes, standards, ordinances, and orders both generally and in connection with the performance of this Agreement, including the following:
- 7.6.1. Those prohibiting discriminatory employment practices or related to equal opportunity in employment or affirmative action under federal or state law, rules, regulations, or orders, including Iowa Code chapter 216 and section 19B.7 and corresponding rules of the Iowa Department of Administrative Services and the Iowa Civil Rights Commission. Upon the Agency's written request, Vendor shall submit to the Agency a copy of its affirmative action plan, containing goals, time specifications, accessibility plans, and policies as required by Iowa Administrative Code chapter 11—121.
 - 7.6.2. Those requiring the use of targeted small businesses as subcontractors and suppliers in connection with government contracts.
 - 7.6.3. Those pertaining to any permitting and licensure requirements in carrying out the work performed under this Agreement.
 - 7.6.4. Those relating to prevailing wages, occupational safety and health standards, payment of taxes, gift laws, and lobbying laws.
 - 7.6.5. The standards adopted pursuant to Section 508 of the Rehabilitation Act of 1973, as amended, which have been adopted by and are applicable to Information Technology procured by State of Iowa Agencies by order of OCIO, including Web Content Accessibility Guidelines (WCAG) 2.1, including any amendments thereto or any subsequent versions thereof, and all standards and requirements established by the Architectural and Transportation Barriers Access Board.
 - 7.6.6. All applicable I.T. Governance Document(s). To the extent a portion of the funding used to pay for the Deliverables, Application Services, or System(s) is being provided through a grant from the federal government, any terms or conditions required to be included in a contract between the Agency and a contractor pursuant to applicable federal laws, regulations, circulars, and

bulletins, which terms and conditions are incorporated by reference into this Agreement as if fully set forth herein and contractual obligations of Vendor.

- 7.6.7. IRS Pub 1075.
- 7.6.8. HIPAA.
- 7.6.9. Iowa Code sections 422.20 and 422.72.
- 7.6.10. All requirements applicable to the deposit or processing of public funds by and on behalf of state agencies as may be set forth in Iowa Code Chapter 12, Iowa Code Chapter 12C, and any other laws, regulations, policies, and procedures as applicable, including but not limited to requirements that:
 - 7.6.10.1. Vendor will deposit public funds related to payments processed through the E-Government Application Portal directly into State of Iowa accounts with no intermediary deposit into non-state accounts; and
 - 7.6.10.2. Fees payable to the Vendor for payment transactions processed through the E-Government Application Portal shall be invoiced by Vendor to the State of Iowa and payable in arrears. Vendor shall not net fees due for transactions at the time of payment or deposit into State of Iowa accounts.
- 7.6.11. Any other laws, rules, regulations, or orders identified in the RFP.

Vendor shall take such steps as necessary to ensure Vendor Contractors and Vendor Personnel are bound by the terms and conditions contained in this Section 7.6 (Compliance with Law). Notwithstanding anything in this Agreement to the contrary, Vendor, Vendor Contractors, and Vendor Personnel's failure to fulfill any requirement set forth in this Section 7.6 (Compliance with Law) shall be regarded as a material breach of this Agreement the Agency may cancel, terminate, or suspend, in whole or in part, this Agreement or any Purchasing Instruments executed hereunder. In addition, the Agency may declare Vendor or Vendor Contractors ineligible for future Agency contracts in accordance with authorized procedures or Vendor or Vendor Contractors may be subject to other sanctions as provided by law or rule.

- 7.7. No Conflicts. Vendor represents, warrants, and covenants that no relationship existed at the time of the formation of this Agreement, or will exist during the Term of the Agreement, between Vendor, Vendor Contractors, or Vendor Personnel and the Agency or the State of Iowa or any of its employees or Authorized Contractors that is or may constitute a conflict of interest or appearance of impropriety, or that would conflict in any manner or degree with the performance of its obligations under this Agreement. To the extent applicable, the provisions of Iowa Code Chapter 68B shall apply to this Agreement and any Purchasing Instruments executed hereunder, and Vendor, Vendor Contractors, and Vendor Personnel shall not engage in or permit any Third Party to engage in any conduct that would violate that chapter.
- 7.8. Up to Date on Payments. Vendor represents and warrants that it is not in arrears with respect to the payment of any monies due and owing the State of Iowa, including the payment of taxes and employee benefits, and covenants and warrants it will not become so during the Term, or any extensions thereof.
- 7.9. Documentation. Vendor represents, warrants, and covenants that during the Term, all Documentation will accurately reflect the operation of any Deliverable(s), the Application

Services, and System(s) to which the Documentation pertains, and the Documentation will enable the Agency to use such Deliverable(s), the Application Services, and System(s) for their intended purposes.

- 7.10. Preservation of Implied Warranties. All warranties made by Vendor in this Agreement, whether or not this Agreement specifically denominates Vendor's promise as a warranty or whether the warranty is created only by Vendor's affirmation or promise, or is created by a description of the Services, Deliverables, Application Services, or System(s) to be provided, or by provision of samples to the Agency, shall not be construed as limiting or negating any warranty provided by law, including warranties which arise through course of dealing or usage of trade. The warranties expressed in this Agreement are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the Services, Deliverables, Application Services, or System(s) provided by Vendor or performance or provisioning thereof.
- 7.11. Cumulative Warranties. Except to the extent otherwise provided herein, Vendor's warranties provided in this Section 7 (Representations, Warranties, and Covenants) are in addition to and not in lieu of any other warranties provided in this Agreement. All warranties provided for in this Agreement shall be cumulative, shall be deemed consistent and not in conflict, are intended to be given full force and effect and to be interpreted expansively to give the broadest warranty protection to the Agency.
- 7.12. Survives Termination. Vendor's duties, obligations, and liabilities as set forth in this Section 7 (Representations, Warranties, and Covenants) shall survive termination of this Agreement and shall apply to all acts or omissions taken or made in connection with Vendor's, Vendor Contractor's, or Vendor Personnel's performance of this Agreement regardless of the date any potential claim or breach is made or discovered by the Agency or its Authorized Contractors.

8. Indemnification.

- 8.1. Generally. Vendor and its successors and permitted assigns shall indemnify and hold harmless the Agency and their employees, officers, board members, agents, representatives, and officials ("**Indemnitees**") from and against any and all damages, losses, settlements, judgments, fines, penalties, costs, and any other reasonable expenses (including the reasonable value of time of the Attorney General's Office and the costs, expenses, and attorney fees of other counsel retained by any Indemnitee) directly related to this Agreement, including any claims arising out of:
 - 8.1.1. Any violation or breach of any term or condition of this Agreement by or on behalf of Vendor, including, the furnishing or making by Vendor, directly or indirectly, of any statement, representation, warranty, or certification in connection with this Agreement that is intentionally false, deceptive, or misleading;
 - 8.1.2. Any negligent act or omissions, intentional or willful misconduct, or unlawful acts of Vendor, Vendor Contractors, or Vendor Personnel;
 - 8.1.3. Vendor, Vendor Contractors, or Vendor Personnel's failure to comply with any applicable local, state, and federal laws, rules, ordinances, regulations, or orders in the performance of this Agreement, including Pub 1075, HIPAA, or PCI DSS;
 - 8.1.4. Any failure by Vendor or Vendor Contractors to make all reports, payments, withholdings, or provide any insurance required by federal and state law, including with respect to Social Security, workers compensation, employee

income, the Affordable Care Act, and other taxes, fees, or costs required by Vendor or Vendor Contractors to conduct business in the State of Iowa;

- 8.1.5. Any claim involving any personal injury or damage to tangible property, including Customer Property, caused, in whole or in part, by Vendor, Vendor Contractors, or Vendor Personnel related to the work performed or any Deliverables, the Application Services, or System(s) provided under this Agreement, including any Security Breach (to the extent caused by Vendor's, Vendor Contractor's, or Vendor Personnel's breach of this Agreement, negligence, or misconduct;
 - 8.1.6. Vendor's, Vendor Contractor's, or Vendor Personnel's breach of any license terms, conditions, or restrictions applicable to, or violation or misappropriation of any intellectual property rights or interests in, any Customer Property that has been licensed to the Agency or otherwise made available or accessible to the Agency or Vendor by a Third Party;
 - 8.1.7. Any claim for wages, benefits, compensation, insurance, discrimination, or other similar claims asserted against the Agency by any Vendor Personnel, or any claim, penalties, or fines made, levied, assessed, or imposed by another Governmental Entity against the Agency in any way related to or involving the misclassification of employees as independent contractors or any allegations or findings of the existence of a joint-employment relationship involving any Vendor Personnel; or
 - 8.1.8. Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights, or personal rights of any Third Party, including any claim that any Deliverable(s), the Application Services, the System(s), or any use, access to, or the exercise of any rights with respect to any of the foregoing ("**Indemnified Items**") infringes, violates, or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right of any Third Party (collectively "**Claim(s)**").
- 8.2. Infringement Claim Additional Remedy. If the Indemnified Items, or any portion of them, become or are likely to become the subject of a Claim as provided in Section 8.1.8, then, in addition to paying any damages and attorney fees as required above, Vendor shall, at its option, either:
- 8.2.1. Immediately replace or modify the Indemnified Items, without loss of material functionality or performance, to make them non-infringing, or
 - 8.2.2. Immediately procure for the Agency the right to continue using the Indemnified Items.

Any costs associated with implementing either of the above alternatives will be borne by Vendor. If Vendor fails to provide one of the foregoing remedies within forty-five (45) days of notice of the Claim, in addition to any other remedies available to the Agency under this Agreement, at law, or in equity, the Agency shall have the right, at its sole option, to terminate this Agreement or any applicable Purchasing Instrument, in whole or in part, and have Vendor refund to the Agency all associated fees, compensation or other amounts paid by the Agency.

- 8.3. Vendor's obligations under this Section 8 (Indemnification) are not limited to Third Party claims but shall also apply to any claims that either Party may assert against the other.

- 8.4. Vendor's duties, obligations, and liabilities as set forth in this Section 8 (Indemnification) shall survive termination of this Agreement and shall apply to all acts or omissions taken or made in connection with Vendor's, Vendor Contractor's, or Vendor Personnel's performance of this Agreement regardless of the date any potential claim or breach is made or discovered by the Agency or any other Indemnatee.

9. Default and Termination.

- 9.1. Termination for Cause by the Agency. The Agency may terminate this Agreement or a Purchasing Instrument(s) upon at least forty-five (45) days written notice of Vendor's breach of any material term, condition, or provision of this Agreement or the applicable Purchasing Instrument, if such breach is not cured within the time period specified in the Agency's notice of breach or any subsequent notice or correspondence delivered by the Agency to Vendor, provided that cure is feasible. Any time allowed for cure of a default shall not eliminate or reduce any liability Vendor may have for any damages, including any liquidated damages. In addition, the Agency may terminate this Agreement or Purchasing Instrument effective immediately without penalty or legal liability and without advance notice or opportunity to cure for any of the following reasons:
- 9.1.1. Vendor's or Vendor Contractor's officers, directors, employees, agents, subsidiaries, affiliates, contractors, or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith;
 - 9.1.2. Vendor terminates or suspends its business;
 - 9.1.3. Vendor's authorization to engage in business either in Iowa or where organized is suspended, terminated, revoked, or forfeited;
 - 9.1.4. Any of the following has been engaged in by or occurred with respect to Vendor or any corporation, shareholder, or entity having or owning a controlling interest in Vendor:
 - 9.1.4.1. Commencing or permitting a filing against it which is not discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect;
 - 9.1.4.2. Filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;
 - 9.1.4.3. Consenting to any relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;
 - 9.1.4.4. Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;

- 9.1.4.5. Making an assignment for the benefit of creditors;
- 9.1.4.6. Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Vendor's performance of its obligations under this Agreement; or
- 9.1.4.7. Taking any action to authorize any of the foregoing.

The right to terminate this Agreement or applicable Purchasing Instrument pursuant to this Section 9.1 (Termination for Cause by the Agency) shall be in addition to and not exclusive of other remedies available to the Agency and, notwithstanding any termination, the Agency shall be entitled to exercise any other rights and pursue any remedies available under this Agreement, in law, at equity, or otherwise. Vendor shall notify the Agency in writing if any of the foregoing events occur that would authorize the Agency to immediately terminate this Agreement or a Purchasing Instrument.

- 9.2. Termination for Cause by Vendor. Vendor may only terminate an applicable Purchasing Instrument upon written notice of the breach by the Agency of any material term, condition, or provision of this Agreement related thereto, if such breach is not cured within sixty (60) days of the Agency's receipt of Vendor's written notice of breach.
- 9.3. Termination for Convenience. During the Renewal Terms, following ninety (90) days' written notice, the Agency may terminate this Agreement in whole for convenience without the payment of any penalty or incurring any further obligation or liability to Vendor. Termination for convenience may be for any reason or no reason at all. Notwithstanding the foregoing, neither party may terminate pursuant to this provision during the Initial Term of the Agreement.
- 9.4. Termination Due to Lack of Funds or Change in Law. Notwithstanding anything in this Agreement to the contrary, the Agency shall, upon written notice, have the right to terminate this Agreement or a Purchasing Instrument, in whole or in part, without penalty or liability and without any advance notice as a result of any of the following:
 - 9.4.1. The legislature, governor, or other applicable governing body fail, in the sole opinion of the Agency, to appropriate funds sufficient to allow the Agency to either meet its obligations under this Agreement or the applicable Purchasing Instrument or to operate as required and to fulfill its obligations under this Agreement or the applicable Purchasing Instrument;
 - 9.4.2. If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Agency to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Agency in its sole discretion;
 - 9.4.3. If the Agency's authorization to conduct its business or engage in activities or operations related to the subject matter of this Agreement is withdrawn or materially altered or modified;
 - 9.4.4. If the Agency's duties, programs, or responsibilities are modified or materially altered; or
 - 9.4.5. If there is a decision of any court, administrative law judge, or arbitration panel or any law, rule, regulation, or order is enacted, promulgated, or issued that

materially or adversely affects the Agency's ability to fulfill any of its obligations under this Agreement or the applicable Purchasing Instrument.

- 9.5. Limitation of Payment Obligations. In the event of a termination of this Agreement or a Purchasing Instrument for any reason (except for termination by the Agency pursuant to Section 9.1 (Termination for Cause by the Agency)), the Agency shall pay only those amounts, if any, due and owing to Vendor for Services, Deliverables, the Application Services, or the System(s) for which Acceptance has been provided by the Agency up to and including the date of termination of this Agreement or the applicable Purchasing Instrument and for which the Agency is otherwise obligated to pay pursuant to this Agreement; provided however, that the Agency's obligation to pay Vendor such amounts and other compensation shall be limited by, and subject to, legally available funds. Payment will be made only upon submission of invoices and proper proof of Vendor's claim. Notwithstanding the foregoing, this Section 9.5 (Limitation of Payment Obligations) in no way limits the rights or remedies available to the Agency and shall not be construed to require the Agency to pay any compensation or other amounts hereunder in the event of Vendor's breach of this Agreement or any amounts otherwise withheld by the Agency in accordance with the terms of this Agreement. Notwithstanding anything in this Agreement or any related agreement to the contrary, the Agency shall not be liable, under any circumstances, for any of the following:
- 9.5.1. The payment of unemployment compensation to Vendor Personnel;
 - 9.5.2. The payment of workers' compensation claims, which occur during the Agreement or extend beyond the date on which the Agreement terminates;
 - 9.5.3. Any costs incurred by Vendor, Vendor Contractors, or Vendor Personnel in the performance of the Agreement, including startup costs, overhead, or other costs associated with the performance of the Agreement;
 - 9.5.4. Any damages or other amounts, including amounts associated with the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Agreement; or
 - 9.5.5. Any taxes Vendor may owe in connection with the performance of this Agreement, including sales taxes, excise taxes, use taxes, income taxes, or property taxes.
- 9.6. Vendor's Termination or Expiration Duties. As it relates to this Agreement or any Purchasing Instrument executed hereunder, upon receipt of notice of termination, upon expiration, or upon request of the Agency, Vendor shall:
- 9.6.1. Except as otherwise directed by the Agency pursuant to Section 9.6.6, cease work under this Agreement or the applicable Purchasing Instrument and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report, within thirty (30) days of the date of notice of termination, expiration, or request, describing the status of all work performed under the Agreement and such other matters as the Agency may require.
 - 9.6.2. As directed by the Agency, immediately cease using and return to the Agency any Customer Property provided by the Agency, directly or indirectly, to Vendor or Customer-Owned Deliverables prepared or developed by Vendor for the Agency hereunder.

- 9.6.3. Comply with any directions related to Vendor's destruction or return of Customer Data in accordance with Section 10.1.2 (Destruction or Return of Customer Data).
- 9.6.4. Immediately return or refund to the Agency any payments made by the Agency for Deliverables, Services, the Application Services, or System(s) that were not rendered or provided by Vendor, including as it relates to any pre-paid fees.
- 9.6.5. Immediately deliver to the Agency any and all Deliverables, including Customer-Owned Deliverables, Software, Source Code, or Documentation, for which the Agency has a property interest that is in the possession of or under the control of Vendor, Vendor Contractors, or Vendor Personnel in whatever stage of development or form at the time of such termination, expiration, or request.
- 9.6.6. Continue to perform and provide such Services, Deliverables, Application Services, or System(s) under this Agreement as the Agency may request for a transition period of up to 365 days from the effective date of such termination or expiration. As part of such request, the Agency will inform Vendor of the number of days during which Vendor will perform or provide transition and other related Services, Deliverables, Application Services, or System(s) ("**Transition Period**"). During the Transition Period, Vendor will take all actions as may be necessary or requested by the Agency to accomplish a complete and timely transition of the Services, Deliverables, Application Services, or System(s) from Vendor to the Agency or to any Authorized Contractor hired or utilized by the Agency to provide any replacement or similar Services, Deliverables, Application Services, or System(s) ("**New Contractor**"). Vendor will use its best efforts to cooperate with the Agency and any New Contractor, and to fully comply with all requests of the Agency or the New Contractor to effect a smooth and timely transition and to ensure there is no interruption of any Services, Deliverables, Application Services, or System(s). Vendor agrees that it will perform all transition services in good faith and in a professional and businesslike manner and shall comply with all reasonable requests of the Agency or any New Contractor to assist in the effort to accomplish a successful, seamless, and unhindered transition and transfer of Vendor's responsibilities under this Agreement or applicable Purchasing Instrument(s). During the Transition Period, and solely to the extent there are legally available funds to do so, the Agency agrees to pay Vendor any fees to which Vendor would be entitled under this Agreement for Services, Deliverables, the Application Services, or System(s) performed or provided during such period; provided this Agreement was not terminated pursuant to Section 9.1 (Termination for Cause by the Agency) and Vendor continues to be in full compliance with all terms and conditions of this Agreement during the Transition Period. In the event the Agency's request for transition assistance does not require Vendor to continue providing all of the Services, Deliverables, Application Services, or System(s) under this Agreement or applicable Purchasing Instrument, the Parties will negotiate in good faith an equitable downward adjustment in the fees which are otherwise payable to Vendor.

Vendor's duties, obligations, and liabilities as set forth in this Section 9.6 (Default and Termination) shall survive termination of this Agreement.

- 9.7. Survival. Expiration or termination of this Agreement or a Purchasing Instrument for any reason will not release either Party from any duties, liabilities, or obligations set forth in this Agreement which:
- 9.7.1. The Parties have expressly agreed in writing survive any such expiration or termination, including as set forth in the following Sections:
 - 9.7.1.1. 4 (Compensation and Additional Rights and Remedies);
 - 9.7.1.2. 6 (Ownership and Intellectual Property);
 - 9.7.1.3. 7 (Representations, Warranties, and Covenants);
 - 9.7.1.4. 8 (Indemnification);
 - 9.7.1.5. 9 (Term and Termination);
 - 9.7.1.6. 10 (Confidentiality);
 - 9.7.1.7. 11 (Security/Privacy, Business Continuity, and Disaster Recovery); and
 - 9.7.1.8. 12 (General Provisions).
 - 9.7.2. Remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

10. Confidentiality.

10.1. Vendor's Treatment of Confidential Information.

- 10.1.1. *Limited Access.* Customer Data shall at all times remain the property of the Agency, and the Agency shall retain exclusive rights thereto and ownership thereof. Vendor, Vendor Contractors, and Vendor Personnel may have access to Customer Data solely to the extent necessary to carry out their duties under the Agreement. Vendor, Vendor Contractors, or Vendor Personnel shall presume all Customer Data is considered confidential, hold all Customer Data in the strictest confidence, and use and permit use of Customer Data solely for the purposes of providing Services, Deliverables, the Application Services, and System(s) under this Agreement, subject to any restrictions set forth herein or in any state and federal laws, rules, regulations, standards, and orders applicable either during the Term or thereafter. Vendor, Vendor Contractors, and Vendor Personnel shall not gather, store, log, archive, use, or otherwise retain Customer Data in any manner other than as expressly authorized by this Agreement and will not disclose, distribute, sell, commercially or politically exploit, share, rent, assign, lease, or otherwise transfer or disseminate Customer Data to any Third Party, except as expressly permitted hereunder or as Vendor may be expressly directed in advance by the Agency in writing. Vendor, Vendor Contractors, and Vendor Personnel shall not remove from any Agency facilities or retain a copy of any Customer Data unless such removal or retention is necessary to provide or perform Services, Deliverables, the Application Services, or System(s) to fulfill their obligations under this Agreement or is otherwise approved by the Agency in writing. Vendor will immediately report the unauthorized disclosure of Customer Data to the Agency.

