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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY

Lori A. Shibinette
Commissioner

Christine L. Santaniello
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9474 1-800-852-3345 Ext. 9474
Fax: 603-271-4230 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

April 26, 2021

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Economic and Housing Stability, to amend an existing contract with Conduent State & Local Solutions, Inc. (formerly known as Xerox State & Local Solutions, Inc. (Vendor ID #174856), Germantown, MD for providing Electronic Benefits Transfer (EBT) Services, by exercising a contract renewal option by increasing the price limitation by $1,029,424 from $3,319,673 to $4,349,097 and extending the completion date from June 30, 2021 to June 30, 2023 effective upon Governor and Council approval. 42% Federal Funds. 58% General Funds.

The original contract was approved by Governor and Council on September 3, 2014, Item #14, and amended on May 16, 2018, item #5A.

Funds are anticipated to be available in the following account for State Fiscal Years 2022 and 2023, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-45-450010-61250000 DEPT. OF HEALTH AND HUMAN SVCS, HHS TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, DIRECTOR'S OFFICE, CONTRACTS FOR OPERATIONAL SERVICES

State Fiscal Year	Class / Account	Class Title	Current Budget	Increased (Decreased) Amount	Revised Budget
2015	102-502508	Contracts for Operational Services	$454,359	$0	$454,359
2016	102-502508	Contracts for Operational Services	$455,982	$0	$455,982
2017	102-502508	Contracts for Operational Services	$464,364	$0	$464,364
2018	102-502508	Contracts for Operational Services	$472,950	$0	$472,950

2019	102-502508	Contracts for Operational Services	$481,693	$0	$481,693
2020	102-502508	Contracts for Operational Services	$490,613	$0	$490,613
2021	102-502508	Contracts for Operational Services	$499,712	$0	$499,712
2022	103-500736	Contracts for Operational Services	$0	$509,712	$509,712
2023	103-500736	Contracts for Operational Services	$0	$519,712	$519,712
			$3,319,673	**$1,029,424**	**$4,349,097**

EXPLANATION

The purpose of this request is to exercise a contract extension in order to continue to provide the Department of Health and Human Services with the services necessary to operate an Electronic Benefit Transfer (EBT) benefit distribution system for the Supplemental Nutrition Assistance Program (SNAP) and cash assistance.

The agreement between Conduent and the Department of Health and Human Services is for the support services necessary to run and maintain the Electronic Benefit Transfer (EBT) distribution system of cash assistance and SNAP benefits in the State of New Hampshire. The Department of Health and Human Services administers the EBT program and facilitates the electronic redemption of government issued benefits. Currently, the distribution of both SNAP benefits and cash assistance is conducted through EBT. Cash assistance is inclusive of the following programs: Temporary Assistance to Needy Families (TANF), Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), and Aid to the Needy Blind (ANB).

The United States Department of Agriculture Food and Nutrition Service (USDA FNS) mandates the use of EBT as the benefit delivery system per Public Law 104-193, also known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), section 825 which states "...Not later than October 1, 2002, each state agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank." Without the EBT services provided through this agreement with the Contractor, New Hampshire would not be allowed to participate in the federally funded SNAP program and access to nutritious food with a 100% federally funded program for New Hampshire citizens would be compromised. due to the failure to meet the EBT benefit delivery requirement. During state fiscal year 2020, New Hampshire issued, to its citizens $120,232,787.54 in Federal Food Stamp benefits through its EBT system.

To operate EBT, an entity must have the capability of accepting and processing financial transactions through the Automated Clearing House (ACH). Because the State and Department are not organized to be a bank, financial institution, or other financial agent, the Department cannot process such transactions. The Contractor provides these processing and settlement

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services for the EBT transactions through an all-inclusive system that includes a user interface, report mechanism, electronic files, EBT Fraud Navigation system, training material, card production support, EBT client services, EBT merchant services, and much more.

As referenced in Exhibit A, Article 1 – Agreement, Duration, and Amendment, Paragraph B. Contract Duration, Section 2 of the original contract, the parties have the option to extend the agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for the remaining two (2) years available.

Should the Governor and Executive Council not authorize this request, the Vendor may not continue to receive payment for invoices under the current contract.

Area served: Statewide

Source of Funds: CFDA #10.561, FAIN #214NH403S2514.

The Department will request General Funds in the event that Federal Funds are no longer available and services are still needed.

Respectfully submitted,

Lori A. Shibinette
Commissioner

State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Electronic Benefit Transfer Services Contract

This 2nd Amendment to the Electronic Benefit Services contract (hereinafter referred to as "Amendment #2") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Conduent State & Local Solutions, Inc., formerly known as Xerox State & Local Solutions, Inc., (hereinafter referred to as "the Contractor"), a corporation with a place of business at 10th Floor, 750 First Street, NE, Washington D.C. 20002.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 3, 2014 (Item #14), as amended on May 16, 2018 (Item #5A), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit A, Article 1 – Agreement, Duration, and Amendment, Paragraph B. Contract Duration, Section 2., the Contract may be amended and extended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.4, Contractor Address, to read:
2. 10th Floor, 750 First Street, NE, Washington D.C. 20002Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   June 30, 2023.
3. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $4,349,097.
4. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:

   Nathan D. White, Director.
5. Form P-37, General Provisions, Block 1.10, State Agency Telephone Number, to read:

   603-271-9631.
6. Modify Exhibit A, Article 1 – Agreement, Duration, and Amendment, Section A. Contract Management, Paragraph 1., to read:
   1. The State shall assign a contract manager who shall function as the State's representative with regard to the daily business of this agreement and with regard to Contract administration. The State EBT Contract Manager will be assigned at a later date.
7. Modify Exhibit A, Article 1 – Agreement, Duration, and Amendment, Section B. Contract Duration, Paragraph 1., to read:
   1. This Agreement shall commence on the date of Governor and Executive Council approval and shall continue through the Contract Completion Date specified in Form P-37 General Provisions, Block 1.7., subject to the termination provisions (Article XVI) and the acceptance criteria contained herein. Any reference in the Agreement to "CSA" shall be deemed to include the State on behalf of which the CSA acts; any reference to "State" shall be deemed to

reference the CSA where appropriate.

8. Modify Exhibit A, Article XIX- Notification, Section A, Subsection i., to read:

   i. Such notices shall be addressed as follows or to such different addresses as the parties may from time-to-time designate:

EBT Administrator
Division of Economic & Housing Stability
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

And

Christine Santaniello, Director
Division of Economic & Housing Stability
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857
Telephone Number: 603-271-5023
Fax Number: 603-271-4637
E-mail Address: christine.santaniello@dhhs.state.nh.us

Margaret Janowski, MPA, PMP®
Program Manager
Conduent State & Local Solutions, Inc.
750 First Street, NE 10th Floor
Washington D.C. 20002
Office Telephone Number: 512-332-2977
Cellular Telephone Number: 785-554-3029
E-mail Address: Margaret.Janowski@conduent.com

And

Doug Darr, MS, PMP®
Regional Director, Program Management
Conduent State & Local Solutions, Inc.
750 First Street, NE 10th Floor
Washington D.C. 20002
Office Telephone Number: 501-835-2100
Cellular Telephone Number: 501-416-7202
E-mail Address: doug.darr@conduent.com

9. Modify Exhibit A, Article VI- Payment Provisions, Section I, Optional Services., Subsection 15 to read:

   15. Settlement and Reconciliation Procedures. The Contractor shall initiate a process of crediting local merchants and providing the CSA with a cash settlement report on a daily basis. The CSA will be responsible for utilizing this report to initiate a funds transfer by 11:00a.m. ET each business day.

