

STATE OF VERMONT
CONTRACT AMENDMENT

It is hereby agreed by and between the State of Vermont, Green Mountain Care Board (the “GMCB” or “State”) and Mathematica Policy Research, with principal place of business at 955 Massachusetts Avenue, Suite 801, Cambridge, MA 02139 (hereafter called “Contractor”) that the contract between them originally dated as of January 4, 2018, Contract # 35452, as amended to date, (the “Contract”) is hereby amended as follows:

- I. **Contract Term.** The Contract end date, wherever such reference appears in the Contract, shall be changed from May 31, 2024 to May 31, 2026. The State extends the Contract for six months beyond November 30, 2025 to allow for runout of healthcare claims data.
- II. **Maximum Amount.** The maximum amount payable under the Contract, wherever such reference appears in the Contract, shall be changed from \$4,870,334 to \$6,687,611 representing an increase of \$1,817,277.
- III. **Attachment B, Payment Provisions.** The payment provisions are amended as follows: Attachment B is hereby deleted in its entirety and replaced as set forth in the attachment to this Contract Amendment. Note that the start dates for Option Years 3 and 4 are corrected to December 1, 2021 and December 1, 2022, respectively.
- IV. **Attachment D, Information Technology Professional Services Terms and Conditions.** Attachment D is hereby deleted in its entirety and replaced by the Attachment D, June 22, 2022, attached to this Contract Amendment.

Taxes Due to the State. Contractor certifies under the pains and penalties of perjury that, as of the date this Contract Amendment is signed, the Contractor is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due the State of Vermont.

Child Support (Applicable to natural persons only; not applicable to corporations, partnerships or LLCs). Contractor is under no obligation to pay child support or is in good standing with respect to or in full compliance with a plan to pay any and all child support payable under a support order as of the date of this Contract Amendment.

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

Contractor further certifies under pains and penalties of perjury that, as of the date this Contract Amendment is signed, Contractor is not presently debarred, suspended, nor named on the State’s debarment list at: <http://bgs.vermont.gov/purchasing-contracting/debarment>

SOV Cybersecurity Standard 19-01, as updated by SOV Cybersecurity Standard Update 2022-01. All products and service provided to or for the use of the State under this Contract shall be in

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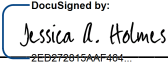
compliance with State of Vermont Cybersecurity Standard 19-01, as updated by SOV Cybersecurity Standard Update 2022-01, which Contractor acknowledges has been provided to it, and is available on-line at the following URL:<https://digitalservices.vermont.gov/cybersecurity/cybersecurity-standards-and-directives>

This Contract Amendment consists of 18 pages. Except as modified by this Contract Amendment, all provisions of the Contract remain in full force and effect.

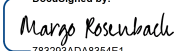
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The signatures of the undersigned indicate that each has read and agrees to be bound by this Contract Amendment to the Contract.

STATE OF VERMONT

By:  _____
DocuSigned by:
2ED272045AAF404...
Jessica A. Holmes
Name: _____
Interim Board Chair
Title: _____
9/12/2022
Date: _____

MATHEMATICA POLICY RESEARCH

By:  _____
DocuSigned by:
783293ADA8354E1
Margo Rosenbach
Name: _____
Vice President
Title: _____
9/12/2022
Date: _____

**Vermont Statewide Analytics Related to the
All-Payer Accountable Care Organization Model Contract**

Attachment B: Payment Provisions

The maximum dollar amount payable under this contract is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually delivered or performed, as specified in Attachment A, up to the maximum allowable amount specified on page one of this contract. The payment schedule for services performed, and any additional reimbursements, are included in this Attachment. The following provisions specifying payment are:

1. Prior to commencement of work and release of any payments, Contractor shall submit to the State:
 - a certificate of insurance consistent with the requirements set forth in Attachment C, Section 8 (Insurance), and with any additional requirements for insurance as may be set forth elsewhere in this contract; and
 - a current IRS Form W-9 (signed within the last six months).
2. Payment terms are **Net 30** days from the date the State receives an error-free invoice with all necessary and complete supporting documentation. Payments for subcontractors, if any, will only be made upon approval (See Attachment C, #15).
3. The Contractor agrees to a 10% retainage of the total annual contract fee subject to review, approval, and acceptance of Contractor's annual report by the State. The State shall determine retainage, including any withholding or proration, of the total contract fee by deciding whether the Contractor's performance has met, to the State's satisfaction, the Contractor's requirements under Attachment A. Upon satisfactory completion of all tasks outlined in Table 4 for each contract year, the Contractor shall submit a retainage statement to request any funds withheld for the completed contract year.
4. The Contractor will be paid based on documentation and itemization of work performed and included in invoicing as required by 32 VSA §463. On a monthly basis, the Contractor shall submit an invoice to the State for all services rendered as outlined in Payment Schedule Tables 3 and 4 below, or as approved in a corresponding Task Order(s) for Ad Hoc work (see the Ad Hoc Work Plan Approval Form in Appendix 3 of Attachment A) above and beyond the monthly 1 ½ days per month for the cost and utilization analysis beginning in Year 2 of this contract (see Task 8 in Attachment A). Each invoice must include a unique invoice number, include the Contract #35452 for this contract, dates of service, itemized billing which is documented to reflect either the deliverable fee or itemized hours by assigned staff multiplied by hourly rates for agreed upon Ad Hoc Assistance. Payments to the Contractor relating to this contract as outlined in the scope by work will be rendered only after review and acceptance from the State's Health Care Project Director. The hourly rates of the assigned staff of the Contractor are outlined in Table 1, on the following page:

Table 1: Hourly Rates Inclusive of Travel for Ad Hoc Deliverables (Task 8.1)

Staff Class	Base Year 1	Base Year 2	Year 3/ Option Year 1	Year 4/ Option Year 2	Year 5/ Option Year 3	Year 6/ Option Year 4	Year 7/ Option Year 5	Year 8/ Option Year 6
	1/1/2018- 12/31/2018	1/1/2019- 12/31/2019	1/1/2020- 12/31/2020	1/1/2021- 11/30/2021	12/1/2021- 11/30/2022	12/1/2022- 11/30/2023	12/1/2023- 11/30/2024	12/1/2024- 5/31/2026
Subject Matter Expert V	\$399.03	\$399.03	\$414.99	\$431.59	\$448.85	\$466.80	\$485.47	\$504.89
Subject Matter Expert IV	\$319.97	\$319.97	\$332.77	\$346.08	\$359.92	\$374.32	\$389.29	\$404.86
Subject Matter Expert III	\$276.80	\$276.80	\$287.87	\$299.39	\$311.37	\$323.82	\$336.77	\$350.24
Subject Matter Expert II	\$221.52	\$221.52	\$230.38	\$239.59	\$249.17	\$259.14	\$269.51	\$280.29
Subject Matter Expert I	\$183.58	\$183.58	\$190.92	\$198.56	\$206.50	\$214.76	\$223.35	\$232.28
Analyst II	\$133.09	\$133.09	\$138.41	\$143.95	\$149.71	\$155.70	\$161.93	\$168.41
Analyst I	\$113.43	\$113.43	\$117.97	\$122.69	\$127.60	\$132.70	\$138.01	\$143.53
Research Assistant	\$89.34	\$89.34	\$92.92	\$96.63	\$100.50	\$104.52	\$108.70	\$113.05
Communications Manager I	\$161.93	\$161.93	\$168.41	\$175.14	\$182.15	\$189.44	\$197.02	\$204.90
Administrative Production	\$103.48	\$103.48	\$107.62	\$111.93	\$116.41	\$121.07	\$125.91	\$130.95
Editor	\$121.16	\$121.16	\$126.00	\$131.04	\$136.28	\$141.73	\$147.40	\$153.30

The maximum amount payable under the Ad Hoc tasks of this contract shall not exceed \$921,883 over eight years. The State does not guarantee the assignment of any minimum number of hours or other work under this contract. Additional description of potential ad hoc tasks is included in Attachment A, Tasks 3, 8, and 10.