- 10.1.2. *Destruction or Return of Customer Data.* Upon completion of duties under this Contract or upon the specific direction of the Department, the contractor shall certify that the tax information processed and any output generated during the performance of duties under this Contract has been completely purged from all information storage components, including, but not limited to data center facility, laptops, computers, and other storage devices. If immediate purging of all information storage components is not possible, the contractor shall certify that any tax information remaining in any storage component shall be safeguarded to prevent unauthorized disclosures until it has been purged. Once all tax information processed and output generated has been completely purged, the contractor shall submit a signed certification to the Department to that effect.
- 10.1.2.1. To the extent Vendor is required to destroy Customer Data pursuant to this Section 10.1.2 (Destruction or Return of Customer Data) or any other part of this Agreement, Customer Data shall be permanently deleted and shall not be recoverable, in accordance with National Institute of Standards and Technology (“NIST”)-approved methods.
- 10.1.3. *Compelled Disclosures.* In the event that a subpoena or other legal process is served upon the contractor for records containing tax information, the contractor shall promptly notify the Department and cooperate with the Department and the IRS in any lawful effort to protect the tax information.
- 10.2. Treatment of Vendor’s Confidential Information.
- 10.2.1. *Safeguarding Obligation.* Except as provided or contemplated herein, and subject to applicable state, federal, or international laws, rules, regulations, or orders (including Iowa Code Chapter 22 and any corresponding implementing rules, regulations, or orders), the Agency shall not intentionally disclose Vendor’s Confidential Information to a Third Party (excluding the Agency’s Authorized Contractors) without the prior written consent of Vendor.
- 10.2.2. *Destruction or Return of Vendor’s Confidential Information.* Upon termination or expiration of this Agreement or an applicable Purchasing Instrument, the Agency shall, except to the extent otherwise required by applicable laws, rules, procedures, or record retention schedules/requirements, return or destroy, at Vendor’s option, all of Vendor’s Confidential Information (excluding items subject to any continuing licenses inuring to the benefit of the Agency hereunder or that are required for use of any Customer-Owned Deliverables or other Deliverables to which the Agency has a continued right to use).
- 10.2.3. *Compelled Disclosures.* Notwithstanding and in addition to the foregoing, the Agency may disclose Vendor’s Confidential Information:
- 10.2.3.1. Pursuant to any legal, judicial, regulatory, or administrative proceedings, subpoena, summons, deposition, interrogatory, requests for documents, order, ruling, civil investigative demand, or other legal, administrative, or regulatory processes;
- 10.2.3.2. Pursuant to any applicable laws, rules, or regulations;

- 10.2.3.3. If the Agency reasonably determines such information is not a confidential record pursuant to Iowa Code Section 22.7 or other applicable laws, rules, and regulations; or
- 10.2.3.4. If the Agency, in the Agency's sole discretion, determines Vendor has not provided or is unwilling to provide facts sufficient to enable the Agency to make a determination as to whether such information constitutes a confidential record under Iowa Code Section 22.7 or other applicable laws, rule, and regulations.

Prior to disclosing any of Vendor's Confidential Information as permitted above, the Agency shall provide reasonable notice to Vendor of the circumstances giving rise to such disclosure. Vendor agrees to indemnify and hold harmless the Agency and its officers, directors, employees, officials, and agents from and against any and all claims, demands, liabilities, suits, actions, damages, losses, taxes, penalties, costs, and expenses of every kind and nature whatsoever (including the reasonable value of time of the Attorney General's Office and the costs, expenses, and attorney fees of other counsel retained by or on behalf of the Agency) arising out of, resulting from, or in any way related to any judgments or damages awarded against any of the foregoing entities or individuals in favor of a Third Party requesting any of Vendor's Confidential Information against the Agency or any such entities or individuals.

- 10.3. Open Records and Electronic Discovery Requests and Records Retention. Vendor will, upon the Agency's request and within any time period specified by the Agency, take all actions requested by the Agency to assist it in complying timely with any request for Customer Data or other data or information that may be made by any Third Party in accordance with applicable public or open records laws (including Iowa Code Chapter 22) or in connection with any subpoena, court order, discovery request, regulatory or criminal investigation or proceeding, or any other matter that may require the Agency to produce or provide Customer Data or other data or information to a Third Party. Vendor will produce and provide all Customer Data or other data or information within the time period set forth in the Agency's request. Vendor will take all steps necessary to ensure Customer Data is stored and maintained in its original state so as to not create any spoliation, evidentiary, or electronic discovery issues. In addition, Vendor will, upon the Agency's request, take all actions requested by the Agency to assist it in complying with any federal, state, or local record retention requirements, policies, procedures, or other similar requirements.
- 10.4. Non-Exclusive Equitable Remedy. Each Party acknowledges and agrees that due to the unique nature of Confidential Information, there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may allow a Party or Third Parties to unfairly compete with the other Party resulting in irreparable harm to such Party, and therefore, that upon any such breach or any threat thereof, each Party will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity. Any breach of this Section 10 (Confidentiality) will constitute a material breach of this Agreement and be grounds for immediate termination of any applicable Purchasing Instrument, or in the Agency's case the Agreement, in the exclusive discretion of the non-breaching Party.

- 10.5. Survives Termination. Vendor's duties, obligations, and liabilities as set forth in this Section 10 (Confidentiality) shall survive termination of this Agreement and shall apply to all acts or omissions taken or made in connection with Vendor's, Vendor Contractor's, or Vendor Personnel's performance of this Agreement regardless of the date any potential claim or breach is made or discovered by the Agency or its Authorized Contractors.

11. Security/Privacy, Business Continuity, and Disaster Recovery.

- 11.1. Data Protection. Vendor, Vendor Contractors, and Vendor Personnel shall safeguard the confidentiality, integrity, and availability of Customer Data, Customer Property, and the Application Services, System(s), or any related Deliverables. In so doing, Vendor, Vendor Contractors, and Vendor Personnel shall comply with the following:

- 11.1.1. Implement and maintain reasonable and appropriate administrative, technical, and physical security measures to safeguard against unauthorized access, disclosure, theft, or modification of or to Customer Data, Customer Property, the Application Services, System(s), or any related Deliverables. Such security measures shall be in accordance with recognized industry standards and controls (including NIST 800-53 Revision 4), and not less stringent than the measures Vendor, Vendor Contractors, and Vendor Personnel utilize to safeguard their own Confidential Information of like importance. In addition, such security measures, to the extent applicable, shall comply with, and shall enable the Agency to at all times comply fully with, all applicable federal, state, and local laws, rules, standards, policies, or procedures ordinances, codes, regulations, and orders related to such security measures or other security, privacy, or safeguarding requirements, including applicable I.T. Governance Document(s).
- 11.1.2. All Customer Data received through or Processed by the Application Services or System shall be encrypted in transit. All Personal Data shall be encrypted at rest with controlled access and the Application Services, System(s), and any related Deliverables shall use TLS 1.2 or higher. Unless otherwise expressly provided herein or otherwise agreed to by the Parties in writing, Vendor, Vendor Contractors, and Vendor Personnel are responsible for encryption of Personal Data in their possession. Additionally, Vendor shall ensure hard drive encryption consistent with validated cryptography standards as referenced in Federal Information Processing Standards (FIPS) 140-2, Security Requirements for Cryptographic Modules for all Customer Data, unless the Agency approves in writing the storage of Customer Data on a portable device that does not satisfy these standards.
- 11.1.3. Storage, Processing, transmission, retention, or other maintenance of Customer Data at rest and all backups shall occur solely in the continental United States of America. Vendor shall not allow Vendor Personnel to store, Process, or retain Customer Data on any portable devices, including personal computers, tablets, or cell phones, except to the extent such devices are used and permanently stored or backed up at all times only in the continental United States of America.
- 11.1.4. Vendor may permit Vendor Personnel to access Customer Data remotely only as required to provide technical support. Vendor provides technical user support on a 24/7 basis.

- 11.2. Additional Hosting Terms.

- 11.2.1. *Import and Export of Data.* The Agency or its Authorized Contractors shall have the ability to import or export data or information, including Customer Data, in whole or in part to or from the System(s) at no charge, and in such formats as may be acceptable to the Agency, without interference from Vendor. In the event the Agency is unable to successfully import or export data and information in whole or in part, Vendor shall assist the Agency in doing so at no charge. As it relates to the export of such data and information, Vendor shall make commercially reasonable steps to provide an export of any requested data or information within a reasonable time frame taking into consideration the scope and nature of the request and in a format mutually agreeable to the parties.
- 11.2.2. *Retention of Customer Data.* Vendor agrees that in connection with any termination or expiration of this Agreement, Vendor shall not take any action to intentionally erase any Customer Data until otherwise directed by the Agency in accordance with Section 10.1.2 (Destruction or Return of Customer Data).
- 11.2.3. *Compliance/Audits.*
 - 11.2.3.1. *Compliance.* Annually throughout the term, Vendor shall obtain and provide the Agency upon request, at its own cost, an independent, Third Party certificate of attestation certifying that the Application Services and System(s) and related Services provided thereby complies with NIST 800-53, IRS Publication 1075, HIPAA, and PCI DSS. This includes Federal Risk and Authorization Management Program (FedRAMP) certification for a System hosted in a cloud environment.
 - 11.2.3.2. In addition to the requirements in Section 11.2.3.1, Vendor may also, at its own cost, make available for inspection any of the following:
 - 11.2.3.2.1. An independent, Third Party certificate of audit certifying that the Application Services and System(s) complies with NIST 800-53, Revision 4 controls;
 - 11.2.3.2.2. An ISO/IEC 27001:2005 certification;
 - 11.2.3.2.3. Test or assessment results of an independent, Third Party assessment of application scans using the Open Web Application Security Project (OWASP) Top Ten List;
 - 11.2.3.2.4. Test results of a penetration test of the System(s) conducted by an independent, Third Party;
 - 11.2.3.2.5. A copy of Vendor's annual SOC 2 type 2 report (for all Trust Services Principles); and
 - 11.2.3.2.6. A Vendor-produced remediation plan resulting from items 11.2.3.1.1 through 11.2.3.1.5, inclusive.

11.2.3.2.7. Statement on Standards for Attestation Engagement (SSAE) 18 of Vendor's operations, information security program, and disaster recovery/business continuity plan.

11.2.3.3. *Security Audit.* During the Term, Vendor shall supply the State with the results of and underlying reports/summaries in connection with security audits/scans of Vendor's environment, including penetration and security tests from a qualified, independent, NIC affiliate. Vendor, represents, warrants, and certifies that the NIC affiliate performing such security testing, such as security scans and penetration testing, is operationally independent from Vendor's operational and development teams, that Vendor has instituted appropriate internal controls in accordance with applicable industry standards to ensure such independence, and that such NIC affiliate does not possess any operational, financial, or other incentive so as to compromise the independence of such security testing. Such scans must be conducted and shared with the State at least annually.

11.2.3.4. *Access to Security Logs and Reports.* Vendor shall provide security logs and reports to the Agency or its Authorized Contractors in a mutually agreeable format upon request. Such reports shall include, at minimum, latency statistics, user access summaries, user access IP address summaries, and user access history and security logs for all the Application Services, System(s), and related Deliverables.

11.3. Personnel Safeguards.

11.3.1. *Background Checks.*

11.3.1.1. *Floor.* Vendor shall conduct background checks on all Vendor Personnel. Vendor shall provide the Agency with these background check results in a mutually agreeable form and manner prior to the commencement of any engagement by Vendor Personnel.

11.3.1.1.1. If the criminal history check reveals a felony or other conviction involving crimes of dishonesty, financial crimes, and crimes involving the misuse of confidential information or Personal Data, Vendor shall work with Agency to review the conviction and any additional information provided by the applicant. The existence of a conviction does not automatically disqualify an applicant or employee from performance on this performance or provision of Services or Deliverables under this Agreement. Decisions regarding assignment to this Agreement will be determined on a case-by-case

basis and consideration will include but not be limited to:

11.3.1.1.1. The nature of the conviction.

11.3.1.1.2. The length of time between the offense and the employment decision.

11.3.1.1.3. Number of offenses.

11.3.1.1.4. Relatedness of the conviction to the duties and responsibilities of the position.

11.3.1.1.5. Efforts at rehabilitation.

11.3.1.1.6. Accuracy of the information that the applicant provided on the employment application.

11.3.1.2. Absent exigent circumstances, applicants and employees who have been convicted of crimes involving crimes of dishonesty, financial crimes, and crimes involving the misuse of confidential information shall be disqualified from designation as Vendor Personnel.

11.3.1.3. Deferred judgments shall be considered in all background investigations.

11.3.1.4. *Additional Screening.* The Agency reserves the right to subject Vendor Personnel to additional background checks for highly sensitive engagements or where required by applicable law or policy at any time prior to or during any engagement. Such background checks may include a work history, financial review, request for criminal history data, or local or state criminal history check, national criminal history check through the Federal Bureau of Investigation (“**FBI**”), or other background check requirement imposed or permitted by law, rule, regulation, order, or policy. Vendor Personnel may be required to authorize the release of the results of criminal history checks, including those through the FBI, to one or more other Governmental Entities. Such background checks may be conducted by the Agency or its Authorized Contractors. The Agency may also require Vendor to conduct a work history or financial review of Vendor Personnel. Vendor shall provide the Agency with these background check results in a mutually agreeable form and manner prior to the commencement of any engagement by Vendor Personnel.

11.3.1.5. Vendor shall be responsible for payment of all costs associated with any and all background checks to which Vendor Personnel are subjected, regardless of whether such background checks are conducted by Vendor or the Agency or its Authorized Contractors.

- 11.3.2. *Right to Remove Individuals.* Should the Agency be dissatisfied with the performance, competence, responsiveness, capabilities, cooperativeness, or fitness for a particular task of any Vendor Personnel, the Agency may request the replacement of such Vendor Personnel (“**Replacement Request**”). The Replacement Request shall be in writing and upon receipt of the request, Vendor shall make reasonable efforts to furnish a qualified and acceptable replacement within fifteen (15) business days. If the Agency, in its sole discretion, determines Vendor Personnel pose a potential security risk and notifies Vendor of such security risk in its Replacement Request, Vendor shall immediately remove such individual from work under this Agreement; any replacement furnished by Vendor in connection with such a request may not perform or provide Services or Deliverables to the Agency unless and until the Agency gives its consent to Vendor’s use of such replacement.
- 11.3.3. *Security Awareness Training.* Vendor shall promote and maintain an awareness of the importance of securing, safeguarding, and otherwise appropriately handling Customer Property, including Customer Data, among Vendor Personnel, including but not limited to, Agency’s annual security training.
- 11.3.4. *Separation of Job Duties.* Vendor shall diligently monitor and enforce separation of job duties, require all Vendor Contractors and Vendor Personnel to execute non-disclosure agreements, and limit access to and knowledge of Customer Property and Customer Data to those Vendor Personnel to which such access and knowledge is absolutely necessary to provide Services, Deliverables, the Application Services, and System(s) hereunder.
- 11.3.5. *Non-disclosure/Confidentiality Agreements.* Vendor Personnel are required to sign the Agency’s standard confidentiality or non-disclosure agreement(s), or other confidentiality or non-disclosure agreement(s), including as may be required by applicable law, rule, regulation, or policy.
- 11.4. Security Breaches.
- 11.4.1. *Reporting.* Vendor or Vendor Contractors will report to the Agency within two (2) hours of Vendor’s or Vendor Contractor’s discovery of any actual or suspected Security Breach. Such report must be given in the most expedient time possible and without unreasonable delay. Written confirmation must be sent to the Agency within forty-eight (48) hours of discovery or notification of the actual or suspected Security Breach. Such written confirmation shall include an explanation of the nature of and circumstances surrounding such actual or suspected Security Breach.
- 11.4.2. *Investigations in Response to Actual or Suspected Breach.* Vendor and Vendor Contractors agree to take all commercially reasonable steps necessary to promptly remedy any actual or suspected Security Breach and to fully cooperate with the Agency in resolving and mitigating any damage from such actual or suspected Security Breach as set forth in Section 11.4.3. Vendor and Vendor Contractor will fully cooperate with the Agency and its Authorized Contractors in investigating such actual or suspected Security Breach, including reviewing and assisting in reviewing system, application, and access logs, conducting and assisting in conducting forensic audits of relevant systems, imaging and assisting in imaging relevant media, and making

personnel available for interview. On notice of any actual or suspected Security Breach, Vendor and Vendor Contractor will immediately institute appropriate controls to maintain and preserve all electronic evidence relating to such actual or suspected Security Breach in accordance with industry best practices. Vendor and Vendor Contractor will deliver to the Agency a root cause assessment and future incident mitigation plan and deliver a preliminary assessment and plan as soon as practical and regularly maintain and update such assessment and plan throughout the course of any investigation. Vendor agrees that it will not notify any regulatory authority relating to any actual or suspected Security Breach unless the Agency specifically requests Vendor do so in writing.

11.4.3. *Additional Remedies in the Event of Actual Breach.* Upon the Agency's determination that a Security Breach involving or relating to Customer Data, the Application Services, System(s), or related Deliverables has occurred, Vendor and Vendor Contractors shall fully cooperate with the Agency in fully rectifying and responding to such Security Breach. Notwithstanding any provision in this Agreement or any other related agreement to the contrary, Vendor will be solely responsible and liable for all reasonable costs, expenses, damages, fines, penalties, legal fees, (including the reasonable value of time of the Iowa Attorney General's Office or the costs, expenses and attorney fees of other counsel retained by the State of Iowa or the Agency) from any Security Breach caused directly by the breach of this Agreement, negligence, or misconduct of Vendor, Vendor Contractors, or Vendor Personnel, including the cost of: notifying affected individuals and businesses or reporting to applicable regulators or Governmental Entities (including preparation, printing, mailing and delivery); forensic and other audits, investigations, public relations services, call center services, websites and toll-free numbers for assisting affected individuals; obtaining credit-monitoring services and identity-theft insurance for any person or entity whose information has or may have been acquired or compromised; and all other costs associated with corrective or other commercially reasonable actions that are taken to mitigate or address the Security Breach; provided, however, the Agency will work with Vendor to facilitate Vendor's use of and reimbursement from Vendor's cyber liability insurance as described herein. The Agency shall determine, in its sole discretion, the content and means of delivery of any such notifications or reports. Vendor will reimburse or pay to the Agency all such expenses, fees, damages, and all other amounts within fifteen (15) business days of the date of any written demand or request delivered to Vendor.

11.4.4. Notwithstanding other requirements in this Agreement, if there is a breach of any "personal information" as that term is defined and governed by Iowa Code chapter 715C, that has been provided to Vendor or Vendor Contractor pursuant to this Agreement, Vendor understands and agrees that, at the State of Iowa's sole election and subject to any requirements, limitations, or approval rights identified in Section 11.4.3, Vendor, not the Agency, shall be responsible for complying with any applicable provisions of Iowa Code chapter 715C, including but not limited to any applicable consumer notification requirements.

11.5. Disaster Recovery and Business Continuity.

- 11.5.1. *Creation, Maintenance, and Testing.* Vendor shall maintain a Business Continuity and Disaster Recovery Plan for the Application Services, System(s), and related Deliverables (“**Plan**”), and implement such plan in the event of any unplanned interruption. Upon the Agency’s request, Vendor shall provide the Agency with a copy of Vendor’s current Plan, revision history, and any reports or summaries relating to past testing of the Plan. Vendor shall actively test, review, and update the Plan on at least an annual basis using American Institute of Certified Public Accountants standards or other industry best practices as guidance. Vendor shall promptly provide the Agency with copies of all reports and summaries resulting from any testing of the Plan and with copies of any updates to the Plan. All updates shall be subject to the requirements of this Section 11.5 (Disaster Recovery/Business Continuity). Throughout the Term, Vendor shall maintain disaster avoidance procedures designed to safeguard the Customer Data and the data processing capability and availability of the Application Services, System(s), and related Deliverables. Additional disaster recovery and business continuity requirements may be set forth in individual Purchasing Instruments.
- 11.5.2. *Activation of Plan.* Vendor shall immediately notify the Agency of any disaster or other event that results in the activation of the Plan. If Vendor fails to reinstate the Application Services, System(s), and related Deliverables impacted by any such disaster within the periods of time set forth in the Plan, the Agency may, in addition to any other remedies available hereunder, immediately terminate this Agreement or applicable Purchasing Instrument without any penalty or liability. Without limiting Vendor’s obligations under this Agreement, whenever a disaster causes Vendor to allocate limited resources between or among Vendor’s customers, the Agency shall receive at least the same treatment as comparable Vendor customers with respect to such limited resources. The provisions of Section 12.26 (Force Majeure) shall not limit Vendor’s obligations under this Section 11 (Security/Privacy, Business Continuity, and Disaster Recovery). Further, nothing in this shall be construed as in any way limiting Vendor’s obligations elsewhere in this Agreement, including any applicable services levels and related remedies set forth in any Service-Level Agreement attached hereto as Special Terms and Conditions.
- 11.5.3. *Backup and Recovery.* Except as otherwise set forth in a Purchasing Instrument or Service Level Agreement attached hereto as Special Terms and Conditions, Vendor is responsible for maintaining a backup of Customer Data and shall maintain a contemporaneous backup of Customer Data that may be recovered, within two (2) hours recovery point objective (RPO) at any point in time. Additionally, unless otherwise provided in a Purchasing Instrument or Service Level Agreement attached hereto as Special Terms and Conditions, Vendor shall store a backup of Customer Data that is not being stored in a commercial cloud in an off-site “hardened” facility no less than daily, maintaining the security of Customer Data, consistent with the security requirements set forth in this Section 11 (Security/Privacy, Business Continuity, and Disaster Recovery). To the extent applicable in calculating the fees to be charged to the Agency under this Agreement, any backups of Customer Data shall not be considered in calculating storage used by the Agency.