10. Modify Exhibit A, Article VI- Payment Provisions, Section I, Optional Services., Subsection 17 to

read:

17. Once each business day the CSA will initiate a funds transfer via cash wire to a bank account that has been designated by the vendor. The cash wire will be equal to the total of cash transactions for the previous day, plus or minus any adjustments. Non business day cash settlement will occur on the following business day. On holidays where the CSA is not open for business, but there is no bank holiday, the CSA will pre-fund a determined upon amount to the vendor for cash transactions that will occur on that date. Any adjustments will be rectified in the following day the CSA is open for business.

11. Modify Exhibit B, Method and Conditions Precedent to Payment., to read:

The State shall pay the Contractor an amount not to exceed the Price Limitation, bock 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

Payment for said services shall be made pursuant to Exhibit A, Article VI, Payment Provisions

The Invoice must be submitted to:
Financial Manager
Division of Family Assistance
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

New Hampshire Department of Health and Human Services
Electronic Benefit Transfer Services

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #2 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

5/11/2021
Date

DocuSigned by:
Christine Santaniello
Name: Christine Santaniello
Title: Director

Conduent State & Local Solutions, Inc.

5/10/2021
Date

DocuSigned by:
Michael Cerone
Name: Michael Cerone
Title: Vice President

New Hampshire Department of Health and Human Services
Electronic Benefit Transfer Services

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

DocuSigned by:

5/14/2021

Date

Name: Catherine Pinos
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

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State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CONDUENT STATE & LOCAL SOLUTIONS, INC. is a New York Profit Corporation registered to transact business in New Hampshire on January 28, 1991. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **152777**

Certificate Number: **0005362090**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of May A.D. 2021.

William M. Gardner
Secretary of State

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CERTIFICATE OF ASSISTANT SECRETARY

I, Paul R. Webber IV, in my capacity as Assistant Secretary of Conduent State & Local Solutions, Inc., a New York corporation (the "Company"), am delivering this Certificate of Assistant Secretary to certify that Michael Cerone is the duly elected, qualified and acting Vice President of the Company and in such capacity is authorized to obligate, bind, and execute any and all proposals, contracts as well as any amendments thereto in connection with the New Hampshire Department of Health and Human Services, Electronic Benefit Transfer Services Contract by and between Conduent State & Local Solutions, Inc. and State of New Hampshire, Department of Health and Human Services and all other documents to be executed therewith.

IN WITNESS WHEREOF, I have set my hand to this Certificate of Assistant Secretary as of the 7th day of May, 2021.

CONDUENT STATE & LOCAL SOLUTIONS, INC.
a New York Corporation

By: Paul R. Webber
Paul R. Webber IV, Assistant Secretary

SEAL

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ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 01/12/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
MARSH USA, INC.
1166 AVENUE OF THE AMERICAS
NEW YORK, NY 10036
Attn: ACS.CertRequest@marsh.com

CONTACT NAME: Lauren Giangrande, Senior Vice President
PHONE (A/C, No, Ext): 212 345 8869 FAX (A/C, No):
E-MAIL ADDRESS: Lauren.Giangrande@marsh.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : ACE American Insurance Company	22667
INSURER B : N/A	N/A
INSURER C : Indemnity Ins Co Of North America	43575
INSURER D : ACE Fire Underwriters Ins. Co.	20702
INSURER E :	
INSURER F :	

INSURED
Conduent Incorporated
100 Campus Drive, Suite 200
Florham Park, NJ 07932

COVERAGES

CERTIFICATE NUMBER: NYC-009975311-34 REVISION NUMBER: 16

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			HDOG71568234	01/01/2021	01/01/2022	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 2,000,000
							MED EXP (Any one person)	$ N/A
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 10,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WLRC67818684 (AOS)	01/01/2021	01/01/2022	X PER STATUTE / OTH-ER	
A	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N	N / A		WLRC67818647 (AZ, CA, MA)	01/01/2021	01/01/2022	E.L. EACH ACCIDENT	$ 1,000,000
D	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SCFC67818726 (WI)	01/01/2021	01/01/2022	E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: Electronic Benefit Transfer Services EBT Contract. Conduent Business Entity: Conduent State & Local Solutions, Inc.

CERTIFICATE HOLDER

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
129 PLEASANT STREET, BROWN BUILDING
CONCORD, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.
Lauren Giagrande Lauren Giangrande

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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF FAMILY ASSISTANCE

Jeffrey A. Meyers
Commissioner

Christine Tappan
Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9474 1-800-852-3345 Ext. 9474
Fax: 603-271-4637 TDD Access: 1-800-735-2964
www.dhhs.nh.gov/dfa

April 10, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Division of Family Assistance (DFA), to amend an existing agreement with Conduent State & Local Solutions, Inc. (formerly known as Xerox State & Local Solutions, Inc.) (Vendor ID #174856), 12410 Milestone Center Drive, Germantown, MD 20876, the Vendor providing Electronic Benefits Transfer (EBT) Services, to amend the Vendor name and address, with no change to the price limitation in an amount not to exceed $3,319,673 with no change to the contract end date of June 30, 2021, effective upon Governor and Executive Council approval. The contract was originally approved on September 3, 2014 (Item #14). 44.91% Federal Funds and 55.09% General Funds.

Funds to support this request are available in State Fiscal Years 2018 and 2019, and are anticipated to be available in the following account in State Fiscal Years 2020 and 2021, with authority to adjust amounts between State Fiscal Years, within the price limitation through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-45-450010-61250000 DEPT. OF HEALTH AND HUMAN SVCS, HHS TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, DIRECTOR'S OFFICE, CONTRACTS FOR OPERATIONAL SERVICES

State Fiscal Year	Class/ Object	Class Title	Budget Amount	Increased/ (Decreased) Budget	Revised Budget Amount
2015	102-502508	Contracts for Operational Services	$454,359	$0	$454,359
2016	102-502508	Contracts for Operational Services	$455,982	$0	$455,982
2017	102-502508	Contracts for Operational Services	$464,364	$0	$464,364
2018	102-502508	Contracts for Operational Services	$472,950	$0	$472,950
2019	102-502508	Contracts for Operational Services	$481,693	$0	$481,693
2020	102-502508	Contracts for Operational Services	$490,613	$0	$490,613
2021	102-502508	Contracts for Operational Services	$499,712	$0	$499,712
		TOTALS:	**$3,319,673**	**$0**	**$3,319,673**

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EXPLANATION

The purpose of this request is to amend the Vendor name from Xerox State & Local Solutions, Inc. or Xerox (a subsidiary of Conduent, Inc.), to Conduent State & Local Solutions, Inc. or "Conduent;" and to change the Vendor address from 8260 Willow Oaks Corporate Drive, Fairfax, VA 22031 to 12410 Milestone Center Drive, Germantown, MD 20876. The Vendor name change was effective on February 16, 2017 (name change documentation attached). There is no change to the Vendor's contractual obligations or services. No additional funds are being added. Additionally, there is no change to the contract end date of June 30, 2021.