5. **Travel:** The contractor may bill for travel related to this contract only when expressly approved by the State in writing in advance of travel.
- Transportation costs will be reimbursed as incurred, including air transportation, ground transportation, and parking. The Contractor shall seek the lowest rates available when booking airfare and ground transportation.
 - All travel mileage, meals, and lodging expenses shall not exceed State-approved mileage and per diem rates at the time the expense occurred. The contractor/grantee is responsible for submitting invoices within 30 days in compliance with the current per diem and mileage rates, which change periodically. As of December 2017, these rates are as follows:
 - i. Mileage reimbursement: \$0.585 per mile. Current rates are available at: <http://humanresources.vermont.gov/compensation/expense-reimbursement>.
 - ii. Meal reimbursement: \$5.00 for breakfast; \$6.00 for lunch; \$12.85 for dinner. Current rates are available at: <http://humanresources.vermont.gov/compensation/expense-reimbursement>.
 - iii. Lodging: The contractor is responsible for ensuring the reasonableness of all lodging expenses. When arranging travel, employees and departments may reference the U.S. General Services Administration's website (<http://www.gsa.gov/perdiem>) of per diem lodging rates for Montpelier, VT, to evaluate the reasonableness of lodging costs for travel destination.
 - iv. Additional expenses (e.g., incidentals) are not reimbursable.

- Travel expenses will be reimbursed within the existing total amount of the agreement.
6. **Invoices:** Contractor shall submit invoices to the State in accordance with the schedule set forth in this Attachment B. Unless a more particular schedule is provided herein, invoices shall be submitted not more frequently than monthly. Invoices shall be emailed to GMCB.Invoice@vermont.gov, copying Tyler Bradley (tyler.bradley@vermont.gov) and Michele Degree (michele.degree@vermont.gov).
 7. Upon full payment by the State, all products of the Contractor's work, including outlines, reports charts, sketches, drawings, artwork, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of Vermont and may not be copyrighted or resold by Contractor.
 8. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are as follows:

Payment Schedule

Table 2: Budget Summary

	Monthly Tasks (Table 3)	Tasks Payable Upon Completion (Table 4)	Sum Available for Ad Hoc Tasks	Total Task Budget for Contract Year
Base Year 1 (1/1/18-12/31/18)	\$228,384	\$531,922	\$41,017	\$801,323
Base Year 2 (1/1/19-12/31/19)	\$199,704	\$451,817	\$0	\$651,521
Year 3/Option Year 1 (1/1/20-12/31/20)	\$167,520	\$661,805	\$0	\$829,325
Year 4/Option Year 2 (1/1/21-11/30/21)	\$174,473	\$629,219	\$104,297	\$907,989
Year 5/Option Year 3 (12/1/21-11/30/22)	\$181,452	\$480,333	\$161,831	\$823,616
Year 6/Option Year 4 (12/1/22-11/30/2023)	\$188,712	\$470,919	\$196,929	\$856,560
Year 7/Option Year 5 (12/1/2023 - 11/20/2024)	\$196,260	\$489,755	\$204,807	\$890,822
Year 8/Option Year 6 (12/1/2024 - 5/31/2026)	\$204,120	\$509,347	\$212,988	\$926,455
TOTAL	\$1,540,625	\$4,225,117	\$921,869	\$6,687,611

Table 3: Payment Schedule, Monthly - invoiced the first of every month (Option Year 3)

Task	Deliverable	Monthly Amount	Option Year 3 Totals
1	Accessing, Processing and Validating Data; Ensuring Data Security	\$6,047	\$72,564
8.2	Ad hoc Reports - Monthly Analysis	\$3,371	\$40,452
9.7	Project Team Meetings	\$4,853	\$58,236

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9.8	Project Status Reports, Issues Log, and Risk Log	\$850	\$10,200
Option Year 3 Totals for Monthly Tasks (12 months)		\$15,121	\$181,452

Table 4: Payment Schedule, Tasks Invoiced Upon Completion (Option Year 3)

Task	Deliverables	Amount
2.2	Two Quarterly All Payer Total Cost of Care deliverables and One Annual Deliverable (Reports) per year	\$82,581
2.3	One Medicare Total Cost of Care deliverable, beneficiary list per year	\$7,781
2.4	Four Quarterly All Payer Total Cost of Care deliverables and One Annual Deliverable (Data) per year	\$69,360
4.1	One Annual Payer Differential Report per year	\$65,964
5.1	One Calculating All-Payer and Medicare Scale Target Performance reports per year	\$37,783
6.1	One HEDIS Quality deliverables per year	\$48,068
7.1	Four Quarterly All Payer TCOC deliverables and One Annual Deliverable; One Scale Target Deliverables (Exhibits) per year	\$105,906
9.4	One Annual Meeting per year	\$16,338
9.6	One Communication log (Meetings) per year	\$16,656
10.2	Four Change Management Deliverables per year	\$29,896
Option Year 3 Total for Tasks Invoiced on Completion		\$480,333