- 11.6. Survives Termination. Vendor's duties, obligations, and liabilities as set forth in this Section 11 (Security/Privacy, Business Continuity, and Disaster Recovery) shall survive termination of this Agreement and shall apply to all acts or omissions taken or made in connection with Vendor's, Vendor Contractor's, or Vendor Personnel's performance of this Agreement regardless of the date any potential claim or breach is made or discovered by the Agency or its Authorized Contractors.

12. General Provisions.

12.1. Ancillary Agreements and Non-Disclosure Agreements.

- 12.1.1. Vendor or Vendor Contractors will execute any agreements to address any compliance, legal, confidentiality, or privacy concerns that may be unique to the Agency in connection with this Agreement, including executing a Confidential Information Requirements for Vendors addendum as required by Pub 1075 or HIPAA Business Associate Agreement(s). Such Ancillary Agreements shall be attached as Special Terms and Conditions hereto and incorporated by reference as if fully set forth herein. Such Ancillary Agreements may relate to and be associated with individual Purchasing Instruments executed by Governmental Entities hereunder, and such Agency- or project-specific Ancillary Agreements may be executed directly between Vendor and the applicable Governmental Entity in connection with the applicable Purchasing Instrument. Vendor may decline to execute such Ancillary Agreements and acknowledges that an Agency may not be able to proceed with a Purchasing Instrument as a result or may terminate an applicable Purchasing Instrument without advance notice or penalty or liability.

- 12.1.2. To the extent a portion of the funding used to pay for the Deliverables is being provided through a grant from the Federal Government, the requirements set forth at Title 2 CFR, Chapter II, OMB Guidance Part 200, Uniform Administrative Cost Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Super Circular") may apply. To the extent the Super Circular requires any language or requirements be included in any agreement, such requirements and language are incorporated by reference as if fully set forth herein. In addition, in order to proceed with a Purchasing Instrument, Governmental Entities making purchases hereunder may require Vendor to execute ancillary agreements to address any additional requirements that may accompany the specific funding source used to pay for the Deliverables hereunder ("Ancillary Agreement(s)"). Such Ancillary Agreements may be attached as Special Terms and Conditions to the applicable Purchasing Instrument and, if so attached, shall apply to and govern the purchase, delivery, or provisioning of the applicable Deliverables. In addition, the following Ancillary Agreement is incorporated by reference as if fully set forth herein and applies to and governs any purchases made by the Iowa Department of Human Services hereunder: https://dhs.iowa.gov/sites/default/files/DHS_Section_3_Terms_3.12.20.pdf?092520202218.

- 12.2. Immigration Status. Vendor and Vendor Contractors are responsible for ensuring Vendor Personnel possess and maintain valid Visas for any Vendor Personnel for whom a Visa is required. Vendor or Vendor Contractors shall conduct E-Verify employment-eligibility verifications of Vendor Personnel performing or providing Services or Deliverables

hereunder, including any Vendor Personnel who may have access to Customer Property or Customer Data. Vendor shall be responsible for all costs associated with the E-Verify process and shall provide the Agency with the results of this process in a mutually agreeable form and manner at the time or in intervals as mutually agreed to by the Parties.

- 12.3. No Publicity. During the Term of this Agreement and at all times after the termination or expiration of this Agreement, Vendor, Vendor Contractors, and Vendor Personnel shall not make any media release or other public announcement relating to or referring to this Agreement, a Purchasing Instrument, or the Services or Deliverables provided hereunder without the Agency's prior written consent. Vendor, Vendor Contractors, and Vendor Personnel shall acquire no right to use, and shall not use, without the Agency's written consent, the terms or existence of this Agreement, Purchasing Instrument, or the fact of providing Services or Deliverables to the Agency hereunder or the names, trade names, trademarks, service marks, artwork, designs, or copyrighted materials of the State of Iowa, its related entities, employees, assigns, successors or licensees: (a) in any advertising, publicity, press release, customer list, presentation or promotion; (b) to express or to imply any endorsement of Vendor or Vendor's Services or Deliverables by the State of Iowa; or (c) in any manner other than expressly in accordance with this Agreement. Notwithstanding the foregoing, nothing shall prevent Vendor from making disclosures required by applicable security laws governing publicly traded companies.
- 12.4. Independent Contractor. Vendor is an independent contractor performing services for the Agency.
- 12.4.1. Vendor, Vendor Contractors, and Vendor Personnel shall not hold themselves out as an employee or agent of the State of Iowa or its related entities.
- 12.4.2. Except as otherwise expressly provided herein or in a Purchasing Instrument, Vendor or Vendor Contractors shall be responsible for maintaining and furnishing a place of work, and any tools, supplies, apparel, facilities, equipment, and appropriate communications devices and services required for Vendor Personnel to perform and provide the Services, Deliverables, Application Services, or System(s) hereunder.
- 12.4.3. Vendor Personnel are not eligible for or otherwise entitled to, and Vendor shall ensure Vendor Personnel never claim they are eligible for or otherwise entitled to, any Agency employee benefits, including retirement benefits, insurance coverage, or the like.
- 12.4.4. Vendor Personnel shall not be considered employees of the State of Iowa for any purpose, including for federal or Agency tax purposes. The State of Iowa will not withhold taxes on behalf of Vendor. Vendor shall be responsible for payment of all taxes in connection with any income earned in connection with its performance of this Agreement.
- 12.4.5. The Agency shall have no right or authority to direct or control Vendor Personnel with respect to the performance or provisioning of Services or Deliverables under this Agreement, or with respect to any other matter, except as otherwise provided by this Agreement or a Purchasing Instrument. The Agency is interested only in the results to be achieved by Vendor under this Agreement and related Purchasing Instruments. The manner and method of performing and providing Services and Deliverables under this Agreement and related Purchasing Instruments shall be under the exclusive control of Vendor,

in accordance with the terms and conditions of this Agreement and the applicable Purchasing Instrument(s).

- 12.4.6. During any engagement under this Agreement, Vendor Personnel may perform work on behalf of, and provide deliverables to, Third Parties, and may market and advertise their services to Third Parties, so long as such activities do not: (a) violate any terms or conditions of this Agreement; (b) adversely affect the performance or provisioning of Services or Deliverables hereunder or satisfaction of any other duties, responsibilities, or obligations set forth herein; (c) create an actual or potential conflict of interest; (d) violate any intellectual property rights or interests of the Agency; (e) expose the Agency to an increased risk of experiencing a Security Breach or other cyber event.
- 12.4.7. Vendor and Vendor Contractors shall be free to hire employees as is necessary for their business purposes; provided that such employees providing or provisioning Services or Deliverables hereunder shall satisfy the terms and conditions of this Agreement and any Purchasing Instrument(s) executed hereunder. The Parties acknowledge and agree that the Agency will not have the authority to hire, fire, supervise, control, or manage any Vendor Personnel.
- 12.4.8. Vendor Personnel shall not receive performance reviews, vocational training, or business cards from the Agency; shall clearly state in any and all communications related to the performance or provisioning of Services or Deliverables hereunder that they are employees of Vendor or Vendor Contractor, as opposed to employees of the Agency; and shall not be subject to the Agency's standard disciplinary practices and procedures.
- 12.5. Amendments. This Agreement may be amended, modified, or replaced from time to time by mutual consent of the Agency and Vendor. All amendments to this Agreement must be executed by both Parties in writing.
- 12.6. No Third Party Beneficiaries. Except as otherwise expressly stated herein, there are no Third Party beneficiaries to this Agreement. This Agreement is intended only to benefit the Agency and Vendor and their respective successors and permitted assigns and the individuals whose Personal Data is stored, transmitted, or otherwise Processed by the Application Services, System(s), and related Deliverables.
- 12.7. Choice of Law and Forum and Dispute Resolution.
 - 12.7.1. This Agreement shall be governed in all respects by, and construed in accordance with, the laws of the State of Iowa, without giving effect to the choice of law principles thereof.
 - 12.7.2. Should a dispute arise under this Agreement between Vendor and an Agency hereunder or another Governmental Entity that is subject to and governed by Iowa Code chapter 17A, including a dispute as it relates to the interpretation, application, or construction of this Agreement, a contract administrator designated by the applicable Agency and approved by OCIO shall review the matter and issue a written decision addressing the appropriate resolution of the dispute. Such decision and any proposed resolution shall be final and binding on the Parties involved, unless within ten (10) days of the issuance of the decision an aggrieved or adversely affected Party requests a contested case. If an aggrieved or adversely affected party requests a contested case, a contested case will promptly be scheduled and held before an administrative law judge

who will, following the applicable Agency's rules governing contested cases, draft and issue a proposed decision. Such proposed decision shall be further appealable or reviewable to or by the applicable Agency head in accordance with the applicable contested case rules, and therefrom subject to judicial review in accordance with Iowa Code chapter 17A. The State's Chief Information Officer may serve in an advisory capacity to the applicable Agency head, and will take into consideration the potential impact to the enterprise as a whole in connection with the final decision rendered by the Agency. Any decision that becomes final following this process and which is not timely and appropriately further appealed shall be final and binding on the Parties. Outside of this process, Vendor waives any right, title, or interest it may have to bring a breach of contract claim or any other claim originating in district court or before any other tribunal, whether state or federal, in connection with or otherwise relating to this Agreement. In addition, Vendor waives any right or ability to claim that a final decision rendered pursuant to the above-described process is neither binding nor enforceable, and waives any right, claim, or ability to challenge the applicable Agency's authority to interpret, construe, or apply the terms and conditions set forth in this Agreement in the first instance, which interpretations, constructions, applications of law to fact, and underlying findings of fact shall be entitled to full interpretative deference and deference applicable to findings of fact on judicial review as if the Agency is fully vested with such authority.

- 12.7.3. Any and all litigation or actions commenced, including judicial review, in connection with this Agreement, including after expiration or termination of this Agreement, shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if jurisdiction is proper. However, if jurisdiction is not proper in the Iowa District Court for Polk County, but is proper only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division. Vendor irrevocably: (i) consents and agrees that any legal or equitable action or proceeding arising under, in connection with or arising out of this Agreement shall be brought and maintained exclusively in the aforesaid courts; (ii) submits to and accepts, with respect to any such action or proceeding, for it and in respect of its properties and assets regardless of the physical or legal situs thereof, generally and unconditionally, the jurisdiction of the aforesaid courts; and (iii) waives any objection to such jurisdiction based on forum non conveniens or otherwise. This provision shall not be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the Agency or its officers, directors, employees, officials, and agents, including sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States, or otherwise. Vendor irrevocably consents to service of process by certified or registered mail addressed to Vendor's designated agent. Vendor appoints **Corporation Service Company, 505 5th Avenue, Ste 729, Des Moines, IA 50309** as its agent to receive service of process. If for any reason Vendor's agent for service is unable to act as such or the address of the agent changes, Vendor shall immediately appoint a new agent and provide the Agency with written notice of the change in agent or address. Any change in the appointment of the agent or address will be effective only upon actual receipt by the Agency. Nothing in this provision will alter the right of the Agency to

serve process in any other manner permitted by law. This Section 12.7 (Choice of Law and Forum) shall survive termination of this Agreement.

12.7.4. Before engaging any of the more formal dispute processes described above, any disputes or issues arising related to performance under this Agreement shall be communicated to the appropriate project manager. In the event of a dispute or performance issues, the Parties shall discuss the matter in good faith and escalate the issue, as appropriate, within their respective organizations. The Parties shall attempt to resolve all disputes informally for a period of not-less-than ten (10) days before instituting any of the more formal administrative dispute resolution proceedings described above. To the extent Vendor attempts to initiate more formal dispute resolution processes, Vendor must submit a written claim within five (5) days of the denial of the conclusion of the informal process contemplated by this Section. Within 30 days of Vendor submitting such a claim, Vendor shall submit a detailed description of the claim, including a detailed factual statement of the basis of the claim, pertinent dates, relevant contract provisions that allow the claim, copies of relevant documents, dollar value required, and time extension required for consideration through the more formal dispute resolution process.

12.8. Assignment and Delegation. This Agreement may not be assigned, transferred, or conveyed in whole or in part without the prior written consent of the other Party, except that the Agency may assign, transfer, or convey this Agreement, in whole or in part, to any Governmental Entity that succeeds its duties hereunder or otherwise assumes responsibility for functions or duties currently assumed by the Agency. For purposes of construing this clause, a transfer of a controlling interest in Vendor, a merger, sale, or consolidation of Vendor, or a sale of substantially all of Vendor's assets shall be considered an assignment. Vendor agrees that it shall provide the Agency with the earliest possible advance notice of any proposed sale or transfer or any controlling interest in or substantial assets of Vendor and of any proposed merger, sale, or consolidation of Vendor. Vendor agrees that it shall not use this Agreement, or any portion thereof, for collateral or to otherwise secure any financial obligation of Vendor or any affiliate thereof without the prior written consent of the Agency. Vendor further agrees that it may not assign, pledge as collateral, grant a security interest in, create a lien against, or otherwise encumber any payments that may or will be made to Vendor under this Agreement.

12.9. Use of Third Parties.

12.9.1. None of the Services, Deliverables, Applications Services, or System(s) to be provided by Vendor pursuant to this Agreement shall be subcontracted or delegated to any Third Party, including Vendor Contractors, without the prior written consent of the Agency. Such consent shall not be deemed in any way to provide for the incurrence of any additional obligation of the Agency, whether financial or otherwise. Any subcontract to which the Agency has consented shall be in writing and shall in no way alter the terms and conditions of this Agreement. All subcontracts shall be subject to the terms and conditions of this Agreement and to any conditions of approval that the Agency may deem necessary. Vendor is solely liable for any and all payments that may be due to Vendor Contractors pursuant to any subcontract. Vendor shall indemnify and hold harmless the Agency and its officers, directors, employees, officials, and agents from and against any and all claims, demands, liabilities, suits, actions, damages, losses, taxes, penalties, costs and expenses of every kind and nature

whatsoever arising out of, resulting from, or in any way related to Vendor's breach of any subcontract into which it enters, including Vendor's failure to pay any and all amounts due to any Vendor Contractor. In addition, the Agency is not responsible for any failure of any Vendor Contractors to pay any amounts that may be due Vendor, and Vendor may not refuse to perform its obligations under this Agreement for any such failure. If Vendor fails, neglects, or refuses to pay promptly, as due, any claim for labor or services furnished to Vendor or any subcontractor by any person in connection with the Services, Deliverables, Application Services, or System(s) performed or provided under this Agreement, the Agency may pay such claim and charge the amount of the payment against funds due or to become due Vendor under this Agreement. The payment of a claim in such manner shall not relieve Vendor or its surety from any obligation with respect to any unpaid claims. All subcontracts shall contain provisions which allow the Agency or its designee to access the subcontractor's books, documents, and records and for inspections of work, as required of Vendor herein. No subcontract or delegation of work shall relieve or discharge Vendor from any obligation, provision, or liability under this Agreement. Vendor shall remain responsible for such performance and shall be fully responsible and liable for all acts or omissions of any Vendor Contractors. Any action of a Vendor Contractor, which, if done by Vendor, would constitute a breach of this Agreement, shall be deemed a breach by Vendor and have the same legal effect.

12.9.2. Subject to the foregoing, as the date of the execution of this Agreement the Agency expressly consents to Vendor's use of the following Vendor Contractor's for the following purposes:

12.9.2.1. Monetra, Microsoft Azure, AWS, Elavon, AT&T, Microbilt, and any of Vendor's affiliates.

12.10. Integration. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, and neither Party is relying on any representation that may have been made which is not included in this Agreement. Thus, the Agency shall not be bound by any "shrink-wrap" agreement, "click-wrap" agreement, "browser-wrap" agreement, or "sneakwrap" agreement, or any other similar agreement that may accompany, relate to, or be embedded in any Deliverable(s), the Application Services, or System(s). Vendor acknowledges that it has thoroughly read this Agreement and all related Special Terms and Conditions, Ancillary Agreements, Purchasing Instruments, schedules, exhibits, and other like documents that are executed or may be executed hereunder and has had the opportunity to receive competent advice and counsel necessary for it to form a complete understanding of all rights and obligations herein and to accept the same freely and without coercion of any kind. Accordingly, this Agreement shall not be construed or interpreted against the Agency on the basis of draftsmanship or preparation thereof.

12.11. Supersedes Former Agreements. This Agreement supersedes all prior Agreements between the Agency and Vendor for the Services, Deliverables, Application Services, or System(s) provided in connection with this Agreement.

12.12. Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of the Agency and Vendor, failure by the Agency or Vendor at any time

to require performance by the other Party or to claim a breach of any provision of this Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto. No term or condition of this Agreement shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the Parties hereto.

- 12.13. Notices. Notices under this Agreement shall be in writing and delivered to the representative of the Party to receive notice (identified below) at the address of the Party to receive notice as it appears below or as otherwise provided for by proper notice hereunder. The effective date for any notice under this Agreement shall be the date of delivery of such notice (not the date of mailing) which may be affected by certified U.S. Mail return receipt requested with postage prepaid thereon or by recognized overnight delivery service, such as Federal Express or UPS:

If to the Agency:

State of Iowa, Office of the Chief Information Officer

200 East Grand Avenue

Des Moines, IA 50309

If to Vendor:

NICUSA, Inc.

25501 West Valley Parkway, Ste 300

Olathe, Kansas 66061

Attention: Legal Department

If to another Governmental Entity: the individual/address specified in the applicable Purchasing Instrument.

- 12.14. Cumulative Rights. The various rights, powers, options, elections, and remedies of the Agency provided for in this Agreement shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights, remedies, or priorities allowed by law, and shall in no way affect or impair the right of the Agency to pursue any other contractual, equitable, or legal remedy to which they may be entitled. The election by the Agency of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.
- 12.15. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

- 12.16. Time is of the Essence. To the extent set forth in the applicable Purchasing Instrument, time is of the essence with respect to Vendor's performance of its obligations under this Agreement. Vendor shall ensure that all Vendor Personnel providing Services and Deliverables hereunder are responsive to the Agency's requirements and requests in all respects, including in accordance with any specific timelines identified in a duly executed Purchasing Instrument.
- 12.17. Authorization. Vendor represents and warrants that it has the right, power, and authority to enter into and perform its obligations under this Agreement and that it has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery, and performance of this Agreement, and this Agreement constitutes a legal, valid, and binding obligation of Vendor, enforceable in accordance with its terms.
- 12.18. Successors in Interest. All terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns, and legal representatives.
- 12.19. Records Retention and Access. Vendor shall maintain books, documents, and records that sufficiently and properly document Vendor's performance under this Agreement, including records that document all fees and other amounts charged during the Term of this Agreement, for a period of at least five (5) years following the later of the date of final payment, termination, or expiration of this Agreement, or the completion of any required audit. Vendor shall permit the Auditor of the State of Iowa or any authorized representative of the Agency, and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, at no charge, to access and examine, audit, excerpt, and transcribe any pertinent books, documents, or other records of Vendor, whether electronic or optically stored, relating directly or indirectly to Vendor's performance under this Agreement. Vendor shall not impose a charge or seek payment for any fee, charge, or expense associated with any audit or examination of such books, documents and records. Vendor shall require Vendor Contractors to agree to the same provisions as set forth in this Section 12.19 (Records Retention and Access).
- 12.20. Headings or Captions and Terms. The section headings or captions set forth in this Agreement are for identification purposes only and do not limit or construe the contents of the sections. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, references to the singular include the plural, and the word "or" has the inclusive meaning represented by the phrase "and/or." The words "include" and "including" shall be deemed to be followed by the phrase "without limitation" or "but not limited to." The words "thereof," "herein," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.
- 12.21. Multiple Counterparts and Electronic Signatures. This Agreement and all related Special Terms and Conditions, Ancillary Agreements, Purchasing Instruments, schedules, exhibits, and other like documents that are executed or may be executed hereunder, including any amendments to any of the foregoing, may be executed in several counterparts, all of which when taken together shall constitute one contract binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each such document(s) shall constitute an original. Signatures on such documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures, with such scanned and electronic signatures having the same legal effect as

original signatures. Such documents may be accepted, executed, or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act (“**E-Sign Act**”), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act, codified at Iowa Code chapter 554D (“**UETA**”), or any other applicable state law, rule, policy, standard, directive, or order. Any document accepted, executed, or agreed to in conformity with such laws, rules, policies, standards, directives, or orders will be binding on the signing Party as if it were physically executed. Vendor acknowledges and agrees it will not contest the validity or enforceability of any such document(s), including under any applicable statute of frauds, because they were accepted, signed, or transmitted in electronic form. Vendor further acknowledges and agrees that it will not contest the validity or enforceability of a signed scanned or facsimile copy of any such document(s) on the basis that it lacks an original handwritten signature, or on the basis that the Parties were not signatories to the same counterpart.