Conduent provides the Department of Health and Human Services with the services necessary to operate an Electronic Benefit Transfer (EBT) benefit distribution system for food stamp and cash assistance.

The agreement between Conduent and the Department of Health and Human Services is for the support services necessary to run and maintain the Electronic Benefit Transfer (EBT) distribution system of cash assistance and food stamp benefits in the State of New Hampshire. The Division of Family Assistance administers the EBT program and facilitates the electronic redemption of government issued benefits. Currently, the distribution of both food stamp benefits and cash assistance is conducted through EBT. Cash assistance is inclusive of the following programs: Temporary Assistance to Needy Families (TANF), Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), and Aid to the Needy Blind (ANB).

The Food Stamp Program mandates the use of EBT as the benefit delivery system per Public Law 104-193, also known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), section 825 which states "...Not later than October 1, 2002, each state agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank." Without the EBT services provided through this agreement with the Contractor, New Hampshire would not be allowed to participate in the federally funded food stamp program due to the failure to meet the EBT benefit delivery requirement. This would make New Hampshire the only state in the nation that would not be participating in this 100% federally funded benefit nutritional program. During state fiscal year 2013, New Hampshire issued, to its citizens $165,213,274 million in Federal Food Stamp benefits through its EBT system.

To operate EBT, an entity must have the capability of accepting and processing financial transactions through the Automated Clearing House (ACH). Because the State and Department are not organized to be a bank, financial institution, or other financial agent, the Department cannot process such transactions. The Contractor provides these processing and settlement services for the EBT transactions through an all-inclusive system that includes a user interface, report mechanism, electronic files, EBT Fraud Navigation system, training material, card production support, EBT client services, EBT merchant services, and much more.

The State of New Hampshire is a member of the Northeast Coalition of States (NCS). The coalition formed in 1995 to jointly procure an EBT contract with discounted pricing based upon the combined monthly volume of cases and transactions that the Coalition represents. The current representation in the Coalition includes New York, Vermont, Connecticut, Rhode Island and New Hampshire.

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Should the Governor and Executive Council not authorize this request, the Vendor may not continue to receive payment for invoices under the current contract.

Geographic area served: Statewide.

Source of Funds: 55.09% General Funds and 44.91% Federal Funds from the USDA Food and Nutrition Services, CFDA #10.561, FAIN #184NH403S2514.

In the event that Federal Funds become no longer available, additional General Funds will not be requested to support this program.

Respectfully submitted,

Christine Tappan
Associate Commissioner

Approved by:

Jeffrey A. Meyers
Commissioner

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State of New York
Department of State } ss:

I hereby certify, that the Certificate of Incorporation of CONDUENT STATE & LOCAL SOLUTIONS, INC. was filed on 05/16/1963, under the name of DATACOM SYSTEMS CORPORATION, fixing the duration as perpetual, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.

A Certificate of Amendment DATACOM SYSTEMS CORPORATION, changing its name to LOCKHEED DATACOM CORPORATION, was filed 12/21/1988.

A Certificate of Amendment LOCKHEED DATACOM CORPORATION, changing its name to LOCKHEED INFORMATION MANAGEMENT SERVICES COMPANY,INC., was filed 10/25/1989.

A Certificate of Amendment LOCKHEED INFORMATION MANAGEMENT SERVICES COMPANY,INC., changing its name to LOCKHEED MARTIN IMS CORPORATION, was filed 08/22/1995.

A Certificate of Amendment LOCKHEED MARTIN IMS CORPORATION, changing its name to ACS STATE & LOCAL SOLUTIONS, INC., was filed 08/31/2001.

A Certificate of Amendment ACS STATE & LOCAL SOLUTIONS, INC., changing its name to XEROX STATE & LOCAL SOLUTIONS, INC., was filed 04/02/2012.

A Certificate of Amendment XEROX STATE & LOCAL SOLUTIONS, INC., changing its name to CONDUENT STATE & LOCAL SOLUTIONS, INC., was filed 02/16/2017.

***

Witness my hand and the official seal of the Department of State at the City of Albany, this 16th day of February two thousand and seventeen.

Brendan W. Fitzgerald
Executive Deputy Secretary of State

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CONDUENT

May 4, 2017

Margaret Janowski
Program Manager

Conduent
9601 Amberglen Blvd
Bldg G, Ste 200
Austin, TX 78729

margaret.janowski@conduent.com
tel 512.332.2977
cell 785.554.3029

Lindsay Bibeau
EBT Administrator
Department of Human Services
129 Pleasant St
Concord, NH 03301

Dear Lindsay,

As you probably know, Xerox Corporation announced in early 2016 that it would separate its technology and services businesses into two independent, publicly traded companies, both of Fortune 500 scale. That separation occurred on January 1, 2017, and the business process outsourcing services division of Xerox Corporation is now operating under the name Conduent, Inc.

As a subsidiary of Conduent, Inc., Xerox State & Local Solutions, Inc. also underwent a recent name change. Effective February 16, 2017, Xerox State & Local Solutions, Inc.'s name was changed to **Conduent State & Local Solutions, Inc.** A copy of the name change documentation is attached. The name change was a mere administrative matter. There is no change to our contractual obligations or services, the people who will be providing them, or our full commitment to meeting the terms of our contract.

However, the name change will require that we amend our contract and that other tax, accounting and surety documentation be updated. Attached to this letter is a proposed draft contract amendment reflecting the change in our name. We would also like to use this opportunity to update our mailing address in the contract for notification purposes. Our new address is:

Conduent State & Local Solutions, Inc.
12410 Milestone Center Drive
Germantown, MD 20876
Attn.: Contracts Department

We appreciate your continued business and would like to make this transition occur as smoothly as possible. Please let me know if you have any questions or if there is any further information we can provide.

Very truly yours,

Margaret Janowski
Program Manager

Enclosures:

- Name change confirmation from NY Department of State
- Draft Amendment

State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
Electronic Benefit Transfer Services Contract

This 1st Amendment to the Electronic Benefit Transfer Services contract (hereinafter referred to as "Amendment #1") dated this 15th day of June, 2017, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Conduent State & Local Solutions, Inc. or "Conduent" (hereinafter referred to as "the Contractor"), formerly known as Xerox State and Local Solutions, Inc. or "Xerox," a corporation with a place of business at 12410 Milestone Center Drive, Germantown, MD 20876.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 3, 2014, item #14, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may modify the scope of work and the payment schedule of the contract by written agreement of the parties;

WHEREAS, the parties agree to modify the contract name and address.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

1. Form P-37, Block 1.3, Contractor Name to read:
   Conduent State & Local Solutions, Inc.

2. Form P-37, Block 1.4, Contractor Address to read:
   12410 Milestone Center Drive
   Germantown, MD 20876

3. Form P-37, Block 1.9, Contracting Officer for State Agency to read:
   E. Maria Reinemann, Esq., Director of Contracts and Procurement

4. Form P-37, Block 1.10, State Agency Telephone Number to read:
   603-271-9330

5. Remove all references to "Xerox State and Local Solutions, Inc." or "Xerox" and replace with "Conduent State & Local Solutions, Inc." or "Conduent" respectively.