Table 5: Payment Schedule, Monthly - invoiced the first of every month (Option Year 4)

Task	Deliverable	Monthly Amount	Option Year 4 Totals
1	Accessing, Processing and Validating Data; Ensuring Data Security	\$6,289	\$75,468
8.2	Ad hoc Reports - Monthly Analysis	\$3,506	\$42,072
9.7	Project Team Meetings	\$5,047	\$60,564
9.8	Project Status Reports, Issues Log, and Risk Log	\$884	\$10,608
Option Year 4 Totals for Monthly Tasks (12 months)		\$15,726	\$188,712

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Table 6: Payment Schedule, Tasks Invoiced Upon Completion (Option Year 4)

Task	Deliverable	Amount
2.2	One Semi-Annual (2022Q2) All Payer TCOC deliverables and One Annual Deliverable (Reports) per year	\$57,256
2.3	One Medicare TCOC deliverable, beneficiary list per year	\$8,092
2.4	Four Quarterly All Payer TCOC deliverables and One Annual Deliverable (Data) per year	\$72,135
4.1	One Annual Payer Differential Report per year	\$68,603
5.1	One Calculating All-Payer and Medicare Scale Target Performance reports per year	\$39,294
6.1	One HEDIS Quality deliverables per year	\$49,991
7.1	Four Quarterly All Payer TCOC deliverables; One Annual Deliverable; and One Scale Target Deliverables (Exhibits) per year	\$110,142
9.4	One Annual Meeting per year	\$16,992
9.6	One Communication log (Meetings) per year	\$17,322
10.2	Four Change Management Deliverables per year	\$31,092
	Option Year 4 Total for Tasks Invoiced on Completion	\$470,919

Table 7: Payment Schedule, Monthly - invoiced the first of every month (Option Year 5)

Task	Deliverable	Monthly Amount	Option Year 5 Totals
1	Accessing, Processing and Validating Data; Ensuring Data Security	\$6,541	\$78,492
8.2	Ad hoc Reports - Monthly Analysis	\$3,646	\$43,752
9.7	Project Team Meetings	\$5,249	\$62,988
9.8	Project Status Reports, Issues Log, and Risk Log	\$919	\$11,028
	Option Year 5 Totals for Monthly Tasks (12 months)	\$16,355	\$196,260

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Table 8: Payment Schedule, Tasks Invoiced Upon Completion (Option Year 5)

Task	Deliverable	Amount
2.2	One Semi-Annual (2023Q2) All Payer TCOC deliverables and One Annual Deliverable (Reports) per year	\$59,548
2.3	One Medicare TCOC deliverable, beneficiary list per year	\$8,416
2.4	Four Quarterly All Payer TCOC deliverables and One Annual Deliverable (Data) per year	\$75,020
4.1	One Annual Payer Differential Report per year	\$71,347
5.1	One Calculating All-Payer and Medicare Scale Target Performance reports per year	\$40,866
6.1	One HEDIS Quality deliverables per year	\$51,990
7.1	Four Quarterly All Payer TCOC deliverables; One Annual Deliverable; and One Scale Target Deliverables (Exhibits) per year	\$114,546
9.4	One Annual Meeting per year	\$17,671
9.6	One Communication log (Meetings) per year	\$18,015
10.2	Four Change Management Deliverables per year	\$32,336
	Option Year 5 Total for Tasks Invoiced on Completion	\$489,755

Table 9: Payment Schedule, Monthly - invoiced the first of every month (Option Year 6)

Task	Deliverable	Monthly Amount	Option Year 6 Totals
1	Accessing, Processing and Validating Data; Ensuring Data Security	\$6,803	\$81,636
8.2	Ad hoc Reports - Monthly Analysis	\$3,792	\$45,504
9.7	Project Team Meetings	\$5,459	\$65,508
9.8	Project Status Reports, Issues Log, and Risk Log	\$956	\$11,472
	Option Year 6 Totals for Monthly Tasks (12 months)	\$17,010	\$204,120

Table 10: Payment Schedule, Tasks Invoiced Upon Completion (Option Year 6)