- 12.22. Not a Joint Venture. Nothing in this Agreement shall be construed as creating or constituting the relationship of the partnership, joint venture (or other association of any kind or agent/principal relationship) between the Parties hereto. No Party, unless otherwise specifically provided for herein, has the authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon, another Party to this Agreement.
- 12.23. Attachments. The Parties agree that if an Addendum, Attachment, Rider, Schedule, Appendix, or Exhibit is attached hereto by the Parties, and referred to herein, then the same shall be deemed incorporated herein by reference as if fully set forth herein.
- 12.24. Further Assurances and Corrective Instruments. The Parties agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.
- 12.25. Obligations of Joint Entities. If Vendor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Agreement, and for any default of such activities and obligations.
- 12.26. Force Majeure. Neither Party shall be in default under this Agreement if performance is prevented, delayed, or made impossible to the extent that such prevention, delay, or impossibility is caused by a “force majeure.” The term “force majeure” as used in this Agreement includes an event that no human foresight could anticipate or which if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care, such as acts of God, war, civil disturbance and other similar catastrophic events or causes. The delay or impossibility of performance must be beyond the control and without the fault or negligence of the Parties. “Force Majeure” does not include: financial difficulties of Vendor or Vendor Contractors or routine unsuccessful security incidents such as pings on a firewall, port scans, or denial-of-service attacks perpetrated on or directed at Vendor or Vendor Contractors or the Systems hosted or managed thereby. If delay results from a Vendor Contractor’s conduct, negligence, or failure to perform, Vendor shall not be excused from compliance with the terms and obligations of Vendor unless the Vendor Contractor is prevented from timely performance by a “force majeure” as defined in this Agreement. If a “force majeure” delays or prevents Vendor’s

performance, Vendor shall immediately use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined by the Parties. The Party seeking to exercise this provision and not perform or delay performance pursuant to a “force majeure” shall notify the other Party of the occurrence and reason for the delay within a commercially reasonable amount of time. The Parties shall make every effort to minimize the time of nonperformance and the scope of work not being performed due to the unforeseen events. Dates by which Vendor’s performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.

- 12.27. Material Breaches. The references in this Agreement to specific material breaches of this Agreement shall not be construed as implying that other breaches of this Agreement are not material.
- 12.28. Right of Inspection/Contract Compliance. Vendor shall allow the Agency making purchases or its designee to inspect Vendor’s books and records at reasonable times in order to monitor and evaluate performance of this Agreement. All subcontracts shall contain provisions which allow the same. In addition, Vendor agrees that the Agency or its designee may conduct a complete contract compliance audit at least once annually during the Term of this Agreement and after termination or expiration of this Agreement to determine whether or not Vendor is complying with the terms of this Agreement and all related Special Terms and Conditions, Ancillary Agreements, Purchasing Instruments, schedules, exhibits, and other like documents. Vendor shall promptly comply with and correct any deficiencies noted in the audit report as audit exceptions and will promptly implement any recommendations requested by the Agency or its designee. Vendor shall not impose any charge or fee in connection with any contract compliance audit.
- 12.29. Taxes. Vendor shall be responsible for paying any taxes incurred by Vendor in the performance of this Agreement. The Agency is exempt from the payment of Agency sales and other taxes: https://das.iowa.gov/sites/default/files/acct_sae/man_for_ref/forms/sales_tax_exempt_letter.pdf.
- 12.30. Title to Property. Title to all property, including Customer Property, furnished by the Agency to Vendor to facilitate the performance of this Agreement and any Customer-Owned Deliverables shall remain the sole property of the Agency or applicable Third Party owning Customer Property that has been licensed to the Agency. All such property shall only be used by Vendor for purposes of fulfilling its obligations under this Agreement and shall be returned to the Agency upon the earliest of completion, termination, or cancellation of this Agreement or the applicable Purchasing Instrument, or at the Agency’s request. Vendor acknowledges that it shall acquire no interest or rights in and to such property. Except as expressly provided for in this Agreement, Vendor shall not disclose or use such property for any of the following purposes, including pledging or encumbering it; selling or using it for monetary gain; using it to compile mailing lists; solicit business; or pursue other business activities. Title to all property purchased by Vendor, for which Vendor has been reimbursed or paid by the Agency under this Agreement, or for Customer Property or Customer-Owned Deliverables purchased and paid for by the Agency under this Agreement, shall pass to and vest in the Agency.
- 12.31. Exclusivity. This Agreement is not exclusive. The Agency may obtain similar or identical Services, Deliverables, Application Services, or System(s) from other vendors.

- 12.32. Award of Related Agreements. The Agency may undertake or award supplemental or successor agreements for work related to this Agreement. Vendor shall make commercially reasonable steps to cooperate in good faith with Authorized Contractors who may be engaged by the Agency in connection with this Agreement, which may include complying with license terms, conditions, or restrictions imposed by such Authorized Contractors in connection with any systems, software, or other intellectual property owned by or licensed by or through such Authorized Contractors and to which Vendor, Vendor Contractors, or Vendor Personnel must use or access or with which the Application Services, System(s), or related Deliverables must interface, integrate, or connect. Any reference herein to the Agency's designee or other like reference shall be deemed to include its Authorized Contractors. Vendor will ensure that any Vendor Contractors or Vendor Personnel will abide by this provision.
- 12.33. Sovereign Immunity. The Agency, on its own behalf or on behalf of any of its officers, directors, employees, officials, and agents, does not waive sovereign immunity or any other immunity available to it by entering into this Agreement and specifically retains and reserves the defense of sovereign immunity or any other immunity and all defenses available under Agency and federal laws, rules, and regulations for any claim arising out of or related to this Agreement.
- 12.34. Attorney's Fees and Expenses. In the event Vendor defaults on any of its obligations under this Agreement, Vendor shall pay to the Agency all costs and expenses (including the reasonable value of time of the Attorney General's Office and the costs, expenses, and attorney fees of other counsel retained by or on behalf of the Agency) incurred by the Agency in enforcing this Agreement or any of its rights and remedies with respect thereto.
- 12.35. Care of Property. Vendor shall be responsible for the proper custody and care of any property, data, databases, software, interfaces, hardware, telecommunications lines and equipment, and intellectual property, including Customer Property, furnished by the Agency for Vendor's use in connection with the performance of the Agreement. Vendor shall exercise its best efforts to prevent damage to all such property and shall, at the Agency's request, restore damaged property to its condition prior to the damage at the sole expense of Vendor. Such restoration shall be complete when judged satisfactory by the Agency. In addition, at the Agency's request, Vendor will reimburse the Agency for any loss or damage to such property caused by Vendor, Vendor Contractors, or Vendor Personnel. Vendor shall not take any action that would impair the value of, or goodwill associated with, the name, property, and intellectual property rights of the Agency or State of Iowa. Notwithstanding the foregoing, Vendor shall not be responsible to repair damaged property or replace damaged property if Agency, after agreeing to maintain property in a Purchasing Instrument, Agency fails to do so, or if the Agency causes the damage.
- 12.36. Survives Termination. This Section 12 (General Provisions) shall survive termination or expiration of the Agreement.
- 12.37. Limitation of Liability.
- 12.37.1. Except as otherwise set forth herein, and solely to the extent not prohibited by applicable laws, rules, regulations, orders, or policies: (a) the maximum liability of any Party under this Agreement shall be five (5) times the Contract Value ("Contract Value" is defined as the aggregate total compensation to be paid to Vendor under this Agreement, including all renewals and extensions

or other like continuation, thereof); and (b) no Party shall be liable to the other for consequential, incidental, indirect, special, or punitive damages; provided, however, under no circumstances shall the foregoing limitations apply to any losses, damages, expenses, costs, settlement amounts, legal fees, judgments, actions, claims, or any other liability arising out of or relating to (each of the following exclusions may individually or collectively be referred to as “Carve Out(s)”):

- 12.37.1.1. Intentional torts, criminal acts, fraudulent conduct, intentional or willful misconduct, or gross negligence.
- 12.37.1.2. Claims related to death, bodily injury, or damage to real or tangible personal property.
- 12.37.1.3. Any contractual obligations of the vendor pertaining to indemnification, intellectual property, liquidated damages, compliance with applicable laws, or confidential information.
- 12.37.1.4. Security Breach caused, in whole or in part, by any act or omission of Vendor, Vendor Contractors, or Vendor Personnel; disaster recovery; or return/migration of data. This Carve Out shall only apply to the extent any losses, damages, expenses, costs, settlement amounts, legal fees, judgments, actions, claims, or any other liability resulting from any Security Breach, disaster recovery, or return/migration of data are caused by Vendor’s, Vendor Contractor’s, or Vendor Personnel’s breach of this Agreement, negligence, or misconduct.
- 12.37.1.5. Claims arising under provisions of the contract calling for indemnification of the state for third party claims against the state for bodily injury to persons or for damage to real or tangible personal property caused by the vendor’s negligence or willful conduct.

Nothing in this Agreement, including Section 12.37 (Limitation of Liability), shall: (i) be construed as an admission, assumption or representation by any Governmental Entity, including the State of Iowa, that any limitation on Vendor’s liability specified in this Section 12.37 (Limitation of Liability) is enforceable against the applicable Governmental Entity, including the State of Iowa, under applicable law or that any Governmental Entity, including the State of Iowa, has the authority to agree to the limitation on Vendor’s liability specified in this Section 12.37 (Limitation of Liability); (ii) prevent any Governmental Entity, including the State of Iowa, from challenging the enforceability or validity of this Section 12.37 (Limitation of Liability); or (iii) be construed to waive any clause regarding the availability or appropriation of funds, sovereign immunity, or any other immunity, restriction, or limitation on recovery provided by law to any Governmental Entity, including the State of Iowa.

- 12.38. PCI-DSS. To the extent applicable to the Services provided hereunder, each of the Parties shall be required to comply at all times with the Payment Card Industry Data Security Standard (“**PCI DSS**”) in effect and as may be amended from time to time during the term

of this Agreement. The Parties acknowledge that each party is responsible for the security of the cardholder data in its possession. If the State operates swipe devices, the State shall be responsible for compliance with PCI DSS version 3.2 and any more current versions regarding the swipe devices, including, but not limited to, maintenance, inspection and training obligations set forth in PCI DSS requirement. If the Purchasing Instrument requires Vendor to be the merchant of record or payment processor, Vendor shall maintain PCI DSS Level 1 compliance for the Application Services and underlying System during the Term, and obtain and provide certification of compliance as a PCI compliant service provider, merchant, and payment processor from an independent, Third-Party Qualified Security Assessor (“QSA”) at least annually and provide a copy of such certification and underlying assessment to the OCIO or applicable Agency upon request.

- 12.39. Participating Agencies Compliance with State I.T. Standards, Policies, and Procedures. Pursuant to Iowa Code sections 8B.21(1)(a) and 8B.24(3), and corresponding implementing rules, OCIO is authorized to “[a]pprov[e] information technology for use by agencies and other governmental entities,” and to “develop policies and procedures that apply to all information technology goods and services acquisitions, and . . . ensure the compliance of all participating agencies,” absent a waiver granted pursuant to Iowa Code section 8B.21(5) and corresponding implementing rules. Failure of a Participating Agency to follow I.T. Governance Document(s), in addition to any other remedies available under applicable law, rule, or regulation, may be barred from utilizing this Agreement or other agreements made available to Governmental Entities by OCIO. Upon a determination by OCIO that a Participating Agency has failed to comply with the requirements of any applicable I.T. Governance Document, OCIO may notify Vendor that the Participating Agency is barred from executing any new Purchasing Instruments hereunder, including as it relates the Services available through an Enrollment Agreement, and Vendor shall not execute any new Purchasing Instruments with the Participating Agency, including as it relates the Services available through an Enrollment Agreement, unless or until Vendor receives authorization from OCIO to do so. OCIO may also notify Vendor that other Governmental Entities are, in its sole discretion, barred from executing any new Purchasing Instruments hereunder, including as it relates the Services available through an Enrollment Agreement, and Vendor shall not execute any new Purchasing Instruments with the Participating Agency, including as it relates the Services available through an Enrollment Agreement, unless or until Vendor receives authorization from OCIO to do so.

SPECIAL TERMS AND CONDITIONS #001

Application Services/System(s) Description and related Fees/Program Terms

The following Special Terms and Conditions are part of and incorporated into the E-Government Application Portal Services Agreement, Agreement No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**OCIO**” or “**Agency**”), and NICUSA, Inc., a corporation organized under the laws of Kansas (“**Vendor**”). These Special Terms and Conditions identify, define, and describe the Application Services, System(s), and related Deliverables to be provided by Vendor. Capitalized terms used but not specifically defined herein are as defined in the Agreement. Services and Deliverables and related fees other than the Application Services and System(s) and related fees identified and described herein should be identified, described, and documented in a Purchasing Instrument separate from these Special Terms and Conditions.

1. Application Services.

1.1. **Application Services and System(s).** The term “**Application Services**” and “**System**” as used in the Agreement shall mean the following Vendor-hosted system software and services as more fully described in the RFP:

1.1.1. The Application Services and Systems include the “**Core Portal Technologies.**”

1.1.1.1. *Description.* The “**Core Portal Technologies**” generally include the:

1.1.1.1.1. NIC Payment Platform as set forth in Section 1.1.2 below.

1.1.1.1.2. Gov2Go® a multitenant cloud-based platform-as-a-service (PaaS) solution that includes dashboard, timeline, documents, and service directory. This will include a centralized directory of all state services and citizen-facing systems, including as more fully defined and described in the RFP.

1.1.1.1.3. App Engine®, a low code rapid application development tool.

1.1.1.1.4. NIC Microservices Platform (MSP), an API-based platform that includes, but is not limited to, functionality to support the NIC Shopping Cart, address and phone number validation, event notifications, form service, document management, and any other Microservices identified or described in the RFP or Vendor’s Proposal.

1.1.1.1.5. Integration with the State’s preferred Master Data Management and/or identity management systems by leveraging industry standard protocols such as OAuth and SAML. For clarification, this Section applies to portal users, such as residents, citizens and business, but does not currently apply to government entity administrators who access NIC tools.

1.1.1.2. *Performance Requirements.* The “**Core Portal Technologies**” must result in, produce, or otherwise enable to the OCIO on behalf of the State of Iowa and in coordination with applicable Agencies to:

1.1.1.2.1. Generate and create forms for common applications. Vendor shall be responsible for producing these forms by providing a resource to work collaboratively with

Agencies to facilitate effective form creation. All forms created in this manner will be included in the directory upon launch. Vendor shall additionally maintain a log of all form generation requests by date, which shall additionally include the date on which the request was completed.

1.1.1.2.2. Integration of Agency applications into the portal. Vendor shall be responsible for adding applications to the Gov2Go® directory. Vendor shall be responsible for integrating applications by providing a resource to work collaboratively with Agencies to facilitate this process. Agencies will supply Vendor a data extract, including logos and descriptions of the service directory currently listed in the Iowa.gov service directory, which will be integrated into the Application Services portal upon launch.

1.1.1.2.3. Agency applications will have the capability, whether integrated into the Payment Processing Services or not, to include reminders, timeline events, and suggestion capabilities and functionality by leveraging NIC-provided APIs.

1.1.1.2.4. Vendor shall additionally maintain a log of all application integration requests by date, which shall include the date the request was completed.

1.1.1.2.5. Vendor will respond to each request for a new form within five (5) business days of the initial request. Failure of Vendor to respond to a request within the stated timeframe will result in Vendor being liable to the State in the amount of \$100 per failure.

1.1.1.3. *Fees.* The cost of the Core Portal Technologies, including all related implementation, integration, and configuration, is covered by and included in the Convenience Fee charged in connection with Payment Processing Services. Vendor shall not condition its provisioning of the Core Portal Technologies on the conversion of a certain volume or number of applications, websites, or programs into revenue opportunities, and will use best efforts to provide the required Core Portal Technologies, regardless of the degree of participation or uptake or total Convenience Fees ultimately earned by Vendor under the Agreement.

1.1.2. The Application Services and Systems include and facilitate the **“Payment Processing Services.”**

1.1.2.1. *Description.* The **“Payment Processing Services”** or **“NIC Payment Platform”** generally include the PCI DSS compliant, single standardized payment gateway for agency applications as contemplated by the RFP and described in Vendor’s Proposal. The payment platform includes:

1.1.2.1.1. Transaction Processing Engine (TPE®) – NIC’s common payment gateway.

- 1.1.2.1.2. Common Checkout Pages (CCP) - NIC's fully hosted payment pages that are leveraged in websites or applications to collect cardholder data to be used in conducting an eCommerce transaction in accordance with the guidelines of PCI DSS.
- 1.1.2.1.3. Customer Database (CDB) - a subscription and monthly billing service for high-volume customers. CDB is used to maintain customer balances, manage service pricing, and store user profiles for appropriate application services.
- 1.1.2.1.4. NIC Wallet – enables end users to store credit card and bank account information for future payments and allows end users to access and review stored non-sensitive credit card, bank account information, and all transaction receipts in a single profile location as provided by Gov2Go.
- 1.1.2.1.5. Notwithstanding anything in the Agreement to the contrary, Vendor will use the State's chosen credit-card-processor, Elavon, or any successor credit-card-processing vendor as determined by the State of Iowa, and work collaboratively with the State of Iowa Treasurer's Office to ensure the Payment Processing Services provided hereunder align and integrate with the State's credit-card-processing policies, procedures, and preferences as articulated by the Treasurer's Office, State of Iowa, including as it relates to the assessment of any credit-card-processing fees and remission of any payments to appropriate agencies or into appropriate State bank accounts, in accordance with card network rules.
- 1.1.2.2. *Performance Requirements.* The **“Payment Processing Services”** must result in, produce, or otherwise enable the OCIO on behalf of the State of Iowa and in coordination with applicable Agencies to:
 - 1.1.2.2.1. Process credit and debit card transactions through a common payment gateway. Gateway will be available at 99% Availability in accordance with and subject to SLA Exclusions and other terms and conditions set forth in Special Terms and Conditions #002 Application Services Service Level Agreement.
 - 1.1.2.2.2. Upon request, Vendor will obtain merchant accounts that would allow for the acquiring of these transactions to include authorizations and settlements.
 - 1.1.2.2.3. Generate reports to support reconciliation of payments and other accounting related requirements. Such reports will be made available to OCIO and participating agencies through the payment gateway administration tool which will meet the SLA Availability set forth in Section 1.1.2.2.1.
 - 1.1.2.2.4. Enable agencies to manage transactions, including refunds, voids, and chargebacks through the payment gateway administration tool.

1.1.2.2.5. Offer the ability to disburse funds according to applicable Iowa law and the terms and conditions in the Purchasing Instrument.

1.1.2.3. *Fees.* The cost of the Payment Processing Services, including all related implementation, integration, and configuration, is covered by and included in the following per-transaction Convenience Fee:

1.1.2.3.1. A per-transaction fee pursuant to and limited by the pricing set forth below, processed through the Application Services, which is subject to a downward adjustment by negotiation on a case-by-case basis as documented in individual Enrollment Agreements. Individual convenience fees for individual Agencies shall be expressed and documented in the applicable Agency-specific Enrollment Agreement.

1.1.2.3.1.1. As shown below, the Convenience Fee will remain at the maximum levels identified during the Initial Term (years 1-5) of the Agreement.

1.1.2.3.1.2. Following the Initial Term, the Convenience fee may increase in a manner that will not exceed or escalate beyond 85% of the Consumer Price Index (CPI) for the Midwest Region (Chicago) in any renewal terms (years 6-10).

1.1.2.3.2. Convenience Fees shall be as agreed to in the applicable Enrollment Agreement, in an amount not-to-exceed \$1.50 per transaction for all transactions, regardless of transaction amount.