New Hampshire Department of Health and Human Services
Electronic Benefit Transfer Services

This amendment shall be effective upon the date of Governor and Executive Council approval.
IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

4/16/18
Date

~~Terry R. Smith, Director~~ Christine Tappan
Division of Family Assistance

CONTRACTOR NAME

11/16/2017
Date

Name: Michael Cerone
Title: Vice President

UTTAM KUMAR DAS NOTARY PUBLIC GEORGIA GWINNETT COUNTY EXPIRES October 24, 2020

Acknowledgement of Contractor's signature:

State of Georgia, County of Gwinnett on 11/16/17, before the undersigned officer, personally appeared the person identified directly above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Uttam Kumar Das
Signature of Notary Public or Justice of the Peace

UTTAM KUMAR DAS
Name and Title of Notary or Justice of the Peace

My Commission Expires: 10-24-2020

New Hampshire Department of Health and Human Services
Electronic Benefit Transfer Services

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

4/27/18
Date

Name:
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on:_____(date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

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14 MJT

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES
DIVISION OF FAMILY ASSISTANCE

Nicholas A. Toumpas
Commissioner

Terry R. Smith
Director

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9474 1-800-852-3345 Ext. 9474
FAX: 603-271-4637 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

August 6, 2014

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

45% Federal funds
55% General funds

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Division of Family Assistance (DFA), to enter into an agreement for $3,319,673 with Xerox State and Local Solutions, Inc. 8260 Willow Oaks Corporate Drive Fairfax, VA 22031 to provide Electronic Benefits Transfer (EBT) Services effective September 3, 2014 or the date of Governor and Council approval, whichever is later, through June 30, 2021.

Funds to support this request are available in State Fiscal Year 2015, and are anticipated to be available in the following account through State Fiscal Year 2021, with authority to adjust amounts between State Fiscal Years, within the price limitation, without further approval from the Governor and Executive Council through the Budget Office as needed and justified.

05-95-45-450010-61250000 DEPT. OF HEALTH AND HUMAN SVCS, HHS TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, DIRECTOR'S OFFICE, CONTRACTS FOR OPERATIONAL SERVICES

SFY	Class/Object	Class Title	Budget
2015	103-502508	Contracts for Operational Services	$454,359.00
2016	103-502508	Contracts for Operational Services	$455,982.00
2017	103-502508	Contracts for Operational Services	$464,364.00
2018	103-502508	Contracts for Operational Services	$472,950.00
2019	103-502508	Contracts for Operational Services	$481,693.00
2020	103-502508	Contracts for Operational Services	$490,613.00
2021	103-502508	Contracts for Operational Services	$499,712.00
		Total	$3,319,673.00

EXPLANATION

This requested action will provide the Department of Health and Human Services with the services necessary to operate an Electronic Benefit Transfer (EBT) benefit distribution system for food stamp and cash assistance.

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The agreement between Contractor and the Department of Health and Human Services is for the support services necessary to run and maintain the Electronic Benefit Transfer (EBT) distribution system of cash assistance and food stamp benefits in the State of New Hampshire. The Division of Family Assistance administers the EBT program and facilitates the electronic redemption of government issued benefits. Currently, the distribution of both food stamp benefits and cash assistance is conducted through EBT. Cash assistance is inclusive of the following programs: Temporary Assistance to Needy Families (TANF), Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), and Aid to the Needy Blind (ANB).

The Food Stamp Program mandates the use of EBT as the benefit delivery system per Public Law 104-193, also known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), section 825 which states "...Not later than October 1, 2002, each state agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank." Without the EBT services provided through this agreement with the Contractor, New Hampshire would not be allowed to participate in the federally funded food stamp program due to the failure to meet the EBT benefit delivery requirement. This would make New Hampshire the only state in the nation that would not be participating in this 100% federally funded benefit nutritional program. During state fiscal year 2013, New Hampshire issued, to its citizens $165,213,274 million in Federal Food Stamp benefits through its EBT system.

To operate EBT, an entity must have the capability of accepting and processing financial transactions through the Automated Clearing House (ACH). Because the State and Department are not organized to be a bank, financial institution, or other financial agent, the Department cannot process such transactions. The Contractor provides these processing and settlement services for the EBT transactions through an all-inclusive system that includes a user interface, report mechanism, electronic files, EBT Fraud Navigation system, training material, card production support, EBT client services, EBT merchant services, and much more.

The State of New Hampshire is a member of the Northeast Coalition of States (NCS). The coalition formed in 1995 to jointly procure an EBT contract with discounted pricing based upon the combined monthly volume of cases and transactions that the Coalition represents. The current representation in the Coalition includes New York, Vermont, Connecticut, Rhode Island and New Hampshire.

The NCS RFP was published in all participating states on November 2, 2012. A link to the published document was posted on DHHS procurement web page as well.

As a result of the announcement four (4) letters of intent were received. Two (2) proposals were eventually received. An evaluation team comprised of three (3) committees evaluated the proposals. The three committees were: Technical Committee, Financial Committee, and Selection Committee. The evaluation process was prescribed by the RFP and was a predetermined structured evaluation. All States had an equal voice in the selection.

Xerox Local and State Solutions demonstrated its ability to provide technical support, and offered favorable pricing; the result was a unanimous vote the Coalition member states. The Coalition selected Xerox State and Local Solutions to have the opportunity to contract with each participating state.

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This new contract provides New Hampshire with some enhanced features and services that were not technologically, or economically available with the first or second EBT contract. Some of the system enhancements will include the ability to block cash transactions at locations that are prohibited by State and Federal law, a Fraud Navigator to allow State staff to monitor and work more efficiently in tracking questionable transactions or card use, and an optional feature for EBT cardholders to receive electronic card balance alerts.

The Contractor is one of the leading providers of Electronic Benefits Transfer (EBT) services, providing EBT services in over 16 states and territories, Electronic Payment Card (EPC) in 23 states, EBT WIC program in 3 states and electronic child care payments in 1 State.

The approval of this contract will allow the Department of Health and Human Services to continue to maintain the electronic benefit transfer system that has been in place since 1998 serving the State of New Hampshire citizens and retailers.

This contract includes a provision that would allow the parties, by mutual agreement and subject to the approval of the Governor and Executive Council, to extend the contract for up to two additional years.

Geographic area served: Statewide.