Task	Deliverable	Amount
2.2	One Semi-Annual (2024Q2) All Payer TCOC deliverables and One Annual Deliverable (Reports) per year	\$61,930
2.3	One Medicare TCOC deliverable, beneficiary list per year	\$8,753
2.4	Four Quarterly All Payer TCOC deliverables and One Annual Deliverable (Data) per year	\$78,020
4.1	One Annual Payer Differential Report per year	\$74,201
5.1	One Calculating All-Payer and Medicare Scale Target Performance reports per year	\$42,501
6.1	One HEDIS Quality deliverables per year	\$54,070
7.1	Four Quarterly All Payer TCOC deliverables; One Annual Deliverable; and One Scale Target Deliverables (Exhibits) per year	\$119,130
9.4	One Annual Meeting per year	\$18,378
9.6	One Communication log (Meetings) per year	\$18,736
10.2	Four Change Management Deliverables per year	\$33,628
	Option Year 6 Total for Tasks Invoiced on Completion	\$509,347

9. Upon full payment by the State, all products of the Contractor's work, including outlines, reports charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of Vermont and may not be copyrighted or resold by Contractor.

ATTACHMENT D
INFORMATION TECHNOLOGY PROFESSIONAL SERVICES
TERMS AND CONDITIONS (rev. 07/14/2022)

1. OWNERSHIP AND LICENSE IN DELIVERABLES

1.1 Contractor Intellectual Property. Contractor shall retain all right, title and interest in and to any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that has been created by Contractor prior to entering into this Contract (“Contractor Intellectual Property”). Should the State require a license for the use of Contractor Intellectual Property in connection with the development or use of the items that Contractor is required to deliver to the State under this Contract, including Work Product (“Deliverables”), the Contractor shall grant the State a royalty-free license for such development and use. For the avoidance of doubt, Work Product shall not be deemed to include Contractor Intellectual Property, provided the State shall be granted an irrevocable, perpetual, non-exclusive royalty-free license to use any such Contractor Intellectual Property that is incorporated into Work Product.

1.2 State Intellectual Property. The State shall retain all right, title and interest in and to (i) all content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, and to all information that is created under this Contract, including, but not limited to, all data that is generated under this Contract as a result of the use by Contractor, the State or any third party of any technology systems or knowledge bases that are developed for the State and used by Contractor hereunder, and all other rights, tangible or intangible; and (ii) all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Contract (collectively, “State Intellectual Property”).

Contractor may not use State Intellectual Property for any purpose other than as specified in this Contract. Upon expiration or termination of this Contract, Contractor shall return or destroy all State Intellectual Property and all copies thereof, and Contractor shall have no further right or license to such State Intellectual Property.

Contractor acquires no rights or licenses, including, without limitation, intellectual property rights or licenses, to use State Intellectual Property for its own purposes. In no event shall the Contractor claim any security interest in State Intellectual Property.

1.3 Work Product. All Work Product shall belong exclusively to the State, with the State having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder,

Contractor shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.

“Work Product” means any tangible or intangible ideas, inventions, improvements, modifications, discoveries, development, customization, configuration, methodologies or processes, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, computer programs, work of authorship, specifications, operating instructions, procedures manuals or other documentation, technique, know-how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection), that is specifically made, conceived, discovered or reduced to practice by Contractor, either solely or jointly with others, pursuant to this Contract. Work Product does not include Contractor Intellectual Property or third party intellectual property.

To the extent delivered under this Contract, upon full payment to Contractor in accordance with Attachment B, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to State all rights in and to all Deliverables, except to the extent they include any Contractor Intellectual Property; and (ii) grants to State a perpetual, non-exclusive, irrevocable, royalty-free license to use for State’s internal business purposes, any Contractor Intellectual Property included in the Deliverables in connection with its use of the Deliverables and, subject to the State’s obligations with respect to Confidential Information, authorize others to do the same on the State’s behalf. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Intellectual Property.

The Contractor shall not sell or copyright a Deliverable without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor Intellectual Property or Contractor Intellectual Property developed outside of this Contract with no assistance from State.

2. CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING

2.1 For purposes of this Contract, confidential information will not include information or material which (a) enters the public domain (other than as a result of a breach of this Contract); (b) was in the receiving party’s possession prior to its receipt from the disclosing party; (c) is independently developed by the receiving party without the use of confidential information; (d) is obtained by the receiving party from a third party under no obligation of confidentiality to the disclosing party; or (e) is not exempt from disclosure under applicable State law.