1.1.2.3.3. Convenience Fees after Go-Live. After Go Live as defined and described, below, Vendor shall submit invoices for Convenience Fees on a monthly basis, in arrears. Each invoice shall include a report identifying with specificity:

1.1.2.3.3.1. The total number of Payment Processing transactions processed via the System;

1.1.2.3.3.2. The total number of Payment Processing transactions processed per Agency application or Governmental Entity specific application;

1.1.2.3.3.3. The total amount of Convenience Fees processed via the System; and

1.1.2.3.3.4. The total number of Convenience Fees due to Vendor.

Convenience Fees payable to the Vendor shall be invoiced by Vendor to the applicable Agency in accordance with the Section 4.7.1 of the Agreement governing invoicing generally, and payable in arrears. Vendor shall neither net

fees due for transactions at the time of payment nor deposit into State of Iowa accounts, unless otherwise stipulated in an amendment to the Agreement.

1.1.3. Core Portal Technologies Implementation Timeline.

1.1.3.1. After this Agreement is executed Vendor will launch the Core Portal Technologies, as follows:

Task	Date	Description
Announcement; Demonstration; Planning	30 days from Contract Execution Date (“CED”)	Vendor and OCIO will work in good faith to develop and agree upon an Implementation Plan to facilitate the announcement, demonstration and planning for the program GoLive, define the GoLive date and identify the Agency candidates for migration to the Payment Processing Platform.
NIC Shopping Cart Platform Available	48 days from CED	Vendor will deploy the Gov2Go shopping cart for integrated services.
NIC Payment Platform	47 days from CED	Vendor will make hosted checkout available for integration, which will enable end users to access their Gov2Go wallet (stored payment) for all transactions using the hosted checkout.
Microservices Platform	50 days from CED	Vendor will deploy the Microservices Platform.
NIC Gov2Go Platform Portal	48 days from CED	Vendor will deploy the NIC Gov2Go Platform Portal. <i>Note: This does not include integration with the State’s identity management (IDM) and master data management (MDM).</i>
Shopping Cart Components Launch	89 days from CED	Vendor will deploy the modules necessary to allow multi-agency shopping cart functionality.
Phase 1 Portal Applications Launch	79 days from CED	Vendor will launch the first phase of the portal applications as set forth in the Implementation Plan.
Phase 2 Portal Applications Launch	135 days from CED	Vendor will launch the second phase of the portal applications as set forth in the Implementation Plan.

1.1.4. Application Service and System Implementation Fees and no payment of Convenience Fees until after initial Go-Live. Notwithstanding the foregoing:

1.1.4.1. *Application Service and System(s) Fees prior to Go-Live.* The Parties agree that the State shall not be charged or responsible for the payment of any fees or costs associated with the implementation, integration, or configuration of the Application Services or System(s). However, if it is necessary for the Agency or its Authorized Contractors to receive,

hold, possess, or own either all or a portion of the licenses granted pursuant to Section 3.2.1 (Grant of License) of the Agreement for any reason prior to Go Live, Vendor shall grant, supply, or otherwise obtain the Agency and its Authorized Contractors to or with the necessary license(s) during any such period at no charge to the Agency.

1.1.4.2. *Application Service and System(s) Fees after Go-Live.* The Parties agree that after “**Go Live**,” meaning on the later of the date: (a) on which the Agency provides Vendor with written notice of Final Acceptance of the initial implementation, configuration, and transition to the Application Services or System(s); or (b) the date on which the Application Services and System(s) goes live into production, Vendor shall be entitled to the Convenience Fees agreed to herein and described above. For the sake of clarity, the Convenience Fees identified herein will remain firm for the initial contract term. After the initial contract term (years 1-5), the Parties may negotiate and mutually agree upon any increase in price of the Convenience Fee, which increase shall not exceed the cap agreed to in Section 1.1.2.3.1.2, above. The Parties further agree that the amount of fees will vary based on the number of transactions realized in each year, and that Vendor is not entitled to any minimum payment amount during the term of this Agreement.

1.1.5. *Third Party Software; Third Party Intellectual Property.* Vendor represents, warrants, and covenants that there is no Third Party Software or Third-Party Intellectual Property embedded in or comprising the Application Services/Systems. Should there be any Third Party Software or Third-Party Intellectual Property embedded in or comprising any Deliverables provided pursuant to a Value-Added Services Statement of Work or Time and Materials Statement of Work, applicable Third-Party license terms or conditions will be identified and addressed in and in connection with the applicable Purchasing Instrument.

2. **Value-Added Services.** In addition to the Application Services and other Deliverables as set forth in this Agreement and the RFP, the Agency and Governmental Entities may procure application development and related Services and Deliverables pursuant to a Value-Added Services Statement of Work. Such Value-Added Services shall be paid for pursuant to a separate or additional Value-Added Service fee as agreed to between the Vendor and the applicable Agency and as set forth in the applicable Value-Added Services Statement of Work and Enrollment Agreement. Proposed Value-Added Service Fees are subject to review and approval by the OCIO, including taking into consideration whether the proposed Value-Added Service Fee is reasonable.
3. **Optional Hourly Services.** In addition to the Application Services and other Deliverables as set forth in this Agreement and the RFP, the Agency and Governmental Entities may, instead of or in conjunction with Value-Added Service Fees, procure Services at the hourly rates set forth in the table below within the following labor categories at the following hourly rates. Such Optional Hourly Services shall be as agreed to between the Vendor and the applicable Agency and as set forth in the applicable Time and Materials Statement of Work.

Hourly Categories/Rates	
Hourly Rate Category	Hourly Rate

Product Manager	\$150
Creative/Design Services	\$115
System Administrator	\$130
Business Analyst	\$135
Senior Developer	\$150
Developer	\$130
Marketing	\$120

4. Enterprise Fee Reporting. In addition to any other reports or Documentation required under the Agreement, Vendor shall submit, on a monthly basis, a report to OCIO, which report shall minimally identify and describe with specificity:

4.1. In connection with Payment Processing Transactions, for the prior month:

- 4.1.1. The total number of Payment Processing transactions processed via the System;
- 4.1.2. The total amount of Convenience Fees assessed via the System;
- 4.1.3. A breakdown of Payment Processing transactions processed via the System on a per Governmental Entity and per application and/or Value-Added Service basis;
- 4.1.4. A breakdown of Convenience Fees assessed via the System on a per Governmental Entity and per application and/or Value-Added Service basis;
- 4.1.5. A breakdown of Convenience Fees deposited into State of Iowa Accounts.

4.2. In connection with Value Added Service Fees, for the prior month:

- 4.2.1. The total number of individual Value Added Service Fees processed via the System;
- 4.2.2. The total amount of Value Added Service Fees assessed via the System;
- 4.2.3. A breakdown of the Value Added Services processed via the System on a per Governmental Entity and per Value-Added Service basis;
- 4.2.4. A breakdown of the Value Added Service Fees assessed via the System on a per Governmental Entity and per Value-Added Service basis;
- 4.2.5. A breakdown of Value Added Service Fees deposited into State of Iowa Accounts.

4.3. In connection with Agency Fees, for the prior month:

- 4.3.1. The total number of individual Agency Fees processed via the System;
- 4.3.2. The total amount of Agency Fees assessed via the System;
- 4.3.3. A breakdown of the Agency services processed via the System on a per Governmental Entity and service-line basis;
- 4.3.4. A breakdown of the Agency Fees assessed via the System on a per Governmental Entity and per service-line basis;
- 4.3.5. A breakdown of the Agency Fees deposited into State of Iowa Accounts.

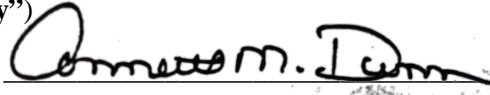
- 4.4. Notwithstanding the foregoing, Vendor will work cooperatively and in good faith with OCIO to develop and produce reports that will provide sufficient insight to enable OCIO to adequately manage and oversee the program as it relates to the services being provided through and fees being assessed in connection with the Application Services/System and program.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute these Special Terms and Conditions, which are effective as of the date of last signature below.

Iowa Office of the Chief Information Officer
(“Agency”)

NICUSA, Inc.
(“Vendor”)

By:



By:



Name:

Annette M. Dunn

Name:

Scott D. Somerhalder

Title:

Director

Title:

Vice President State Enterprises

Date:

10/2/2020

Date:

10/02/2020

Special Terms and Conditions #002
Application Services Service Level Agreement (“SLA”)

The following Service Level Agreement is part of and incorporated into the E-Government Application Portal Services Agreement, Agreement No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**OCIO**” or “**Agency**”), and NICUSA, Inc., a corporation organized under the laws of Kansas (“**Vendor**”). Capitalized terms used but not defined herein are as defined in the Agreement. This Service Level Agreement sets forth certain performance standards and service levels to be achieved by Vendor in providing the Applications Services, System(s), and related Deliverables to Governmental Entities under the Agreement.

1. **Definitions.** Except as otherwise specifically defined herein, capitalized terms used but not defined herein are as defined in the Agreement. The following terms, when used in this SLA, shall have the following meanings:
 - 1.1. “**Application Services**” as used in this SLA shall be as defined in the Agreement and shall also expressly include new applications, websites, or programs developed, built, or configured pursuant to a Time and Materials Statement of Work or Value-Added Services Statement of Work and which are installed, operate on, or otherwise function on, by, or through the Commercial Cloud Solutions or Vendor-Hosted Solutions.
 - 1.2. “**Available**” or “**Availability**” means the Application Services, and System(s), and related Deliverables shall be capable of being utilized or accessed over the Internet as contemplated under the Agreement in accordance with any functional Specifications.
 - 1.3. “**Commercial Cloud Solutions**” means Application Services, System(s), and related Deliverables hosted in a commercial cloud environment.
 - 1.4. “**Incident**” means any event which causes an interruption to, or a reduction in, the quality of service and any failure or problem that materially impairs or adversely affects the performance, availability or functionality thereof. An “Incident” includes a Deficiency.
 - 1.5. “**Maintenance Windows**” means a predefined period of time during which planned changes to production services and systems will occur.
 - 1.6. “**Standard Business Hours**” means 7:00 a.m. to 5:00 p.m. CST/CDT, Monday through Friday.
 - 1.7. “**Scheduled Downtime**” means Maintenance Windows and any other scheduled maintenance communicated to the Agency at least twenty-four (24) hours in advance, which shall last no longer than is reasonably necessary to address the applicable maintenance need and shall not occur during Standard Business Hours.
 - 1.8. “**SLA Exclusions**” means Vendor liability for the service levels set forth in this SLA shall exclude the following:
 - 1.8.1. Any cause beyond Vendor’s reasonable control (force majeure events) including, but not limited to, acts of war, civil disturbances, acts of civil or military authorities or public enemies, pandemics, internet outages, earthquakes, hurricanes, floods, fires, storms, tornadoes, explosions, lightning, power surges or failures, fiber cuts, strikes or labor disputes;
 - 1.8.2. Failures of any structures, facilities or equipment provided by the Agency or its

contractors, equipment vendors, or by any carrier or service provider other than Vendor;

1.8.3. Interruptions caused by the negligence of the Agency or End User;

1.8.4. Periods when the Agency elects not to release the service for testing and/or repair and continues to use it on an impaired basis;

1.8.5. Unavailability during Scheduled Downtime; or

1.8.6. Failures of any structures, facilities or equipment on the Agency's side of the demarcation point.

1.9. **"Unavailable" or "Unavailability"** means the Application Services and Systems and related Deliverables are not Available to the degree specified in Section 2.1.

1.10. **"Vendor-Hosted Solutions"** means Applications Services, System(s), and related Deliverables hosted in Vendor's private cloud.

2. Vendor-Hosted Solutions Service Levels.

2.1. Availability of Vendor-Hosted Solutions. Subject to SLA Exclusions, Vendor-Hosted Solutions will be Available 99.9% of the time as measured in a single calendar month.

2.2. Reporting for Vendor-Hosted Solutions. Vendor will provide a monthly status report of Availability to the Agency.

3. Commercial Cloud Solutions Service Levels.

3.1. Availability of Commercial Cloud Solutions. For Commercial Cloud Solutions, Vendor is not be responsible for Unavailability, except that Vendor agrees to pass any service credits it receives that are obtained due to the Unavailability or Incident in a commercial cloud environment to the Agency. If an Incident or Unavailability affects a service that is utilized by multiple tenants, Vendor will issue the Agency a proportional service credit based upon the Agency's utilization.

3.2. Reporting for Commercial Cloud Solutions. Vendor will provide a monthly status update that includes reporting of the commercial cloud's performance expectation metrics to the Agency.

4. Vendor Incident Response.

4.1. Vendor will respond to an Incident within the response time set forth below for a minimum of 95% of Incidents recorded during each calendar year, as follows:

4.1.1. **Priority 1 (Very High) – Within 30 minutes of notification** - Priority 1 Incidents include where a major part of the service is Unavailable or not operating correctly, affecting multiple End Users, where no workaround is in place or possible; or where a problem has a critical impact on the business. Thereafter, Vendor will provide the Agency with status updates every hour until resolved or directed otherwise.

4.1.2. **Priority 2 (High) – Within 3 hours of notification** - Priority 2 Incidents include where part of the service is Unavailable or not operating correctly, affecting End Users in a single function, where no workaround is in place or possible; or where the problem has a serious impact on a part of the business. Thereafter, Vendor will provide the Agency

with status updates every two (2) hours until resolved or directed otherwise.

4.1.3. **Priority 3 (Medium) – Within 6 hours of notification** - Priority 3 Incidents include where part of the service is Unavailable or not operating correctly, affecting End Users in a single function, where a workaround is in place or available; or where the problem has a temporary impact on End Users and is non-critical. Thereafter, Vendor will provide the Agency with status updates every other day until resolved or directed otherwise.

4.1.4. **Priority 4 (Low) – Within 1 business day of notification** Priority 4 incidents include system Incidents that cause an inconvenience to the business but are not impacting operations; where the problem has a minor impact on End Users; or general service desk support issues. Thereafter, Vendor will provide the Agency with status updates every week until resolved or directed otherwise.

5. Reporting/Audits.

5.1. Reporting. Vendor shall track and report monthly to the OCIO regarding its satisfaction of the service levels and performance measures established in Sections 2, 3, and 4, above. Vendor further agrees to provide, at no cost to the Agency, Vendor generated reports from measurement tools capable of directly making all measurements necessary to verify any and all Service Level(s) identified in Sections 2, 3, and 4.

5.2. Audits. The Agency or its Authorized Contractors will have the right to audit Vendor's measurement, monitoring, and reporting on all service levels herein, including providing the Agency with access to the data used by Vendor to calculate its performance against the service levels and the measurement, monitoring tools, and procedures utilized by Vendor to generate such data for purposes of audit and verification.

6. Remedies.

6.1. Service Level Credits. Vendor's failure to achieve any of the service levels described in Sections 2, 3, or 4 shall constitute a "Service Level Failure." Upon the occurrence of any Service Level Failure, Vendor shall issue to the Agency a credit, and shall otherwise be liable to the Agency, in the amount set forth in the table below ("Service Level Credit").

6.2. Notification/Fee Offset. Vendor shall notify the Agency if the Agency becomes entitled to a Service Level Credit in the monthly performance reports as described in Section 5 (Reporting/Audits). The total amount of Service Level Credits to which the Agency is entitled each month shall be reflected on the invoice issued in the second month following the month during which the Service Level Credit(s) was earned as an offset of the fees otherwise due by the Agency to Vendor under the Agreement. Upon request, and in the Agency's sole discretion, Vendor may be required to issue a refund of Service Level Credits to the Agency.

6.3. Service Level Credits:

Service Level Failure	Service Level Credits
Uptime/Availability (Section 2, above)	For every 0.1% the Application Services, System(s), and Deliverables and not Available below the required Service Level, 1% of the monthly fees.
Incident Response (Section 4, above)	<p>1/30th of the monthly fees for more than three (3) documented instances in which a Priority 1 or 2 Service Level Failure was not responded to as specified in Section 4 (Vendor Incident Response), above, has occurred in a month.</p> <p>1/60th of the monthly fees for more than three (3) documented instances in which a Priority 3 or 4 Service Level Failure was not responded to as specified in Section 4 (Vendor Incident Response), above, has occurred in a month.</p>

6.4. Survival. Service Level Credits due or owing the Agency shall survive termination of the Agreement.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute these Special Terms and Conditions, which are effective as of the date of last signature below.

Iowa Office of the Chief Information Officer
("Agency")

NICUSA, Inc.
("Vendor")

By:



By:



Name: Annette M. Dunn

Name: Scott D. Somerhalder

Title: Director

Title: Vice President State Enterprises

Date: 10/2/2020

Date: 10/02/2020

Special Terms and Conditions #003
Program Oversight Service Levels (“SLA”)

The following Service Level Agreement is part of and incorporated into the E-Government Application Portal Services Agreement, Agreement No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**OCIO**” or “**Agency**”), and NICUSA, Inc., a corporation organized under the laws of Kansas (“**Vendor**”). Capitalized terms used but not defined herein are as defined in the Agreement. This Service Level Agreement sets forth certain performance standards and service levels to be achieved by Vendor in the overall delivery of a successful program.

1. **Overview.** This attachment describes certain performance standards and service levels to be achieved by Vendor in administering the program and providing the Deliverables to the State of Iowa and other Governmental Entities making purchases under the Agreement.
2. **Service Levels.**

Performance Standard	Description	Performance Target	Calculation	Frequency
Accurate Billing	Monthly invoice is complete and correct, submitted on time	90%	Number of invoices refused for payment due to inaccurate data/total number of invoices. An invoice shall not be considered inaccurate simply because Vendor and Agency reasonably dispute the invoice.	Monthly
Governmental Entity Satisfaction	For survey provided after first quarter of providing Deliverables to any Governmental Entity hereunder and annually thereafter.	90%	Vendor must administer online surveys to each Governmental Entity after the first quarter of Go Live, and then every year thereafter. Vendor shall not be responsible for any Governmental Entity’s failure or refusal to respond to the survey.	Quarterly

3. **Reporting/Audits.**

- 3.1. *Reporting.* Vendor shall track and report monthly to OCIO and any other Governmental Entities entitled to a Service Level Credit regarding Vendor’s satisfaction of the service levels and performance measures established in Section 2. Such report shall include metrics

specifying whether the applicable Performance Standards were met on both a global/program and Governmental-Entity by Governmental-Entity basis.

- 3.2. *Audits.* OCIO or its designee and other Governmental Entities and their designees will have the right to audit Vendor's measurement, monitoring, and reporting on all service levels herein, including providing reasonable access during normal business hours to the data used by Vendor to calculate its performance against the service levels and the measurement and monitoring tools and procedures utilized by Vendor to generate such data for purposes of audit and verification.

4. Remedies.

- 4.1. *Service Level Credits.* Failure to achieve any of the service levels described in Section 2 shall constitute a "**Service Level Failure(s)**" and Vendor or applicable Governmental Entities shall be entitled to the following remedies:

- 4.1.1. For a first offense with respect to any particular Performance Standard, Vendor will be issued a warning by OCIO and a plan will be developed to improve the Service Level Failure within thirty (30) days;
- 4.1.2. For a second offense with respect to any particular Performance Standard, Vendor will be liable to the adversely affected Governmental Entity in the amount of \$1,000, "**Service Level Credit.**"

- 4.2. *Service Level Credits.* Upon the accrual of one or more Service Level Credits, the sum of the corresponding Service Level Credits shall be credited to the applicable Governmental Entity. Vendor shall notify the applicable Governmental Entity if the Governmental Entity becomes entitled to a Service Level Credit, which notice shall be included in the monthly performance reports as described in Section 3. The total amount of Service Level Credits Vendor will be obligated to pay to the applicable Governmental Entity for Service Level Failure(s) occurring each month shall be reflected on the invoice issued in the second month following the month during which the Service Level Failure(s) giving rise to such Service Level Credit(s) occurred. In the event a Governmental Entity does not owe Vendor for any Deliverables for any (3) month period during which it is entitled to a Service Level Credit(s), Vendor will issue a refund to the applicable Governmental Entity.

5. **Additions, Deletions, and Modifications of Service Levels.** After the initial six (6) months following the Effective Date, the State of Iowa through the Oversight Authority may add, modify, or delete service levels specified herein by sending written notice to Vendor at least ninety (90) days in advance; provided that, the total number of such notices (which notices may contain multiple changes) sent by the State of Iowa pursuant to this Section 5 (Additions, Deletions, and Modifications of Service Levels) shall not exceed ten (10) in any contract year. Whether and to what extent Services Levels will be added, modified, or deleted will be subject to Vendor's prior consent, which shall not be unreasonably withheld. The Parties will work together in good faith to identify services-level categories and measurements that work for both Parties and that facilitate success of the program, subject to the following:

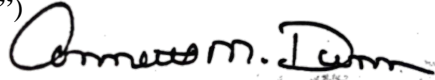
- 5.1. Where data exists for at least six (6) months from which measurements can be derived, the Parties shall review the measurement trends and the levels of quality that were attained during the measurement period and shall work together in good faith during a thirty (30) day period to mutually agree and establish the service-level standard that Vendor will be required to meet; or

Where no such data exists, the Parties shall attempt in good faith to mutually agree during a thirty (30) day period on a service level standard using industry standard measures.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute these Special Terms and Conditions, which are effective as of the date of last signature below.