Source of Funds: 44.91% Federal Funds and 55.09% General Funds

In the event that Federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Terry R. Smith
Director

Approved by:
Nicholas A. Toumpas
Commissioner

Northeast Coalition of States RFP

Company	letter of Intent*	Submitted Bid	Technical Score	Financall Score	Total Score
Cognizant Technology	Yes	No			
Xerox	Yes	Yes	60.00	35.30	95.30
Bank of America	Yes	NO			
JP Morgan EFS	Yes	Yes	52.87	40.00	92.87

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FORM NUMBER P-37 (version 1/09)

Subject: Electronic Benefit Transfer Services

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		**1.2 State Agency Address** 129 Pleasant Street, Brown Building Concord, New Hampshire 03301-3857	
1.3 Contractor Name Xerox State and Local Solutions, Inc.		**1.4 Contractor Address** 8260 Willow Oaks Corporate Drive Fairfax, VA 22031	
1.5 Contractor Phone Number 770-829-1033	**1.6 Account Number** 05-95-45-450010-612500-103-502508	**1.7 Completion Date** June 30, 2021	**1.8 Price Limitation** $3,319,673
1.9 Contracting Officer for State Agency Eric D. Borrin		**1.10 State Agency Telephone Number** 603-271-9558	
1.11 Contractor Signature Paul R. Webber		**1.12 Name and Title of Contractor Signatory** Paul R. Webber IV Asst. Secretary	

1.13 Acknowledgement: State of VA, County of Fairfax

On 7/24/14 before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal] Reuben Karchem

REUBEN RAIZES KARCHEM
NOTARY PUBLIC
REGISTRATION # 7545623
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES
DECEMBER 31, 2017

1.13.2 Name and Title of Notary or Justice of the Peace

Reuben Karchem Contracts Administration Specialist

1.14 State Agency Signature	**1.15 Name and Title of State Agency Signatory** TERRY R. SMITH DIRECTOR, DIV. FAMILY ASSTS.

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution)

By: Megan A. Yagle On: 8/14/14

1.18 Approval by the Governor and Executive Council

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder

Contractor Initials: PRW
Date: 7/24/18

("Event of Default"):
8.1.1 failure to perform the Services in accordance with the requirements of the Contract or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement; and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $2,000,000 per occurrence; and
14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: PRWC
Date: 7/24/14

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials: PR
Date: 7/24/18

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SPECIFICATIONS OF WORK TO BE PERFORMED

AGREEMENT
State of New Hampshire
Department of Health & Human Services
Division of Family Assistance

And
XEROX STATE & LOCAL SOLUTIONS, Inc.

Electronic Benefit Transfer Services

THIS AGREEMENT, entered into by and between THE NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES (hereinafter referred to as the "Contracting State Agency" or "CSA"), an agency of and acting on behalf of the State of New Hampshire, having its principal offices at 129 Pleasant Street, Concord, New Hampshire 03301, and XEROX STATE & LOCAL SOLUTIONS, INC. (hereinafter referred to as the "Contractor"), qualified to do business in the State of New Hampshire, having its principal offices at 8260 Willow Oaks Corporate Drive, Fairfax, VA 22031

W I T N E S E T H:

WHEREAS, the states of Connecticut, New Hampshire, New York, Rhode Island and Vermont, joined together to form the Northeast Coalition of States (NCS) Regional Management Council (RMC) for the purpose of procuring a cost effective regional Electronic Benefit Transfer (EBT) System; and

WHEREAS, the NCS issued a Request for Proposal entitled "Northeast Coalition of States (NCS) Regional Management Council (RMC) Request for Proposals to Acquire EBT Services" (referred to as the RFP) dated November 2012 to secure the services of a contractor to deliver EBT services; and

WHEREAS, the Contractor having reviewed and analyzed the NCS and Contracting State Agency specific needs and requirements as contained in said RFP was selected as the successful respondent to said RFP; and

WHEREAS, the Contracting State Agency in reliance upon the expertise of the Contractor, desires to engage the Contractor to provide the services necessary to implement the EBT project under the terms and conditions hereinafter set forth.

NOW, THEREFORE, the Contracting State Agency and the contractor mutually agree as follows:

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ARTICLE 1 - Agreement, Duration, and Amendment

A. Contract Management

1. The State shall assign a contract manager who shall function as the State's representative with regard to the daily business of this agreement and with regard to Contract administration. The State EBT Contract Manager is:

   V. Renee Drouin – EBT Administrator
   Division of Family Assistance
   Department of Health and Human Services
   Office (603)271-9286

2. The State EBT contract manager has no authority to permit the vendor to exceed the contract value. Notwithstanding any other provision of this Contract to the contrary, in no event shall payments under this Contract exceed the price limitations set forth in Section 1.8 of the P-37. The Contractor is entitled by the contract terms to stop work when the funding or cost limit specified in the agreement is reached.

3. All Agency or Non-Agency requests for new services or modifications to existing services shall come through the State EBT Contract Manager and the Director of the Division of Family Assistance. If an Enhancing Change or a Parameter or Reference Table Change (Article II Section 4 iii and iv) results in an increase in contract costs that will not exceed contract value the signatures of both the EBT Contract Manager and the Division of Family Assistance Financial Manager shall be required before such change is implemented

B. Contract Duration

1. This Agreement shall commence on the date of Governor and Executive Council Approval and shall continue for through June 30, 2021, subject to the termination provisions (Article XVI) and the acceptance criteria contained herein. Any reference in the Agreement to "CSA" shall be deemed to include the State on behalf of which the CSA acts; any reference to "State" shall be deemed to reference the CSA where appropriate.

2. Up to two extensions of up to 12 months each may be required at the sole discretion of the CSA. Any extension will be subject to necessary approvals by the CSA's Governor and Executive Council. Except as set forth in paragraphs B and C of this Article, the terms and conditions of this Agreement shall remain unchanged throughout the duration of any such extension, unless modified in writing through mutual consent. Contractor will be informed by the CSA of its decision to exercise such extension(s) no less than 90 calendar days prior to the expiration date of the contract (for the first extension), and no less than 90 calendar days prior to the termination of the first extension (for the second extension).

C. In the event applicable Federal, Quest, or applicable cash access network policy, rules, regulations and guidelines are altered from those existing at the time this Agreement is executed and in order to be in continuous compliance therewith the

Contractor must alter its performance under this Agreement, and the Contractor shall **not** have the right to renegotiate the terms and conditions of this Agreement.

D. The contractor must comply with all applicable statutes, rules and regulations governing EBT systems, system operations, and software and equipment ownership, including any Federal requirements concerning the prohibition of outsourcing of any and all services provided under this contract. The order of precedence of applicable statutes, rules and regulations is the following:

1. Federal Statutes;
2. Federal Regulations;
3. State Statutes
4. State Rules;
5. Quest Rules and/or applicable network rules;
6. Prevailing Industry Standards or ISO and ANSI standards relating to financial transactions.

E. As Federal statutes and regulations and State regulations, and/or the Quest Operating Rules or applicable network rules are changed, the EBT system must be modified to meet the new requirements. The process for making such changes is described in Article II, Section 4 ii and iii.

F. If there is a conflict within the governing regulations and guidelines regarding a specific standard, the State(s) will determine the appropriate standard to which the contractor must adhere. In determining the appropriate standard, the State will allow consultation and input from the contractor, however the final decision will remain with the State.