2.2 Confidentiality of Contractor Information. The Contractor acknowledges and agrees that this Contract and any and all Contractor information obtained by the State in connection with this Contract are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq. The State will not disclose information for which a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary

information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

The State shall immediately notify Contractor of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for Contractor information. Contractor may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of such information under applicable State law within three business days of the State's receipt of any such request. Contractor agrees that it will not make any claim against the State if the State makes available to the public any information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental body or agency compelling its production. Contractor shall indemnify the State for any costs or expenses incurred by the State, including, but not limited to, attorneys' fees awarded in accordance with 1 V.S.A. § 320, in connection with any action brought in connection with Contractor's attempts to prevent or unreasonably delay public disclosure of Contractor's information if a final decision of a court of competent jurisdiction determines that the State improperly withheld such information and that the improper withholding was based on Contractor's attempts to prevent public disclosure of Contractor's information.

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

Contractor may affix an appropriate legend to Contractor information that is provided under this Contract to reflect the Contractor's determination that any such information is a trade secret, proprietary information or financial information at time of delivery or disclosure.

2.3 Confidentiality of State Information. In performance of this Contract, and any exhibit or schedule hereunder, the Party acknowledges that certain State Data (as defined below), to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by State or federal law or otherwise exempt from disclosure under the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq ("State Data"). Before receiving or controlling State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State.

State Data shall not be stored, accessed from, or transferred to any location outside the United States.

The Contractor agrees that (a) it will use the State Data only as may be necessary in the course of performing duties or exercising rights under this Contract; (b) it will provide at a minimum the same care to avoid disclosure or unauthorized use of State Data as it provides to protect its own similar confidential and proprietary information; (c) it will not publish, reproduce, or otherwise divulge any State Data in whole or in part, in any manner or form orally or in writing to any third party unless it has received written approval from the State and that third party is subject to a written confidentiality agreement that contains restrictions and safeguards at least as restrictive as those contained in this Contract; (d) it will take all reasonable precautions to protect the State's information; and (e) it will not otherwise appropriate such information to its own use or to the use of any other person or entity. Contractor will take reasonable measures as are necessary to restrict access to State Data in the Contractor's possession to only those employees on its staff who must have the information on a "need to know" basis. The Contractor shall not retain any State Data except to the extent required to perform the services under this Contract.

Contractor shall not access State user accounts or State Data, except in the course of data center operations, response to service or technical issues, as required by the express terms of this Contract, or at State's written request.

Contractor may not share State Data with its parent company or other affiliate without State's express written consent.

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

3. SECURITY OF STATE INFORMATION.

3.1 Security Standards. To the extent Contractor has access to, processes, handles, collects, transmits, stores or otherwise deals with State Data, the Contractor represents and warrants that it has implemented and it shall maintain during the term of this Contract the highest industry standard administrative, technical, and physical safeguards and controls consistent with NIST *Special Publication 800-53* (version 4 or higher) and *Federal Information Processing Standards Publication 200* and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State

Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.

3.2 Security Breach Notice and Reporting. The Contractor shall have policies and procedures in place for the effective management of Security Breaches, as defined below, which shall be made available to the State upon request.

In the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (a “Security Breach”), the Contractor shall notify the State within 24 hours of its discovery. Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached, revoke access and/or correct weaknesses in physical security. Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State. Contractor shall analyze and document the incident and provide all notices required by applicable law.

In accordance with Section 9 V.S.A. §2435(b)(3), the Contractor shall notify the Office of the Attorney General, or, if applicable, Vermont Department of Financial Regulation (“DFR”), within fourteen (14) business days of the Contractor’s discovery of the Security Breach. The notice shall provide a preliminary description of the breach. The foregoing notice requirement shall be included in the subcontracts of any of Contractor’s subcontractors, affiliates or agents which may be “data collectors” hereunder.

The Contractor agrees to fully cooperate with the State and assume responsibility at its own expense for the following, to be determined in the sole discretion of the State: (i) notice to affected consumers if the State determines it to be appropriate under the circumstances of any particular Security Breach, in a form recommended by the AGO; and (ii) investigation and remediation associated with a Security Breach, including but not limited to, outside investigation, forensics, counsel, crisis management and credit monitoring, in the sole determination of the State.

The Contractor agrees to comply with all applicable laws, as such laws may be amended from time to time (including, but not limited to, Chapter 62 of Title 9 of the Vermont Statutes and all applicable State and federal laws, rules or regulations) that require notification in the event of unauthorized release of personally-identifiable information or other event requiring notification.