Iowa Office of the Chief Information Officer
("Agency")

By:



Name:

Annette M. Dunn

Title:

Director

Date:

10/2/2020

NICUSA, Inc.
("Vendor")

By:



Name:

Scott D. Somerhalder

Title:

Vice President State Enterprises

Date:

10/02/2020

Special Terms and Conditions #004

Insurance Requirements

The following Special Terms and Conditions are part of and incorporated into the E-Government Application Portal Services Agreement, Agreement No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**Agency**”), and NICUSA Inc., a corporation organized under the laws of Kansas (“**Vendor**”). Capitalized terms used but not defined herein are as defined in the Agreement.

1. **Insurance Requirements.** Vendor shall, at its sole expense, maintain in effect, with insurance companies admitted to do business in the State, insurance covering its work of the type and in amounts required by this attachment. Vendor’s insurance shall, among other things, insure against loss or damage resulting from or related to Vendor’s performance of the Agreement regardless of the date the claim is filed or expiration of the policy. All insurance policies required by this Exhibit shall: (a) remain in effect for the entire Term of the Agreement; and (b) not be reduced, changed (to the detriment of the Agency or any Governmental Entities), or canceled (without being replaced by another policy meeting the requirements of this Exhibit) such that the insurance is no longer in compliance with this Section. The Agency shall be included as additional insureds on the Commercial General Liability (CGL) and Excess/Umbrella (XS/UMB) liability policies, and such policies shall be primary and non-contributory insurance with respect to any insurance which the Agency is named the insured.-The amount of the insurer’s liability under this policy shall not be reduced by the existence of such other insurance.” The Agency will accept a combined Technology Errors and Omissions and Cyber Liability policy or a separate Technology errors and Omissions and separate Cyber Liability policy. Such insurance shall, (a) cover the liability of Vendor by reason of any actual or alleged error, omission, negligent act, or wrongful act of Vendor committed in rendering or failing to render any products or services, and shall specifically include coverage for liabilities caused by a security breach, breach of privacy, or a breach of privacy regulations, including unauthorized disclosure of information, unauthorized access, or failure to protect a network security breach and liabilities resulting from the unauthorized access, use or disclosure of information in your possession under the scope of the Agreement; (b) include the indemnification of the Agency for any covered costs and expenses, including the Agency’s notification expenses, incurred by the Agency arising out of a security breach, privacy breach, or breach of privacy regulations; with a per occurrence/claim limit and annual aggregate limit of \$5,000,000 each claim/\$5,000,000 annual aggregate; and (c) if underwritten on a claims-made insuring agreement, be maintained for a period of not less than two (2) years after the expiration of the Agreement. In the event Vendor fails to secure and continuously maintain the insurance coverage required under this attachment after a reasonable cure period, the Agency may charge Vendor, and Vendor shall pay the Agency, (a) the Agency’s actual expenses incurred in purchasing similar protection and (b) the value or amount of any claims, actions, damages, liabilities, costs, and expenses paid by the Agency which would not have been paid by the Agency if Vendor had complied with the requirements of this Exhibit.
2. **Insurance Policies.** Unless otherwise requested by the Agency, Vendor shall cause to be issued insurance policies with the coverages set forth below:

<u>Type of Insurance</u>	<u>Limit</u>	<u>Amount</u>
General Liability	General Aggregate	\$2 million
	Products –	
	Comp/Op Aggregate	\$2 million
	Personal injury	\$1 million
	Each Occurrence	\$1 million
Excess or Umbrella Liability	Each Occurrence	\$2 million
	Aggregate	\$5 million
Technology Errors and Omissions Insurance	Each Occurrence	\$5 million
Claim	Aggregate	\$5 million
Workers Compensation (WC) and Employer Liability (EL)	WC a Required by Iowa law	\$1 million (EL)
Cyber Liability / Network Security	Each Occurrence	\$5 million
	Aggregate	\$5 million

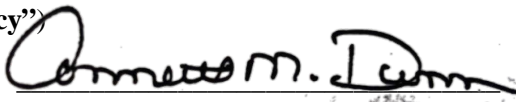
3. Claims Provision. All insurance policies required by this Exhibit, with the exception of the policy for Technology Errors and Omissions/Cyber Insurance and Worker’s Compensation / Employer’s Liability, must provide coverage on an “occurrence basis” for all claims arising from activities occurring during the term of the policy regardless of the date the claim is filed or expiration of the policy. The policy for Technology Errors and Omissions Insurance will provide coverage on a “claims made” basis, provided however, that such policy includes extended reporting period or tail coverage acceptable to the Agency.
4. Certificates of Coverage. At the time of execution of the Agreement, Vendor shall deliver to the Agency certificates of insurance evidencing the types and the amounts of coverage, evidencing that said insurance is in force before the Vendor starts work, evidencing that said insurance applies to, among other things, the work, activities, products, and liability of the Vendor related to the Agreement, evidencing that the Agency is named as an additional insured on the Commercial General Liability and Excess/Umbrella Liability policies of insurance as required herein, and evidencing that no cancellation of the insurance will be made without at least thirty (30) days prior written notice to the Agency. Vendors’ certificate(s) must also include all Vendor Contractors as additional insureds under its policies, or Vendor must furnish to the Agency separate certificates for each Vendor Contractor. All coverage for Vendor Contractors shall be subject to the minimum requirements identified above. All certificates of insurance shall be subject to approval by the Agency.
5. Liability of Vendor. Acceptance of the insurance certificates by the Agency shall not act to relieve Vendor of any obligation under this Agreement. It shall be the responsibility of Vendor to keep the respective insurance policies and coverages current and in force during the life of this Agreement. Vendor shall be responsible for all premiums, deductibles, and any inadequacy, absence, or limitation of coverage, and the Vendor shall have no claim or other recourse against the Agency for any costs or loss attributable to any of the foregoing, all of which shall be borne solely by the Vendor. Notwithstanding any other provision of the Agreement, Vendor shall be fully responsible and liable for meeting and fulfilling all of its obligations under this attachment and the Agreement.
6. Waiver of Subrogation Rights. Vendor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the Agency. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the Agency for all policies.

7. Filing of Claims. In the event the Agency suffers a loss and is unable to file a claim under any policy of insurance required under this Agreement, the Vendor shall, at the Agency's request, immediately file a proper claim under such policy. Vendor will provide the Agency with proof of filing of any such claim and keep the Agency fully informed about the status of the claim. In addition, Vendor agrees to use its best efforts to pursue any such claim, to provide information and documentation requested by any insurer providing insurance required hereunder and to cooperate with the Agency. Vendor shall pay to the Agency any insurance proceeds or payments it receives in connection with any such claim immediately upon Vendor's receipt of such proceeds or payments.
8. Proceeds. In the event the Agency suffers a loss that may be covered under any of the insurance policies required under this attachment or the Agreement, neither Vendor nor any subsidiary or affiliate thereof shall have any right to receive or recover any payments or proceeds that may be made or payable under such policies until the Agency has fully recovered any losses, damages, or expenses sustained or incurred by it (subject to applicable policy limits), and Vendor hereby assigns to the Agency all of its rights in and to any and all payments and proceeds that may be made or payable under each policy of insurance required under this attachment and the Agreement.

Iowa Office of the Chief Information Officer
("Agency")

NICUSA, Inc.
("Vendor")

By:



By:



Name:

Annette M. Dunn

Name:

Scott D. Somerhalder

Title:

Director

Title:

Vice President State Enterprises

Date:

10/2/2020

Date:

10/02/2020

SPECIAL TERMS AND CONDITIONS/ANCILLARY AGREEMENT #005

The following Special Terms and Conditions are part of and incorporated into the E-Government Application Portal Services Agreement, Agreement No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**Agency**”), and NICUSA, Inc., a corporation organized under the laws of Kansas (“**Vendor**”). Capitalized terms used but not defined herein are as defined in the Agreement. Other terms used but not defined in herein, whether capitalized or lowercase, are as defined in Pub 1075 to the extent Pub 1075 defines such terms. This Special Terms and Conditions/Ancillary Agreement shall be in addition to any more favorable, protective, or restrictive terms set forth in the Agreement. These Special Terms and Conditions/Ancillary Agreement apply to any Deliverables provided to the Iowa Department of Revenue or any other Governmental Entity providing or facilitating access to Tax Information, as defined below.

Iowa Department of Revenue Confidential Information Requirements for Contractors

- I. Access to Confidential Information. Vendor, Vendor Personnel, and Vendor Contractors may have access to confidential federal or state tax information, including returns and return information (herein referred to collectively as “Tax Information”) maintained by the State to the extent necessary to carry out its responsibilities under the Agreement. Vendor, Vendor Personnel, and Vendor Contractors shall presume that all information received pursuant to the Agreement is confidential unless otherwise designated by the Agency.
- II. Performance. In performance of the Agreement, Vendor agrees to comply with and assume responsibility for compliance by Vendor Personnel and Vendor Contractors with the following requirements:
 1. All work shall be performed under the supervision of Vendor or Vendor Personnel.
 - i. Vendor shall designate one individual who shall remain the responsible authority in charge of all Tax Information collected, used, or disseminated by Vendor, Vendor Personnel, or Vendor Contractors in connection with the performance of its duties under the Agreement.
 - ii. Vendor shall provide adequate supervision and training to Vendor Personnel and Vendor Contractors to ensure compliance with the terms of the Contract. Annual training shall include, but is not limited to, the IRS video “Protecting Tax Information”.
 - iii. Vendor shall provide acceptance by Vendor Personnel and Vendor Contractors, by signature, of the terms of federal and state confidentiality disclosure (see Exhibit 1 Acknowledgment of Statements of Confidentiality).
 - iv. Vendor shall provide to the Agency a written description of its policies and procedures to safeguard Tax Information. Policies of confidentiality shall address, as appropriate, Tax Information conveyed in verbal, written, and electronic formats.
 - v. Vendor shall maintain a Vendor Personnel and Vendor Contractors with authorized access to Tax Information. Such list shall be provided to the Agency and, when Federal Tax Information (FTI) is involved, to the Internal Revenue Service (IRS) reviewing office, upon request.
 - vi. Vendor, Vendor Personnel, and Vendor Contractors with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
 - vii. No work furnished under this Agreement may be subcontracted without prior written approval from the Agency. If the work involves FTI, prior written approval shall also be received from the IRS. If written approval is received, all subcontractors and subcontractor’s employees shall be held to the same standards as the Vendor,

including, but not limited to, annual training and acceptance of confidentiality disclosure.

- viii. No Tax Information may be accessed by Vendor, Vendor Personnel, or Vendor Contractors located offshore or via any information systems located offshore.
 - ix. Vendor shall complete a security risk assessment questionnaire annually, as part of a certification process with the Agency.
2. Any Tax Information made available in any format shall be used only for the purpose of carrying out the provisions of this Agreement. All such Tax Information, and the contents thereof, shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this Agreement. Inspection by or disclosure of Tax Information to anyone other than authorized Vendor, Vendor Personnel, or Vendor Contractors of the contractor is prohibited.
 3. All Tax Information shall be accounted for upon receipt and properly safeguarded in accordance with security requirements set forth in this Special Terms and Conditions/Ancillary Agreement and IRS Publication 1075 before, during, and after Processing. In addition, all related output shall be given the same level of protection as required for the source material.
 4. Upon completion of duties under this Agreement or upon the specific direction of the Agency, Vendor, Vendor Personnel, and Vendor Contractors shall certify that the Tax Information Processed and any output generated during the performance of duties under this Agreement has been completely purged from all information storage components, including, but not limited to data center facility, laptops, computers, and other storage devices. If immediate purging of all information storage components is not possible, Vendor shall certify that any Tax Information remaining in any storage component shall be safeguarded to prevent unauthorized disclosures until it has been purged. Once all Tax Information processed and output generated has been completely purged, the contractor shall submit a signed certification to the Agency to that effect.
 5. Any spoilage or intermediate hard copy output that may result during the Processing of Tax Information shall be given to the Agency. When this is not possible, Vendor, Vendor Personnel, or Vendor Contractors shall be responsible for the destruction of the spoilage or intermediate hard copy printouts, and shall provide the Agency with a statement containing the date of destruction, description of material destroyed, and the method used. Destruction method must meet specifications as defined in IRS Publication 1075 Section 8.3.
 6. Vendor shall ensure that all computer systems Processing, storing, or transmitting Tax Information meet computer system security requirements defined in IRS Publication 1075 Section 9.1. The security features of the computer systems shall meet all functional and assurance requirements for the managerial, operational, and technical security controls. All security features shall be available and activated to protect against unauthorized use of and access to Tax Information.
 7. The use of personally owned computers for accessing Tax Information is strictly prohibited.
 8. Any Tax Information supplied by the Agency to Vendor, Vendor Personnel, or Vendor Contractors or created by the Vendor, Vendor Personnel, or Vendor Contractors in the course of the performance of its duties under this Agreement shall be considered the property of the Agency. No Tax Information Processed, collected, maintained, or used in the course of performance of the Agreement shall be disseminated by Vendor, Vendor Personnel, or Vendor Contractors except as authorized by law and only with the prior written consent of the Agency, and, if FTI is involved, the IRS, either during the period of the Agreement or thereafter. Vendor, Vendor Personnel, or Vendor Contractors may be liable for an unauthorized disclosure if it fails to comply with federal and state confidential safeguard requirements.
 9. In the event that a subpoena or other legal process is served upon Vendor, Vendor Personnel, or Vendor Contractors for records containing Tax Information, Vendor, Vendor Personnel, or

Vendor Contractors shall promptly notify the Agency and cooperate with the Agency and the IRS in any lawful effort to protect the Tax Information.

10. Vendor, Vendor Personnel, and Vendor Contractors shall immediately report to the Agency any unauthorized disclosure or security breach of Tax Information. This includes, but is not limited to: (i) Unauthorized access or disclosure of Tax Information; (ii) Illegal technology transfer; (iii) Sabotage, destruction, theft, or loss of Tax Information or information systems, and (iv) Compromise or denial of Tax Information or information systems.
11. The Agency and the IRS, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of Vendor or Vendor Contractors for inspection of the facilities and operations performing any work with Tax Information under this Agreement, for compliance with requirements defined in this Addendum and IRS Publication 1075. The Department and the IRS's right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process, or transmit tax information. An inspection questionnaire may be used in lieu of an on-site visit at the discretion of the IRS or the Department. Based on such inspection, specific actions may be required of the contractor in cases where the contractor is found to be noncompliant with Special Terms and Conditions/Ancillary Agreement #001 or IRS Pub 1075 safeguards.
12. If the Agency is required to notify taxpayers of a security or confidentiality breach caused by Vendor, Vendor Personnel, or Vendor Contractors, the Agency is entitled to reimbursement of such costs related to this notification from the Vendor (see Iowa Code section 715C.2).
13. If Vendor, Vendor Personnel, or Vendor Contractors fails to provide the safeguards described in this Special Terms and Conditions/Ancillary Agreement #001 or IRS Pub 1075, the Agency shall have the right to void the Agreement immediately.
14. Vendor's, Vendor Personnel's, or Vendor Contractors's confidentiality obligations under this section shall survive the termination of this Agreement.
15. Any disclosure of FTI shall be subject to penalties prescribed by Internal Revenue Code ("IRC") sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1. Any disclosure of state Tax Information as governed by the Iowa Code sections 422.20, 422.72, and 452A.63, shall be subject to penalties prescribed therein.

III. Criminal/Civil Sanctions for Disclosure of FTI.

1. All Vendor Personnel and Vendor Contractors to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such Vendor Personnel or Vendor Contractor may be used only for the purpose of carrying out the provisions of the Agreement, and to the extent authorized herein. Further disclosure of any FTI for any other purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of up to and including \$5,000, imprisonment for up to and including 5 years, or both, together with the costs of prosecution. These penalties are prescribed by IRC sections 7213 and 26 CFR 301.6103(n)-1.
2. All Vendor Personnel and Vendor Contractors to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such Vendor Personnel or Vendor Contractor may be used only for the purpose of carrying out the provisions of the Agreement, and to the extent authorized herein. Tax Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Agreement. Inspection by or disclosure to any unauthorized person constitutes a criminal misdemeanor punishable upon conviction by a fine of up to and including \$1,000, imprisonment for as long as 1 year, or both, together with the costs of prosecution. The penalties are prescribed by IRC section 7213A and 26 CFR 301.6103(n)-1.

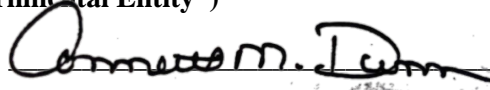
3. All Vendor Personnel and Vendor Contractors to whom FTI is or may be disclosed shall be notified in writing that any unauthorized inspection of FTI may result in an award of civil damages against the Vendor, Vendor Personnel, or Vendor Contractor in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection plus, plus the costs of the action. In the case of a willful inspection that is the result of gross negligence, the defendant may also be liable for punitive damages. The penalties are prescribed by IRC section 7431 and 26 CFR 301.6103(n)-1.
4. Additionally, it is incumbent upon Vendor to inform Vendor Personnel and Vendor Contractors of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any employee of a contractor, who by virtue of such employment or official position, has possession of or access to Agency records which contain FTI, the disclosure of which is prohibited by the Privacy Act and regulations established thereunder, and who knowing that disclosure of such material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
5. Granting Vendor, Vendor Personnel or Vendor Contractors access to FTI shall be preceded by certifying that each individual understands the Agency's security policy and procedures for safeguarding FTI. Vendor, Vendor Personnel, and Vendor Contractors must maintain authorization to access FTI through annual recertification. The initial certification and each recertification must be documented and placed in the Agency's files for review. As part of the initial certification and at least annually thereafter, Vendor, Vendor Personnel, and Vendor Contractors shall be advised of the provisions of IRC sections 7213, 7213A, and 7431. The training provided before the initial certification and annually thereafter shall cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches (see Publication 1075 Section 10). For both the initial certification and each annual certification, Vendor, Vendor Personnel, and Vendor Contractors shall sign, with either ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Purchasing Instrument, which is effective as of the date of signature below.

Iowa Office of the Chief Information Officer, for
the benefit of Iowa Department of Revenue and
other agencies providing or facilitating access to Tax
Information

("Governmental Entity")

By:



Name: Annette M. Dunn

Title: Director

Date: 10/2/2020

NICUSA, Inc.

("Vendor")

By:



Name: Scott D. Somerhalder

Title: Vice President State Enterprises

Date: 10/02/2020



Exhibit 1 — Acknowledgment of Statement of Confidentiality

Authorization to access tax information is limited to the extent necessary to perform duties under the Contract with the Iowa Department of Revenue (the Department). Do not access, research, review, or change your own records. Do not access, research, review, or change the records of a relative, friend, neighbor, co-worker, celebrity, well-known taxpayer, or any other taxpayer, unless authorized to do so as part of your official duties. Disclosing or accessing tax information, even your own, without authorization may result in immediate termination of the Contract with the Department, as well as other criminal and civil penalties.

Confidential Information: It is the policy of the Department that all information should be treated as confidential, unless specifically authorized by statute, rule, or regulation. Tax information consists of both state and federal, as well as personal data and personal information that is created, collected, handled, stored, processed, disseminated, and disposed of by the Department (hereinafter, collectively “confidential information”).

Policy Statement: The contractor’s officers, employees, agents, and subcontractors are strictly prohibited from accessing or disclosing any confidential information without a legitimate business purpose. The contractor’s officers, employees, agents, and subcontractors are expressly prohibited from accessing their own confidential information. Records of family members, relatives, friends, neighbors, ex-spouses, acquaintances, or anyone else where a reasonable person would believe there may be a conflict of interest or where a personal relationship or an outside business relationship could raise questions about impartiality in handling of a related tax matter should not be accessed unless there is a business purpose. This includes any confidential information accessed or disclosed while performing official duties and training, demonstration, or troubleshooting needs.

If the contractor’s officers, employees, agents, or subcontractors has a business purpose to access records that could cause potential conflict of interest, the officer, employee, agent, or subcontractor should notify their supervisor prior to accessing the record.

Scope: This policy applies, but is not limited to, the proper use and disclosure of confidential information. The appropriate use of Departmental records is the responsibility of all Departmental resource users, including full-time, part-time, and temporary employees, contractors, vendors, and other non-employees, who have access to Departmental resources or are in a position to impact the security or integrity of information assets of the Department.

Penalties & Enforcement: The contractor’s officers, employees, agents, and subcontractors may be monitored for compliance with this policy. Non-compliance may result in disciplinary action up to and including termination of the Contract. Criminal and/or civil action against the officer, employee, agent, or subcontractor may be appropriate where laws are violated.