G. The contractor must ensure that they are in, or can achieve, compliance with USDA Food and Nutrition Service Federal Regulations regarding the Supplemental Nutrition Assistance Program (SNAP) (7CFR) and specifically:

1. Part 274, Issuance and Use of Program Benefits;
2. Direct Final Rule re: SNAP, Regulation Restructuring: Issuance Regulation Update and Reorganization to Reflect the End of Coupon Issuance Systems; Federal Register, Vol. 75, No. 69, Monday, April 12, 2010;
3. Final Rule re: SNAP Reauthorization: EBT and Retail Food Stores Provisions of the Food Stamp Reauthorization Act of 2002; Vol. 70, No. 232, Monday, December 5, 2005;
4. Final Rule and Interim Rule re: Regulatory Review: Standards for Approval and Operation of Food Stamp EBT Systems; Vol. 70, No. 68, Monday, April 11, 2005;
5. Final Rule re: EBT Systems Interoperability and Portability; Vol. 68, No. 122, Wednesday, June 25, 2003;

6. Final Rule re: SNAP: Electronic Benefit Transfer (EBT) Benefit Adjustments; Federal Register, Vol. 65, No. 129, Wednesday, July 5, 2000;
7. Final Rule re: SNAP, Regulatory Review: EBT Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; Vol. 65, No. 193, Wednesday, October 4, 2000;
8. All changes, updates, revisions and policy interpretations of the Federal regulations as enacted by law or FNS;
9. As applicable to each State, any waiver to the Federal regulations granted to the State by FNS for EBT purposes.

H. In addition, vendor should be aware of all FNS SNAP and EBT guidelines, to include the EBT Reconciliation Guidance and EBT Disaster Planning Guide, published by FNS. The contractor must also comply with all instructions and formats for file transmissions required by FNS including, but not limited to, ALERT, AMA, REDE, and STARS Redemptions.

I. The contractor must ensure that the EBT messaging standards promulgated by the American National Standards Institute (ANSI), ANSI X9.58 published in 2007, based on the International Standards Organization (ISO) Technical Standards 8583 and 9510. The contractor must comply with any future upgrades or changes to the applicable ISO and ANSI standards, including ISO 8583, and ANSI X9.58.

J. To support the Internal Revenue Service Information reporting requirements, the EBT contractor must ensure they are in compliance with the Department of Treasury – Internal Revenue Service reporting outlined in 26 CFR Parts 1, 31 and 301. The final regulation implemented section 6050W and related statutory changes enacted by the Housing Assistance Tax Act of 2008 that require payment settlement organizations to report payments in settlement of payment cards/EBT cards and third party network transactions for each calendar year beginning with 2010. The reporting must be supported at no cost to either the merchant community and/or their processors within the NCS region or the States within the NCS.

K. The contractor will bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the contractor or its representatives or subcontractors. These liabilities include, but are not limited to:

1. Any duplicate or erroneous postings of benefits or void actions to a cardholder account;
2. Any losses from funds drawn from an account after the cardholder notified the contractor that the card had been lost or stolen;
3. Any losses from transactions performed with cards issued but not activated by the cardholder and/or the contractor;
4. Any losses from transactions completed using invalid retailer FNS authorization numbers;
5. Any damages or losses suffered by a Federal or State agency due to negligence on the part of the contractor.

ARTICLE II - Contract Provisions

A. The parties agree that this Agreement shall be construed and interpreted in accordance with the laws governing the State of New Hampshire. The Contractor shall be required to bring any legal proceeding against the CSA arising from this Agreement in the courts of the State on behalf of which the CSA acts. Any reference made to the laws, regulations, policies, procedures and/or executive orders of the State of New Hampshire shall be deemed to apply only to the contract entered into by the State of New Hampshire.

B. The State of New Hampshire shall not be liable for the payment of any taxes resulting from this agreement however designated, levied, or imposed, unless the State would otherwise be liable for the payment of such taxes under the course of its normal business operations.

C. Change and Release Management:

1. The Contractor must submit a first draft of a Change and Release Management Plan no later than 30 calendar days after the start date of this Agreement and a final plan 90 calendar days after the State of New Hampshire's successful conversion in accordance with the approved project schedule. The Contractor must maintain and update as required all documents included in the System Documentation Library delivered during the Design, Development, Transition/Conversion, and Operations phases, to reflect any and all changes from the established baseline system.

2. The Contractor must propose a formal process that addresses change and release management in the project design phase based on specifications and functional requirements specified in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal and as specified during detail design. This process is critical to the State and must ensure the integrity of the EBT system and minimize the risks of operational disruptions for the State of New Hampshire. The Contractor and the State will agree on the format and content to be included in each deliverable document prior to the Contractor submitting the first draft of any document.

3. Subsequent to the acceptance of the State's EBT Interface Design Document, or any other deliverable design document and extending throughout the term of the Contract, all Contractor-initiated design changes, corrective actions, or system enhancements that occur on the same platform that the New Hampshire EBT System resides must be described to the CSA through a formal Change Request Form that is included in the Contractor's proposed Change and Release Management Plan. The State will designate all Change Requests, as high and low priority and the form must outline the proposed timeframes for initiating changes based on priority ranking. At a minimum, the plan must address the Contractor's change management approach for the following, as described in this section:

   a. Design Issues;
   b. Remedial Changes;

c. Conforming Changes;

d. Enhancing Changes;

e. Parameter or Reference Table Changes; and

f. Procedures for changes and updates to design documents and manuals.

4. In addition, the plan must include the Contractor's formal policy for release and distribution of software. The Release Policy must include, but is not limited to, the following:

   a. Quality assurance practices for testing of new releases;

   b. Method for tracking changes of code and versions;

   c. Version numbering schema;

   d. Frequency of release by type and release type definitions;

   e. How emergency releases are handled;

   f. Method of securing master copies of all software; and

   g. Name of person(s) responsible for release management.

5. Change Management - The following definitions and clarifications are supplied to provide context to the list provided above.

   a. Design Issues: Design issues are questions or concerns that arise before the program/system baseline design is frozen, are a part of the development process, and are addressed and resolved prior to finalizing the system design. The resolution of these issues must be incorporated in program specifications, in procedures for EBT participants (e.g., authorized retailers, providers, financial institutions, local and State offices), and in general and detailed system specifications.

   b. System Baseline: The system baseline will be established upon acceptance of the conversion and approval of all design, development and transition phase deliverables.

      (1) After the initial system baseline is established, any modifications to the system design or functionality will be defined as a change and will be documented, tracked, and managed in accordance with the approved Change and Release Management Plan. As the operational phase proceeds, the definition of the baseline system will expand to include: the finalized work plan, general and detail design documents, training and disaster plans, and other approved/accepted Contractor deliverables. The baseline definition will continue to expand to include system testing results, reports, implementation plans, transition plans and documentation.

      (2) Changes to the System Baseline: Contractor-initiated or CSA-

initiated changes seek to modify the baseline system, procedures, documentation, or application programs. Such requests alter the initial scope of the program, or add or modify functionality, after the system design baseline has been determined.

c. All changes are categorized as remedial, conforming, enhancing, or parameter/reference table. The definition for each type of change is provided below. The Contractor must work with the CSA to ensure that sufficient testing is conducted to ensure that no changes will negatively impact the EBT system functionality or the interface with the CSA's eligibility system and that changes do not unintentionally impact, at a minimum, State functionalities, file formats, screens, reporting, or performance. All changes must be fully tested and approved by the CSA before being put into production.

(1) Remedial Changes: Remedial changes are defined as changes needed to make the system perform or function in the way it was designed and must not result in additional costs to the State. Either the CSA or the Contractor may identify the need for a remedial change and each party must give the other immediate notification of such need for remedial changes. The Contractor must provide immediate oral and written electronic notification but must be followed up with written documentation within five (5) calendar days of the initial notice or sooner if required by the State. Remedial changes must be tested and implemented as soon as possible or on a schedule to be approved by the CSA.