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

4. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

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

- (i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.
- (ii) There is no pending litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under this Contract.
- (iii) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.
- (iv) The Contractor (a) owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the services as set forth in this Contract; (b) shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into its product; and (c) none of the services or other materials or technology provided by the Contractor to the State will infringe upon or misappropriate the intellectual property rights of any third party.
- (v) The Contractor has adequate resources to fulfill its obligations under this Contract.
- (vi) Neither Contractor nor Contractor's subcontractors has past state or federal violations, convictions or suspensions relating to miscoding of employees in NCCI job codes for purposes of differentiating between independent contractors and employees.

4.2 Contractor's Performance Warranties. Contractor represents and warrants to the State that:

- (i) Each and all of the services shall be performed in a timely, diligent, professional and skillful manner, in accordance with the highest professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment.
- (ii) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or

peripheral equipment of or utilized by the State. Without limiting the generality of the foregoing, if the State believes that harmful code may be present in any software delivered hereunder, Contractor will, upon State's request, provide a new or clean install of the software. Notwithstanding the foregoing, Contractor assumes no responsibility for the State's negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.

- (iii) To the extent Contractor resells commercial hardware or software it purchased from a third party, Contractor will, to the extent it is legally able to do so, pass through any such third party warranties to the State and will reasonably cooperate in enforcing them. Such warranty pass-through will not relieve the Contractor from Contractor's warranty obligations set forth herein.

5. PROFESSIONAL LIABILITY AND CYBER LIABILITY INSURANCE COVERAGE

In addition to the insurance required in Attachment C to this Contract, before commencing work on this Contract and throughout the term of this Contract, Contractor agrees to procure and maintain (a) Technology Professional Liability insurance for any and all services performed under this Contract, with minimum third party coverage of \$1,000,000 per claim, \$2,000,000 aggregate. To the extent Contractor has access to, processes, handles, collects, transmits, stores or otherwise deals with State Data, Contractor shall maintain first party Breach Notification Coverage of not less than \$2,000,000.

Before commencing work on this Contract the Contractor must provide certificates of insurance to show that the foregoing minimum coverages are in effect.

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

7. TERMINATION

7.1 Contractor shall reasonably cooperate with other parties in connection with all services to be delivered under this Contract, including without limitation any successor provider to whom State Data, State Intellectual Property or other State information and materials are to be transferred in connection with termination. Contractor shall assist the State in exporting and extracting any and all State data, in a format usable without the use of the Services and as agreed to by State, at no additional cost. Any transition services requested by State involving additional knowledge transfer and support may be subject to a contract amendment for a fixed fee or at rates to be mutually agreed upon by the parties.

If the State determines in its sole discretion that a documented transition plan is necessary, then no later than sixty (60) days prior to termination, Contractor and the State shall mutually prepare a Transition Plan identifying transition services to be provided.

7.2 Return of Property. Upon termination of this Contract for any reason whatsoever, Contractor shall immediately deliver to State all State Intellectual Property and State Data (including without limitation any Deliverables for which State has made payment in whole or in part), that are in the possession or under the control of Contractor in whatever stage of development and form of recordation such State property is expressed or embodied at that time.

8. DESTRUCTION OF STATE DATA. At any time during the term of this Contract within thirty days of (i) the State's written request or (ii) termination or expiration of this Contract for any reason, Contractor shall securely dispose of all copies, whether in written, electronic or other form or media, of State Data according to National Institute of Standards and Technology (NIST) approved methods, and certify in writing to the State that such State Data has been disposed of securely. Further, upon the relocation of State Data, Contractor shall securely dispose of such copies from the former data location according to National Institute of Standards and Technology (NIST) approved methods and certify in writing to the State that such State Data has been disposed of securely. Contractor shall comply with all reasonable directions provided by the State with respect to the disposal of State Data.

9. SOV Cybersecurity Standard Update 2022-01: Contractor confirms that all products and services provided to or for the use of the State under this Agreement shall be in compliance with *State of Vermont Cybersecurity Standard 22-01*, which prohibits the use of certain branded products in State information systems or any vendor system that is supporting State information systems, and is available on-line at:

<https://digitalservices.vermont.gov/cybersecurity/cybersecurity-standards-and-directives>