Release of Federal Tax Information: Pursuant to the agreement between the State of Iowa and the IRS, I, the undersigned, realize that information provided to the Iowa Department of Revenue by the Department of Treasury is confidential in nature. I am also aware that the following is punishable:

- 1) The willful inspection (browsing) of information without authorization, or
- 2) The willful release of such information to persons other than that intended by Iowa Department of Revenue policy and procedures.

Federal Penalties for unauthorized disclosure and/or inspection of confidential information includes:

- Internal Revenue Code section 7213 – Felony, up to \$5,000 fine, imprisonment up to five years, cost of prosecution.
- Internal Revenue Code section 7213A – Misdemeanor, up to \$1,000 fine, imprisonment up to one year, cost of prosecution.
- Internal Revenue Code section 7431 - Damages may include \$1,000 per act, actual damages, punitive damages, cost of legal action, attorney fees.

Release of Confidential Departmental Information: Pursuant to the Iowa Code, I, the undersigned, understand that the willful release of confidential information in a manner inconsistent with Iowa law is punishable as set forth below. I also understand that the willful inspection (browsing) of tax records is a violation of Iowa law.

State Penalties for willful browsing and unauthorized disclosure of confidential information includes:

- Iowa Code sections 422.20, 72 – Misdemeanor, up to \$1,876 fine, imprisonment up to one year, loss of job, potential of personal liability in a lawsuit brought by the affected taxpayer.

I acknowledge that I am expected to:

- Be knowledgeable on the above policies and penalties;
- Speak with my supervisor if I have questions or need clarification; and
- Notify my supervisor immediately if I become aware of a possible compromise of confidential information.

Scott D. Somerhalder

Print Name

Scott D. Somerhalder

Signature

10/02/2020

Date

NICUSA, Inc.

IDR Division /
Company
Name

Contact IDRDisclosure@iowa.gov for information or assistance with this form.

Special Terms and Conditions/Ancillary Agreement #006

The following Special Terms and Conditions are part of and incorporated into the E-Government Application Portal Services Agreement, Agreement No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the Iowa Office of the Chief Information Officer (“**Agency**”), and NICUSA, Inc., a corporation organized under the laws of Kansas (“**Vendor**”). Capitalized terms used but not defined herein are as defined in the Agreement. Other terms used but not defined in herein, whether capitalized or lowercase, are as defined in HIPAA, as defined below. This Special Terms and Conditions/Ancillary Agreement shall be in addition to any more favorable, protective, or restrictive terms set forth in the Agreement. These Special Terms and Conditions/Ancillary Agreement apply to any Deliverables provided to the Governmental Entities identified in attachment A hereto.

State of Iowa Business Associate Agreement

THIS Business Associate Agreement (“**BAA**”) supplements and is made a part of the Agreement (hereinafter, the “**Underlying Agreement**”) between the Governmental Entities identified in attachment A (the “**Agency**”) and the Contractor (the “**Business Associate**”).

1. **Purpose.** The Business Associate performs certain services on behalf of or for the Agency pursuant to the Underlying Agreement that may include the exchange of information that is protected by the Health Insurance Portability and Accountability Act of 1996, as amended, and the HIPAA Rules (collectively “**HIPAA**”). The parties to the Underlying Agreement are entering into this BAA to establish the responsibilities of both parties regarding Protected Health Information and to bring the Underlying Agreement into compliance with HIPAA.
2. **Definitions.** The following terms used in this BAA shall have the same meaning as those terms in the HIPAA Rules: Breach, Designated Record Set, Disclose, Disclosure, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

- a. Business Associate. “**Business Associate**” shall generally have the same meaning as the term “**Business Associate**” at 45 C.F.R. § 160.103, and in reference to the party to this BAA, shall mean the Contractor.
 - b. Covered Entity. “**Covered Entity**” shall generally have the same meaning as the term “**Covered Entity**” at 45 C.F.R. § 160.103, and in reference to the party to this BAA shall mean the portions of the Agency, which is a “**hybrid**” entity under HIPAA, that fall under the purview of HIPAA.
 - c. HIPAA Rules. “**HIPAA Rules**” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.
3. **Obligations and Activities of Business Associate.** The Business Associate agrees to:
 - a. Not Use or Disclose Protected Health Information other than as permitted or required by this BAA or as Required By Law;
 - b. Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to Protected Health Information, to prevent Use or Disclosure of Protected Health Information other than as provided for by this BAA;

- c. Report to the Covered Entity any Use or Disclosure of Protected Health Information not provided for by this BAA of which it becomes aware, including Breaches of Unsecured Protected Health Information as required at 45 C.F.R. § 164.410, and in accordance with subsection 7 and any Security Incident of which it becomes aware. However, the parties acknowledge the ongoing existence and occurrence of Security Incidents that are trivial in nature, such as invalid log-on attempts, denial of service pings and port scans, and agree that notification of such Security Incidents by the Business Associate to the Covered Entity under this subparagraph (c) is not required so long as the Security Incident does not result in unauthorized access, use, disclosure, modification or destruction of electronic PHI or interference with information system operations related to the electronic PHI.
- d. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and 45 C.F.R. § 164.308(b)(2), if applicable, ensure that any Subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;
- e. Make available Protected Health Information in a Designated Record Set to the Covered Entity as necessary to satisfy the Covered Entity's obligations under 45 C.F.R. §164.524;
- f. Make any amendment(s) to Protected Health Information in a Designated Record Set as directed or agreed to by the Covered Entity pursuant to 45 C.F.R. §164.526, or take other measures as necessary to satisfy the Covered Entity's obligations under 45 C.F.R. § 164.526;
- g. Maintain and promptly make available, as directed by the Covered Entity, the information required to provide an accounting of Disclosures to the Covered Entity as necessary to satisfy the Cover Entity's obligations under 45 C.F.R. § 164.528;
- h. Immediately (*i.e.*, within 72 hours) forward any request that the Business Associate receives directly from an Individual who (1) seeks access to Protected Health Information held by the Business Associate pursuant to this BAA, (2) requests amendment of Protected Health Information held by the Business Associate pursuant to this BAA, or (3) requests an accounting of Disclosures, so that the Covered Entity can coordinate the response;
- i. To the extent the Business Associate is to carry out one or more of the Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s); and
- j. Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

4. Permitted Uses and Disclosures by the Business Associate.

- a. The Business Associate may Use or Disclose Protected Health Information received in relation to the Underlying Agreement as necessary to perform the services set forth in the Underlying Agreement.
- b. The Business Associate is not authorized to de-identify Protected Health Information in accordance with 45 C.F.R. § 164.514(a)-(c) unless expressly authorized to do so in writing by the Covered Entity.
- c. The Business Associate agrees to make Uses and Disclosures and Requests for Protected Health Information consistent with the Covered Entity's Minimum Necessary policies and procedures furnished to Business Associate.
- d. With the exception of subparagraph (e) below, the Business Associate may not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by the Covered Entity.

- e. The Business Associate may Use or Disclose the Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided the Disclosures are Required By Law, or the Business Associate obtains reasonable assurances from the person to who the information is Disclosed that the information will remain confidential and used or further Disclosed only as Required By Law or for the purposes for which it was Disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

5. Obligations of the Covered Entity.

- a. The Covered Entity will notify the Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 C.F.R. § 164.520, to the extent that such limitation may affect the Business Associate's Use or Disclosure of Protected Health Information
- b. The Covered Entity will notify the Business Associate of any changes in, or revocation of, the permission by an Individual to Use or Disclose his or her Protected Health Information, to the extent that such changes may affect the Business Associate's Use or Disclosure of Protected Health Information.
- c. The Covered Entity shall notify the Business Associate of any restriction on the Use or Disclosure of Protected Health Information that the Covered Entity has agreed to or is required to abide by under 45 C.F.R. § 164.522, to the extent that such restriction may affect the Business Associate's Use or Disclosure of Protected Health Information.

6. Permissible Requests by the Covered Entity. The Covered Entity shall not request the Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by the Covered Entity.

7. Breach Notification Obligations of the Business Associate. In the event that the Business Associate discovers a Breach of Unsecured Protected Health Information, the Business Associate agrees to take the following measures:

- a. To notify the Covered Entity of any Breach. Such notice by the Business Associate shall be provided without unreasonable delay, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security. For purposes of this BAA, the Business Associate is deemed to have discovered the Breach as of the first day on which such Breach is known to the Business Associate or by exercising reasonable diligence, would have been known to the Business Associate, including any person, other than the Individual committing the Breach, that is a workforce member or agent of the Business Associate;
- b. To include in its notice to the Covered Entity, to the extent possible, the identification of the Individuals whose Unsecured Protected Health Information has been, or is reasonably believed to have been, the subject of a Breach;
- c. To complete and submit the appropriate Information Security Data Breach Incident Report form identified in attachment A; and
- d. To draft a letter for the Covered Entity to utilize to notify the Individuals that their Unsecured Protected Health Information has been, or is reasonably believed to have been, the subject of a Breach. The draft letter must include, to the extent possible:
 - i. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

- ii. 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, disability code, or other types of information that were involved);
- iii. Any steps the Individuals should take to protect themselves from potential harm resulting from the Breach;
- iv. A brief description of what the Covered Entity and the Business Associate are doing to investigate the Breach, to mitigate harm, and to protect against any further Breaches; and
- v. Contact procedures for Individuals to ask questions or learn additional information, which shall include Covered Entity contact information, including a toll-free telephone number, an e-mail address, web site, or postal address.

8. BAA Administration.

- a. *Term and Termination.* This BAA is effective on the date of its incorporation into the Underlying Agreement. The Covered Entity may terminate this BAA for cause if the Covered Entity determines that the Business Associate or any of its Subcontractors or agents has breached a material term of this BAA. The Covered Entity will provide written notice to the Business Associate requesting that the Business Associate remedy the breach within the time frame provided in the notice. The remedy time frame provided the Business Associate will be consistent with the severity of the breach. The Covered Entity reserves the right to terminate the BAA without notice in the event that the Covered Entity determines, in its sole discretion, that notice is either infeasible or inappropriate under the circumstances. Expiration or termination of either the Underlying Agreement or this BAA shall constitute expiration or termination of the corresponding agreement.
- b. *Obligation to Return PHI, Destroy PHI, or Extend Protections to Retained PHI.* Upon expiration or termination of this BAA for any reason, the Business Associate shall return to the Covered Entity or destroy all Protected Health Information received from Covered Entity, or created, maintained, or received by the Business Associate on behalf of the Covered Entity, that the Business Associate still maintains in any form. Return or destruction of Protected Health Information shall take place in accordance with the requirements for such return or destruction as set forth in the Underlying Agreement or as otherwise directed by the Covered Entity. The Business Associate shall retain no copies of the Protected Health Information unless such return or destruction is not feasible. If return or destruction of the Protected Health Information is not feasible, upon expiration or termination of this BAA, the Business Associate shall:
 - i. Retain only that Protected Health Information that is necessary for the Business Associate to continue its proper management and administration or to carry out its legal responsibilities to the extent Required By Law;
 - ii. Return to the Covered Entity or destroy the remaining Protected Health Information that the Business Associate still maintains in any form;
 - iii. Continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to Protected Health Information to prevent Use or Disclosure of the Protected Health Information, other than as provided for in this Section, for as long as the Business Associate retains the Protected Health Information;
 - iv. Not Use or Disclose the Protected Health Information retained by the Business Associate other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out in subsection 4(e) above under

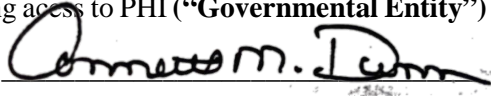

“Permitted Uses and Disclosures by the Business Associate” which applied prior to termination; and

- v. Return to the Covered Entity or destroy the Protected Health Information retained by the Business Associate when it is no longer needed by the Business Associate for its proper management and administration or to carry out its legal responsibilities.
- c. *Compliance with Confidentiality Laws.* The Business Associate acknowledges that it must comply with all applicable laws that may protect the Protected Health Information or other patient information received and will comply with all such laws, which include but are not limited to the following:
 - i. Mental health treatment: Iowa Code chapters 228, 229;
 - ii. HIV/AIDS diagnosis and treatment: Iowa Code § 141A.9;
 - iii. Substance abuse treatment: 42 U.S.C. § 290dd-2; 42 C.F.R. part 2; Iowa Code §§ 125.37, 125.93; and
 - iv. Consumer personal information: Iowa Code ch. 715C.
- d. *Financial Obligations for Breach Notification.*
 - i. To the extent that the Business Associate is a governmental agency subject to the provisions of Iowa Code § 679A.19, any dispute between the Contractor and the Agency, including but not limited to the incursion of any costs, liabilities, damages, or penalties related to the Business Associate’s breach of this BAA, shall be submitted to a board of arbitration in accordance with Iowa Code § 679A.19.
 - ii. To the extent that the Business Associate is not subject to the provisions of Iowa Code § 679A.19, the Business Associate shall indemnify and hold harmless the Covered Entity from costs, liabilities, damages, or penalties incurred as a result the Business Associate or any Subcontractor’s breach of this BAA, the Underlying Agreement, or conduct of the Business Associate or the Business Associate’s Subcontractor that is not in compliance with 45 C.F.R. Part 164, subpart E. Such liability shall not attach to disclosures made at the express written direction of the Covered Entity.
 - iii. The Business Associate’s obligations under this subsection 8(d) are not limited to third-party claims but shall also apply to claims by the Covered Entity against the Business Associate.
- e. *Amendment.* The Parties may amend the BAA from time to time by written agreement.
- f. *Survival.* All obligations of the Agency and the Business Associate incurred or existing under this BAA as of the date of expiration or termination will survive the expiration or termination of this BAA.
- g. *No Third Party Beneficiaries.* There are no third party beneficiaries to this BAA between the parties. The Underlying Agreement and this BAA are intended to only benefit the parties to the BAA.
- h. *Miscellaneous.*
 - a) *Regulatory References.* A reference in this BAA to a section in the HIPAA Rules means the section as it may be amended from time to time.
 - b) *Interpretation.* Any ambiguity in this BAA shall be interpreted to permit compliance with the HIPAA Rules.

- c) *Applicable Law*. Except to the extent preempted by federal law, this BAA shall be governed by and construed in accordance with the same internal laws as that of the Underlying Agreement.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement, which is effective as of the date of signature below.

Office of the Chief Information Officer, for NICUSA, Inc.
benefit of Agencies identified in Attachment A, (**“Vendor”**)
hereto, and any other agencies providing or
facilitating access to PHI (**“Governmental Entity”**)

By:		By:	
Name:	<u>Annette M. Dunn</u>	Name:	<u>Scott D. Somerhalder</u>
Title:	<u>Director</u>	Title:	<u>Vice President State Enterprises</u>
Date:	<u>10/2/2020</u>	Date:	<u>10/02/2020</u>

Attachment A

COVERED ENTITIES AND CORRESPONDING INFORMATION

Name of Covered Entity	Information Security Data Breach Incident Report form URL	Address	Contact Information
Iowa Department of Human Services	https://dhs.iowa.gov/sites/default/files/DHS_Incident_Rpt_470-5134.docx	DHS Security and Privacy Office Iowa Department of Human Services 1305 E Walnut Street, 1st Floor Des Moines, IA 50319-0114	Phone: 1-800-803-6591 e-mail: hipaa@dhs.state.ia.us
Iowa Veterans Home	https://ivh.iowa.gov/hippa/privacy-forms	Iowa Veterans Home Attn: Privacy Officer 1301 Summit Street Marshalltown, IA 50158	Phone: 641-844-6352 e-mail: privacyofficer@ivh.state.ia.us



ENROLLMENT AGREEMENT

Project Name:

Agency Name:

Date: [MM/DD/YYYY]



Online Payment
& Processing



Application
Development



Website
Services



www.egov.com

www.niciowa.org

1. Contract Information

The following Enrollment Agreement is executed under and pursuant to the E-Government Application Portal Services Agreement, Contact No. 2020BUS0518, (“**Agreement**”) between the State of Iowa, acting by and through the [State Agency or other Governmental Entity Name] (“**Agency**”) and NICUSA, Inc. dba NIC Iowa, a corporation organized under the laws of Kansas (“**Vendor**”). This Enrollment Agreement is effective as of the date of last signature below (“**Effective Date**”). Capitalized terms used but not defined herein are as defined in the Agreement.

2. Application Services

By executing this Enrollment Agreement, Agency identifies which of Vendor’s Core Portal Technologies, System, and related Deliverables, and Customized web Application Services, and related fees, it would like to enroll in, receive, or purchase, as applicable, as marked below with a checkmark as follows:

2.1. NO FEE SERVICES

The following SaaS Services (Core Portal Technologies) are provided to all State of Iowa governmental entities at no cost:

☐ **Gov2Go®** (no payment) is a multitenant cloud-based platform-as-a-service (PaaS) solution that includes dashboard, timeline, documents, and service directory. This includes a centralized directory of all state services and citizen-facing systems.

Enrolled as of: mm/dd/yyyy

☐ **AppEngine Forms** (no payment) is developed with a low code rapid application development tool. Vendor will provide a online submission form with upload for these requests. **Enrolled as of:** mm/dd/yyyy

☐ **MicroServices Platform (MSP)**(no payment) is an API-based platform that includes, but is not limited to, functionality to support the NIC Shopping Cart, address and phone number validation, event notifications, form service, and document management.

Enrolled as of: mm/dd/yyyy

2.2. FEE SERVICES.

The following Services are provided to all State of Iowa Agencies at the rates consistent with the terms of the Agreement and, to the extent not inconsistent with the Agreement, as set forth in the Fee Chart, below, and/or as set forth in the applicable Purchasing Instrument:

☐ **NIC Payment Platform** is a PCI DSS compliant, single standardized payment gateway for Agency applications, and is part of the Core Portal Technologies. State of Iowa governmental entities may integrate their pre-existing applications and websites, and new

Custom Developed Applications developed pursuant to a separate Time & Materials Statement of Work or a Value-Added Services Fee Statement of Work, into the NIC Payment Processing Platform. The NIC Payment Platform includes the following key components:

- Transaction Processing Engine (TPE®) – NIC’s common payment gateway.
- Common Checkout Pages (CCP) - NIC’s fully hosted payment pages that are leveraged in websites or applications to collect cardholder data to be used in conducting an eCommerce transaction in accordance with the guidelines of PCI DSS.
- Customer Database (CDB) - a subscription and monthly billing service for high-volume customers. CDB is used to maintain customer balances, manage service pricing, and store user profiles for appropriate application services.
- NIC Wallet – enables end users to store credit card and bank account information for future payments and allows end users to access and review stored non-sensitive credit card, bank account information, and all transaction receipts in a single profile location as provided by Gov2Go.

Enrolled as of: mm/dd/yyyy

☐ Custom Developed Applications are customized application and web development Services and Deliverables, and related Services and Deliverables, unique to the Agency and provided by Vendor. These Services and Deliverables are provided by Vendor to Agency pursuant to a separate or additional Value-Added Service fee, or a Time and Materials basis, or combination of both, as agreed to between the Vendor and the Agency in an applicable Purchasing Instrument.

Enrolled as of: mm/dd/yyyy; terms, conditions, and fees applicable to individual engagements set forth in Fee Chart, below, and/or as set forth in the applicable Purchasing Instrument, as applicable.

Fee Chart (Inapplicable to Gov2Go, AppEngine Forms and MSP Services; T&M fees are set forth exclusively in applicable Purchasing Instrument)

Brief Description/ Launch Date	Estimate of Agency Fee (Set by Agency exclusively)	Convenience Fee (Max \$1.50)	Value-Added Services Fee, if applicable (Applies only to optional future applications/websites purchased pursuant to VASF SOW)	State Account into which Fees Deposited (More detailed account information provided separately)
		\$_____	\$_____	

[Insert as many rows as necessary]				
[Insert as many rows as necessary]				

3. Additional Terms and Conditions

3.1. Deposit of Fees: All fees processed in connection with transactions by or through the Payment Processing Services, including all Agency Fees, Convenience Fees, and Value-Added Service Fees, shall be deposited directly into the State of Iowa account(s) identified above, with no intermediary deposit into non-state accounts. Convenience Fees and Value-Added Service Fees payable to the Vendor for applicable Services and Deliverables shall be invoiced by Vendor to the applicable Agency in accordance with Section 4.7.1 of the Agreement governing invoicing generally, and payable in arrears. Vendor shall not net fees due for transactions at the time of payment or deposit into State of Iowa accounts.

3.2. Implementation: Except for Custom Developed Applications and related Services and Deliverables, Vendor will work with Agency to integrate, configure, and connect applications, services, websites or programs identified above into the Applications Services, System, and related Deliverables, including the NIC Payment Platform, at no additional cost to Agency. Where the specific implementation, configuration, and interconnection circumstances require, Agencies may enter into a Statement of Work governing the implementation of, configuration of, or interconnection to the Application Services, System, and related Deliverables as it relates to the Agency-specific applications, website, and programs identified above.