(2) Conforming Changes: Conforming changes are defined as modifications needed to adapt the EBT system to requirements that result from Federal law, policy, program, or regulation changes, and changes to the Quest Operating Rules, or other applicable network rules. The Contractor must provide conforming changes that affect the benefit programs defined in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal and in accordance with Article I. Agreement, Duration, and Amendment included herein at no additional cost to the CSA. Conforming changes will be State-initiated.

(3) Enhancing Changes: Enhancing changes are defined as changes that are not remedial or Conforming changes. These include, but are not limited to, changes that will enhance performance, provide new functionality; provide conformity to changes in State or local law, regulations, or policies (not required by the Federal government); improve cost-effectiveness; enhance efficiency and ongoing operation; or improve program maintenance.

(4) System enhancements or other system changes developed by the Contractor for any state, both within and outside the NCS, determined to be advantageous to the CSA must be extended to the State at no additional development cost. An implementation fee may be charged by the Contractor for changes that have been developed for other customers. The implementation fee would customize the functionality for the NCS. The Contractor must provide the CSA and the NCS with written details on a quarterly basis regarding EBT system changes and enhancements implemented by the contractor in other states within their purview, both within and outside the NCS.

(5) Parameter or Reference Table Changes for Core Services: Parameter or reference table changes requested by the CSA are to be included as part of the cost per case month fees. A parameter change or reference table change includes, but is not limited to, the addition and/or modification of local district office information; program type; benefit types; aging criteria; or any other change that accounts for less than 5 hours of billable time annually for the CSA (unless the change is due to adding benefit programs, since that additional service is already required as part of the requirements for Core Services).

(6) Change Request Initiated by the State: The CSA's EBT Program Director will forward a signed Change Request Form to the Contractor's designee for analysis of the request for potential impacts on existing system processes, other schedule changes, resources, hours, and applicable costs. Change requests initiated by the CSA requesting Conforming or Enhancing changes will be initiated through a Change Request Form. The State will designate all Change Requests as high or low priority, and the Contractor will respond within 14 calendar days' of receipt with the proposed development and implementation schedule. The vendor response will also include a pricing quote utilizing the Change Management Pricing in Article XXVVIII, Table 14.12.1. In the instance where an Emergency Change is needed to correct a significant deficiency in the ability of cardholder's having the ability to receive or use benefits then the vendor will make every attempt to accommodate this Change Request in 48 hours.

d. If the State chooses to formally approve the change, the Change Request Form will be signed and dated by the State and forwarded to the Contractor. The Contractor shall not begin work on a CSA-initiated Change Request until written approval is received from the CSA. The Contractor must provide a final development and implementation schedule within 14 days of receipt of the approved Change Request, and must include specific dates for development and implementation consistent with the schedule being proposed.

e. If there are any disputes regarding any of the information or pricing provided on the Change Request Form, the dispute resolution process, as defined in Article IX, Interpretations and Disputes, of this Agreement, included herein, must be used. The Contractor must proceed with development and implementation of Conforming or Enhancing changes simultaneous with the dispute resolution and the State shall continue to pay the Contractor for such services.

f. Upon written approval of the change, the Contractor must include the change in work plans, allocate resources as appropriate, and provide ongoing status reports, as part of the regular status report, with hour and cost accounting (if any) to the State. Until such time as the change has been completed and accepted by the State, the State will monitor implementation of the approved changes through scheduled status reports and information provided by the Contractor to the CSA as required by the Release Management provisions.

g. Changes Initiated by the Contractor: The Contractor must provide the State with written, advance notification of all self- initiated, non-remedial changes to the EBT system, including gateway services. The written notification must include, at a minimum, known or anticipated impacts the changes will have on the CSA's functionality, file formats, screens, reporting, performance, and any costs or cost savings to the State. The Contractor must coordinate all non-remedial changes to the system with the NCS. Non-remedial changes must be implemented at a time agreed upon with the State, so that the availability and participation of State program and technical staff can be assured. All Contractor-initiated changes are subject to the prior written approval of the State.

h. Updates to Manuals: As specified by the Change and Release requirements, and prior to implementing system and operational modifications into production, the Contractor must provide drafts to the State of all applicable manual sections/pages requiring update.

i. Release Management: The Contractor must manage software releases in a manner that ensures high-quality products with minimal deficiencies. The Contractor must provide releases no less than on a quarterly basis or as otherwise designated and agreed to by the State of New Hampshire.

6. Each calendar year within the first quarter and every calendar year thereafter, the contractor must provide an Annual Release Plan projecting the following:

   a. Frequency of releases by type (Delta or Package, see below);Migration schedule (for example, migrate Package releases into production monthly on the first Tuesday); and

b. Contractor down times, including Continuity of Business testing and code freezes.

7. At the time a newly modified software version is delivered for testing by the State, the Contractor must provide documentation to the State that the Contractor has modified the correct software version. This applies to all changes, regardless of type, or whether initiated by the contractor or the CSA. The Contractor must deliver software to the CSA in accordance with the Contractor's Release Management Policy and accompanied by a Release Impact Statement.

   a. Release Impact Statement: For every release the Contractor must provide a Release Impact Statement that includes the Program release number; the Program release date to baseline; and date of Program release on the production environment. The Impact statement must also include back-out plans for the release; updated reference materials and user manuals; new version(s) of software distribution instructions, if applicable; and expectations and responsibilities of the CSA during the planning and rollout of new releases.

   b. For each individual change within a Release, the contractor must include the following in the Release Impact Statement:

      (1) Program name;

      (2) Contact person;

      (3) Type of change, including individual change #;

      (4) Brief description;

      (5) Interdependencies or impacts on other programs;

      (6) Detailed description of change; and

      (7) Any applicable costs or cost savings associated with the Release.

   c. Release Types: The CSA expects releases will generally fall into one of two categories, as described below. However, the Contractor may propose a comparable classification methodology.

      (1) Delta (Minor or Partial) Release: A delta, minor, or partial release is one that includes only those items or modules within the release unit that have actually changed or are new since the last package or delta release. This type of release contains a limited and measurable number of changes. Generally, these are minor changes to code and do not require extensive testing.

      (2) Package (Major or Full) Release: A package release involves a more substantial change to the software and may, in fact, be several minor releases combined. A major release would entail changes that involve more than one module or unit of

code that have interdependencies. Generally, this type of release requires extensive unit testing as well as complete regression testing. For example, changes to one program or suite will often require changes to be made to others. If all these changes have to be made at the same time, they should be included in the same package release. The CSA will consider limiting the frequency of system changes to protect the system from outages, data corruption, or other negative events. Therefore the CSA and the NCS may call for most releases to occur on a previously approved schedule as a major or full release and as described by the CSA and the NCS.

(3) Authorized Releases: Contractor must release into production only versions authorized by the CSA, and that conform to the Contractor's established migration policy. The Contractor must obtain prior written authorization from the CSA EBT Program Director or his/her designee.