3.3. Review of Value-Added Services Fees: All proposed Value-Added Service Fees are subject to review and approval by the OCIO for compliance with Iowa law, including taking into consideration whether the proposed Value-Added Service Fee is reasonable. Governmental Entities should not agree to Value-Added Services Fees without obtaining the required approval from the OCIO.

3.4. Support: Vendor will provide product documentation, product training, incident tracking, payment processing reporting, and marketing for the Core Portal Technologies. Support for Customer-Owned Deliverables, such as custom developed applications, will be set forth in the applicable Purchasing Instrument.

3.5. Amendments: The Parties may amend this Enrollment Agreement from time to time to add, modify, or delete applications/websites. Such amendments may take the form of newly executed Enrollment Agreements, which newly executed Enrollment Agreements

shall supersede all prior Enrollment Agreements between the Agency and Vendor for the Services and Deliverables provided hereunder. Agencies are encouraged to review and update this Enrollment Agreement on a scheduled, recurring basis to ensure it accurately reflects and documents the applications and websites integrated in the Application Services and utilizing the Payment Processing Services, and corresponding fees. Such amendments shall be in writing and mutually agreed to by the Parties.

3.6. Official Notices: Official notices related to this Enrollment Agreement should be sent to:

[To be filled out with official address/contact by or for Agency]

[To be filled out with official address/contact by or for Vendor]

4. Enrollment Acceptance

This Enrollment Agreement is between Vendor and Agency identified in the signature block, below, and is effective as of the date of last signature below. This Enrollment Agreement shall be deemed, upon its execution, to incorporate the terms and conditions of the Agreement, including the Program Terms and other Special Terms and Conditions, and shall constitute a separate, distinct, and independent Agreement between Vendor and the Agency. Agency shall be solely responsible for any payments due and duties and obligations otherwise owed Vendor under this Enrollment Agreement and the Agreement. Each Parties' representatives have reviewed this

Enrollment Agreement and the Agreement and by the authorized signature below, indicate the applicable Party's acceptance of the document. The Agency understands and acknowledges that scope, integration, connection, or interconnection changes identified after execution of this document may impact launch date of Services or Deliverables to be provided hereunder.

Agency Executive Sponsor:

Signature:	Date:
<hr/>	

Print Name:	Title:
<hr/>	

NIC:

Signature:	Date:
<hr/>	

Print Name:	Title:
<hr/>	



BASELINE SERVICES STATEMENT OF WORK

<PROJECT NAME>

Agency Name: <AGENCY NAME>

Project ID: [PID]

Date: [MM/DD/YYYY]



Online Payment
& Processing



Application
Development



Website
Services



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1. Contract Information

The following Statement of Work (“SOW”) is executed under and pursuant to the E-Government Application Portal Services Agreement, Contact No. 2020BUS0518, (“Agreement”), and may relate to the Enrollment Agreement between the Parties, Enrollment Agreement No. [REDACTED], between the State of Iowa, acting by and through the [State Agency or other Governmental Entity Name] (“Agency”) and NICUSA, Inc. dba NIC Iowa, a corporation organized under the laws of Kansas (“Vendor” or “NIC Iowa”). This SOW is effective as of the date of last signature below (“Effective Date”). Capitalized terms used but not defined herein are as defined in the Agreement.

2. Project Information

2.1. Executive Summary

[Provide a high-level summary of the project, Services, or Deliverables to be provided pursuant to this SOW and the scope of the project]

2.2. Contact Information

Agency	Phone	Email
Agency Executive Sponsor:	Phone:	Email:
Agency Project Manager:	Phone:	Email:
Agency IT Contact:	Phone:	Email:
NIC Iowa Director of Operations: Jessica Evers	Phone: 402-417-4199	Email: Jessica.evers@egov.com
NIC Iowa General Manager: Carmen Easley	Phone: 402-416-2593	Email: Carmen.easley@egov.com

2.3. Revision History

Date	Name	Version	Section Updated	Notes
MM/DD/20YY	<PM Name>	1.0	All	Initial Version

3. Scope/Requirements

3.1. Project Scope

[The scope defines the boundaries and objectives of a project. Describe what features will be included and implemented within this project. Document the list of specific project goals, deliverables, features and functions of the project.]

3.2. Process Flow

[Insert flowchart of the current business process and the future business process. Include the steps and outcomes, of current and future, if applicable]

3.3. User Stories

*[Insert the general descriptions of the features written from the perspective of the **end user** who desires the new capability, using the table below as a guide. Use non-technical language to provide context for the development team and their efforts. After reading a user story, the team knows why they are building, what they're building, and what value it creates. Describe all inclusions and exclusions]*

#	User Story	Acceptance Criteria
1	As a <role> I want to..., so that...	<ul style="list-style-type: none">• <role> can perform this activity.• The State User must ____.• If the User is ____, they cannot be added.
2	We have <current situation>; we want to have <desired situation>.	<ul style="list-style-type: none">• <role> can perform this activity.• <desired situation detail >.• <desired situation detail >.

3.4. Project Out of Scope

[Define any features and/or functions that will not to be included in this SOW. Ie. back-end, admin, reports, etc...]

4. Terms and Conditions

4.1. Value-Added Services Licensing and Ownership:

(Delete this Section if N/A, e.g., where T&M SOW

- 4.1.1.* The Parties hereby acknowledge that the use and ownership of the Intellectual Property under this SOW is governed by the Agreement. Pursuant to Section 6 of the Agreement, this Project includes the following licensing structure:

- ☐ **Vendor-Owned Deliverables**, which includes Application Services and Vendor-Owned solutions in which the Agency, the State of Iowa and State Users are granted the for-use only license for the Term as set forth in the Agreement, including but not limited to AppEngine, CCP, CDB, TPE, Gov2Go, **LIST SAAS SERVICES HERE**

- ☐ **Customer-Owned Deliverables**, which includes the Deliverables created by Vendor for this Project. Agency is granted a non-exclusive license to use Customer-Owned Deliverables, including for the provisioning of information and services to State Users and Users, for the duration of this SOW. Agency agrees it will only use Customer-Owned Deliverables for Permitted Uses as set forth in the Agreement. Upon Vendor's full payment as it relates to the applicable Deliverables, Vendor assigns ownership for any Customer-Owned Deliverables to Agency pursuant to Sections 6.2 through 6.7 of the Agreement. For purposes of this SOW, Vendor shall be deemed fully paid upon the completion of the "Term Commitment" for the applicable SOW in accordance with Section X of the Agreement, which Term Commitment shall be set forth in the Value-Added Service Fee table, below.

- ☐ **Third-Party Intellectual Property**, including the following: **LIST ANY THIRD-PARTY SOFTWARE HERE**

4.1.2. In exchange for the Value-Added Service Fee set forth herein applicable to hosting and maintenance services, in addition to developing the Deliverables described hereunder, Vendor shall host and maintain the Deliverables on Vendor's infrastructure and platform for a period of no less than the time period set forth in the Value-Added Service Fee table, below , unless this Purchasing Instrument is terminated by the Parties in accordance with the terms of the Agreement.

4.1.3. In addition to any other SLAs applicable under the terms of the Agreement, Vendor's hosting and maintenance of the Deliverables, once developed, shall be in accordance with the **Deliverables-Specific SLA [See attached templated SLA for negotiation between Agency and Vendor]** agreed to by the Parties and accompanying these Deliverables.

4.2. Time and Materials Licensing and Ownership:

(Delete this Section if N/A, e.g., where T&M SOW)

4.2.1. The Parties hereby acknowledge that the use and ownership of the Intellectual Property under this SOW is governed by the Agreement. Pursuant to Section X, this Project includes the following licensing structure:

- ☐ **Vendor-Owned Deliverables**, which includes Application Services and Vendor-Owned solutions in which the Agency, State of Iowa, and State Users are granted a for-use only license for the Term as set forth in the Agreement, including but not limited to AppEngine, CCP, CDB, TPE, Gov2Go, LIST SAAS SERVICES HERE
- ☐ **Customer-Owned Deliverables**, which includes the Deliverables created by Vendor for this Project. Agency is granted a non-exclusive license to use Customer-Owned Deliverables, including for the provisioning of information and services to State Users and Users, for the duration of this SOW. Upon Vendor's full payment, Vendor assigns ownership for any Customer-Owned Deliverables to Agency pursuant to Sections 6.2 through 6.7 of the Agreement.
- ☐ **Third-Party Intellectual Property**, including the following: LIST ANY THIRD-PARTY SOFTWARE HERE

4.3. Specifics

4.3.1. Solution Components.

[List the solution components (e.g., equipment, hardware, Software, etc.) that will be used to support the requirements. Identify any special configuration requirements, and describe how such equipment, hardware, or Software will integrate with the Agency/State's infrastructure.]

4.3.2. Source Code

Vendor shall develop and deliver all Source Code for project Deliverables (noted in section 3 Scope/Requirements: [List any Source Code the receipt of which is expected].)

4.3.3. Training and Knowledge Transfer

[Provide an overview of training services to be provided by Vendor and any special requirements for specific knowledge transfer to support the Agency/State's successful implementation and use of the Deliverables. If the intent is for the Agency/State's personnel to become self-sufficient in operating or maintaining the solution, determine the type of training necessary, and develop a training plan, for such user self-sufficiency.]

4.3.4. Hosting and Support

[**Note:** Hosting Services are only available pursuant to a Value-Added Services SOW].

[Document the level of ongoing support, required from Vendor to effectively make use of any Deliverables. This may include conversion support, legacy system integration, transition assistance, solution maintenance (including maintenance level), or other specialized consulting to facilitate delivery or use of the solution.]

4.3.5. Security

The Security terms set forth in Section 11 (Security/Privacy, Business Continuity, and Disaster Recovery) of the Agreement and that govern the Application Services and System shall also govern and apply to the Deliverables provided hereunder. [**Note:** *Identify and describe any additional Agency-specific security requirements here.*]

4.3.6. Documentation

Vendor shall provide all Documentation required for the Agency/State and its personnel to make use of the Deliverables, including: *[List any specific Documentation needed to utilize the Deliverables, Application Services, or System(s)].*

4.4. Project Plan

A more detailed project plan to be agreed by the Parties, which “**Project Plan**” will identify related Deliverables and Milestones that will be implemented pursuant to this SOW. Upon its completion, the Project Plan shall be deemed incorporated into this SOW as if fully set forth herein, and establish contractual duties and obligations of the Parties. [**Note:** *The following payment/milestones table is for example purpose only, and may be used in this SOW or integrated into the Project Plan.*]

#	Milestone	Deliverable(s)	Schedule	Estimated Payment	Retained Amounts	Net Payment	Performance Standards
1	Project Kick-Off Meeting	--	Effective Date + 5 days	\$--	\$--	--	
2	Site Survey	Project Plan	Effective Date + 10 days	\$10,000	\$1,000	\$9,000	
3	Installation of	--	Effective	\$--	\$--	\$--	\$1,000

	Software		Date + 15 days				
4	Configuration and Vendor testing	Testing results	Effective Date + 20 days	\$10,000	\$1,000	\$9,000	\$1,000
5	Training	Training Manual	Effective Date + 30 days	\$20,000	\$2,000	\$18,000	\$1,000
6	State's Acceptance Testing	--	Effective Date + 30 days	\$--	\$--	\$--	
7	Project Completion		Effective Date + 45 days	\$10,000	(\$4,000)	\$14,000	\$2,000
Total				\$50,000		\$50,000	

4.5. Assumptions

4.5.1. Agency/Partner Executive Sponsor approves of the project and is prepared to provide feedback and input when needed to keep timeframes.

4.5.2. All Agency/Partner key stakeholders will regularly attend needed meetings and provide timely feedback and input on the project throughout all phases.

4.5.3. Agency/Partner will provide the Vendor with the requirements.

4.5.4. Agency/Partner will provide the Vendor with content, language, and text.

4.5.5. Agency/Partner will provide customer support for business and process related questions.

4.5.6. Agency/Partner will assist with testing for business requirements.

4.5.7. The Vendor will communicate the running total of hours that has been spent on the project to date in bi-weekly project status reports sent via email to key stakeholders.

4.5.8. The Vendor will communicate remaining steps to finish project with the Partner in the bi-weekly project status reports sent via email to key stakeholders.

4.5.9. The Vendor and Agency/Partner must agree on a scheduled launch date.

4.5.10. The Vendor will deliver the following:

4.5.10.1. Education on latest web protocol items, such as accessibility compliance, web usability standards

4.5.10.2. Secure hosting of service/application within the NIC Enterprise Technology Services (ETS) environment

4.5.10.3. Technical support

4.5.11. The number of hours reflected in this SOW is an overall project hour estimate and subject to change if the Agency adds or removes scope after the signing of this SOW, which may require a Change Order at Vendor's discretion.

4.5.12. Access Management:

☐ Vendor will be responsible for user access management

☐ Agency will be responsible for admin access management

5. Project Cost Summary

5.1. Value-Added Services

Example where Services under SOW are consumed on a per-transaction, Value-Added Service fee basis. In exchange for the Deliverables described herein, Vendor shall be paid the following all-encompassing Value-Added Service fee for each transaction processed through the Payment Processing Services as it relates to the Deliverables developed and provided hereunder. These fees should also be documented in a revised Enrollment Agreement between Agency and Vendor.

5.1.1. Value-Added Service Fee.

Brief Description of Deliverables	Estimate of Agency Fee (Set by Agency exclusively)	Convenience Fee (Max \$1.50)	Value-Added Services Fee	Minimum Term Commitment / Duration of Hosting and Maintenance	State Account into which Fees Deposited (More detailed account information provided separately)
	\$_____	\$_____	\$_____	[X] Years	
[Insert as many rows as necessary]	\$_____	\$_____	\$_____	[X] Years	
[Insert as many rows as necessary]	\$_____	\$_____	\$_____	[X] Years	

5.2. Value-Added Service Fees after Go-Live.

Vendor shall not be entitled to any Value-Added Service Fees contemplated hereunder until after Go Live, meaning after the Deliverables have been fully implemented, are fully operational, and have been subjected to and fully received the Agency's Final Acceptance, which shall not be unreasonably withheld. After Go Live, Vendor shall submit invoices for Value-Added Service Fees on a monthly basis, in arrears. Each invoice shall include a report identifying with specificity:

5.2.1. The total number of Payment Processing transactions processed via the System with respect to the Deliverables related to these Value-Added Services;

5.2.2. The total amount of fees collected and deposited into State accounts as it relates to the Value-Added Services, including both the Agency Fee, Value Added Service Fee, and to the extent applicable Convenience Fee;

5.2.3. The total amount of Value-Added Service Fees due Vendor.

Value-Added Services Fees payable to the Vendor shall be invoiced by Vendor to the applicable Agency in accordance with the Section 4.7.1 of the Agreement governing invoicing generally, and payable in arrears. Vendor shall not net fees due for transactions at the time of payment or deposit into State of Iowa accounts.

This Value-Added Service Fee is subject to review and approval by the OCIO for compliance with Iowa Code section 8B.31, including taking into consideration whether the proposed Value-Added Service Fee is reasonable. **DO NOT EXECUTE a VASF SOW before obtaining this required approval.**

5.3. Time & Materials Hourly Rates

Example where Services under SOW are consumed on an hourly basis, such as optional/consulting services elicited by the RFP. In the case of hourly fees for T&M Services Vendor must obtain prior written permission from the Agency before going over the Estimated/Quoted number of hours identified in the table below. Vendor will be entitled to no payment for any hours claimed in excess of the estimated/quoted hours without the Agency's prior written permission.

Category	Hourly Rate
Product Manager	\$150
Creative/Design Services	\$115
System Administrator	\$130
Business Analyst	\$135
Senior Developer	\$150
Developer	\$130
Marketing	\$120

5.4. Cost Summary Time & Materials

Example where Services under SOW are consumed on an hourly basis, such as optional/consulting services elicited by the RFP. In the case of hourly fees for optional Services Vendor must obtain prior written permission from the Agency before going over the Estimated/Quoted number of hours identified in the table below. Vendor will be entitled to no payment for any hours claimed in excess of the estimated/quoted hours without the Agency's prior written permission.

The following table provides a cost summary for the <PROJECT NAME>.

<PROJECT NAME> One-Time Cost Summary			
Initiation		Quantity	Cost
Examples: <ul style="list-style-type: none"> - Scope Definition - Documentation Creation - Partner Meetings and Communication 			
Resources:			
Product Manager	\$150	XX Hours	\$XX,XXX.00
Creative/Design Services	\$115	XX Hours	\$XX,XXX.00
Business Analyst	\$135	XX Hours	\$XX,XXX.00
Senior Developer	\$150	XX Hours	\$XX,XXX.00
Developer	\$130	XX Hours	\$XX,XXX.00
Planning			
Examples: <ul style="list-style-type: none"> - Review Application Specifications - Analyze Requirements & Documentation - Assessment and Analysis 			
Resources:			
Product Manager	\$150	XX Hours	\$XX,XXX.00
Creative/Design Services	\$115	XX Hours	\$XX,XXX.00
Business Analyst	\$135	XX Hours	\$XX,XXX.00
Senior Developer	\$150	XX Hours	\$XX,XXX.00
Developer	\$130	XX Hours	\$XX,XXX.00
System Administrator	\$130		
Development			

Examples:			
<ul style="list-style-type: none"> - Review Application Specifications - Analyze Requirements & Documentation - Assessment and Analysis 			
Resources:			
Product Manager	\$150	XX Hours	\$XX,XXX.00
Creative/Design Services	\$115	XX Hours	\$XX,XXX.00
Business Analyst	\$135	XX Hours	\$XX,XXX.00
Senior Developer	\$150	XX Hours	\$XX,XXX.00
Developer	\$130	XX Hours	\$XX,XXX.00
Total Cost:			
Baseline Service Discount:			
Total Cost to Agency:			

6. Communication Plan

This Communication Management plan defines the project communications structure for all projects. It defines the required communications, content, timing, and audience.

6.1. Communication Plan

Communication	From	To	CC	Content Provided/Created By	Frequency	Delivery Media
Project Kick Off Meeting	Project Manager	Project Sponsor, Stakeholders, Project Team	Director of Operations, NIC Iowa Oversight	Project Manager	Once (Initiation Phase)	Meeting
Statement of Work	Project Manager	Project Sponsor, Stakeholders	NIC Iowa General Manager, Director of Operations	Project Manager	Once (Initiation/ Deployment Phase)	Email
Business Requirements	BA	Project Sponsor, Stakeholders	Director of Operations, Project Team	BA	Once (Development/ Deploy Phase)	Email, Meeting
Project Status Reporting	Project Manager	Project Sponsor, Stakeholders	Director of Operations	Project Team	Weekly (throughout project execution)	Email

Communication	From	To	CC	Content Provided/Created By	Frequency	Delivery Media
Change Order	Project Manager	Project Sponsor, Stakeholders	NIC Iowa General Manager, Director of Operations	Project Manager	As needed	Email
Urgent Issues (escalated from Client/Partner)	Project Sponsor, Stakeholders	Project Manager	Director of Operations	Project Stakeholders	As needed	Email, Memos
Issue Updates/Resolutions	Project Manager	Project Sponsor, Stakeholders	Director of Operations, Project Team	Project Managers, Project Team	As needed	Email
Training and Application Updates	Project Manager	Project Sponsor, Stakeholders	Director of Operations, Project Team	Project Managers, Project Team	As needed	Email
Project Hand Off (Closing)	Project Manager	NIC Iowa General Manager, Director of Operations, Project Sponsor	Project Team	Program Manager, Project Team, Director of Operations	As needed (Deployment/Closing Phase)	Meeting

6.2. Glossary

This document includes the following acronyms, abbreviations, and terms.

Acronym	Definition
BA	Business Analyst
NIC	Vendor
CIO	Chief Information Officer for the State of Iowa
PM	Project Manager
Project Team	Project team includes, but not limited to: PM, BA, Developers, Creative Services, QA, System Admins
QA	Quality Assurance
RACI Diagram	Diagram displaying roles and responsibilities broken down in the following categories: R esponsible, A ccountable, C onsulted, and I nformed
UAT	User Acceptance Testing

7. RACI Diagram

Step	Phase/Key Milestone	NIC	<AGENCY>	CIO
1	Project Status			
2	Requirements Workshops			
3	Baseline Requirements			

4	Development/Documentation			
5	Software Development			
6	QA			
7	UAT			
8	Project Deployment			

Role	Definition
R = Responsible	Organization(s) responsible for producing the deliverables or task.
A = Accountable	Organization(s) accountable for the deliverable or task.
C = Consulted	Organization(s) that must be consulted before a final decision can be made.
I = Informed	Organization(s) that must be informed after any final decision has been made.

8. Execution/Signatures

Each Parties' representatives have reviewed this [Project Name] SOW and by the authorized signature below, indicate the applicable Party's acceptance of the document. The Agency thoroughly understands changes to scope or requirements made after signed approval of this document may require a Change Order and impact the project launch date.

Agency Executive Sponsor:

Signature: _____ Date: _____

Print Name: _____ Title: _____

NIC:

Signature: _____ Date: _____

Print Name: _____ Title: _____