(4) Release Security: Master copies of all software must be kept in a secure compound in which the definitive authorized versions of all software are stored and protected. A secure compound is one or more software libraries or file-storage areas that are separate from development, test, or live file-store areas.

D. Transition and Conversion

1. The Contractor must develop a Transition/Conversion Plan that will detail steps and procedures that will assist the State of New Hampshire, NCS, cardholders, acquirers/TPPs, and retailers/merchants in a smooth and logical transition to a new system operating platform and the contractor's EBT services. The contractor must submit a first draft 30 calendar days after a State's contract start date, and a final plan 90 calendar days after each State's contract start date.

2. The State Project Work Plan is a detailed State of New Hampshire specific breakout of the tasks and deliverables related to core services and all events and deliverables. The first and final draft of the State Project Work Plan must also include selected core, core optional and state specific items.

3. The new contractor shall work with the CSA and any other organizations designated by the CSA to ensure an orderly Transition Phase and responsibilities under the contract to ensure the continuity of those services required by the CSA. The contractor will be expected to work in an organized method with the CSA's current EBT contractor for the purpose of effecting a smooth and timely transition from the CSA's current EBT contractor to the succeeding contractor's EBT production system and any other services designed to comply with the requirements described in the Xerox Response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal.

4. During the Transition Phase the *new* contractor must support a formalized system to identify and report the following problems and/or issues not limited to;
   a. Personnel responsible for problem resolution;
   b. Estimate timeframes for resolution;
   c. Monitor the status of all reported problems;
   d. Provide a clear and detail written description to cure and resolve any reported problems;
   e. Implement and clearly describe (as necessary) any escalation procedures approved by the State, and; Maintain a written formal record of the final outcome to mitigate any future problems or issues during the Transition Phase.
5. In the event that the contractor identifies the potential for a delay in the completion schedule for any deliverable under this contract believed to be caused by the State of New Hampshire or by the State of New Hampshire's current EBT contractor; the *new* EBT contractor must notify the State of New Hampshire as soon as they are aware or otherwise notified by any other means, that the potential for delay exists to address any corrective action that can be taken to avoid further delays.
6. The State, at its sole discretion will consider permitting the *new* EBT contractor a reasonable extension of the completion dates for a particular deliverable once the State of New Hampshire and the *new* EBT contractor have reviewed the impact.
7. The *new* EBT contractor must provide the State of New Hampshire with an impact statement describing just cause for the delay to any deliverable during the transition and conversion phases of the project.
8. The Transition Phase consists of the activities required to convert the EBT processing for the State of New Hampshire from the current contractor to the new contractor. It is anticipated that some of the Transition activities, specifically the EBT-only retailer and Retailer Acquirer/TPP conversion, will begin prior to the end of the Development Phase. However, it is expected that none of the database conversion activities will occur until the development activities have been completed, and specifically the Transition Testing has been completed and a written acceptance of the process has been received from the State of New Hampshire. The activities taking place during the Transition will follow the process defined in the approved Transition Plan.
9. The activities within the Transition may consist of the following:
   a. Migration of transaction acquirers (TPP's) and retailers (including having retailer contracts signed), Point of Sale (POS) device deployment and installation at retailer locations (if applicable), and PIN pad installation;

b. EBT-Only Merchant Conversion;

c. Retailer/Acquirer/TPP Conversion;

d. EBT Database Conversion or upgrade;

e. Transaction History Conversion or upgrade;

f. Migration of changes to the existing system as identified within the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal.

10. The NCS requires that the new contractor have an arrangement that provides for the operation of both the "old" and "new" transaction gateway switches simultaneously during the system transition period. As such, until database conversion, the system configuration must ensure that Retailers/Acquirers routed to either the new switch or the old switch is properly routed to the old authorizing host. If all Retailers/Acquirers have not been rerouted to the new gateway prior to conversion, the new contractor must have an adequate arrangement with the old contractor to ensure that such entities can process their transactions through to the correct authorizing host.

11. Any system outage required to accommodate the conversion must occur during a timeframe when impacts to the retailer/merchant and cardholder community are minimized. The State of New Hampshire expects conversion to occur at a time during the month when transaction processing is lowest and during non-peak hours. The contractor must analyze monthly transaction volumes and select a date and time when the least number of retailers and cardholders would be affected. The contractor must work with the State of New Hampshire to minimize the Transition's impact on the State of New Hampshire's daily EBT operations, such as file processing and transfers and/or daily record transmissions.

12. The Transition/Conversion Plan must detail steps and procedures that will assist the State's, cardholders, acquirers/TPPs, and retailers/merchants in a smooth and logical transition to a new system operating platform and the contractor's EBT services. The contractor must submit a first draft 30 calendar days after a State's contract start date, and a final plan 90 calendar days after each State's contract start date.

13. The Functional Design document provides a descriptive overview of the system at a functional level for the State of New Hampshire. It must describe the operating environment, processes, workflow, and services requirements. The document must also include a General System Flow Diagram(s). This must be a pictorial overview diagram of the system, identifying overall logic flow, functions, and configuration, including processing flows of major system components, and inputs and outputs for each NCS member. The details described in the overview will be considered part of the Functional Design Document. No later than 30 days after the State's contract start date, the contractor must submit a first draft of the State Functional Design Document. A final document is due 90 calendar days after the State's

contract start date. If updates are required, the contractor must resubmit the revised Functional Design Document as needed by the State. The update documents must be provided with MS Word tracked changes permitting the CSA to review any changes or deletions to the information.

14. The Detailed System Design Document provides detailed descriptions of the total system configuration including, hardware, functionality, data elements, file layouts, process flows, interfaces, reporting, transaction processing, the Administrative System, settlement and reconciliation, customer service, cardholder account maintenance, card/PIN issuance and training, and security. The contractor must submit a draft of this document 120 calendar days after the State's contract start date and a final draft no later than 180 calendar days after each State's contract start date. The detailed design document must be updated quarterly thereafter. Design document acceptance is contingent upon Federal and State review and approval. A change control process will be established by the State to approve system modifications.

15. The State selected Automated Response Unit (ARU) functions must be tested to ensure the system properly accepts, processes, and accurately and securely transfers both retailer and cardholder calls per the system requirements and services specifications defined in the Customer Service subsection for cardholders, retailer/merchant, and cardholder training ARU of the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal. The (Speech Interactive Voice Response (SIVR)/ARU Test start dates must be 210 days after the State's contract start date.

16. The Transition requires the transfer of support of EBT-only retailers from the existing EBT system to the new contractor's system. The transition effort must include both traditional and non-traditional retailers supported by both POS and manual transaction processing. During the transition of these retailers, cardholders must not be negatively impacted in their ability to redeem benefits and the normal business operations of these retailers must not be negatively impacted. When the contractor deploys the EBT-only POS equipment as part of the retailer transition, retailer personnel must be adequately trained on the use of the new equipment at the time of installation, and use of the equipment must begin immediately upon training and installation of the equipment.

E. System Documentation

1. The contractor must provide the CSA with a library of system documentation that includes the following documents and information in both electronic media and hard copy:

    a. Functional Design Document, including General System Flow Diagram(s);

    b. Detailed System Design Document;

    c. Business Continuation & Recovery Plan, including Escalation

Procedures;

d. Training Materials (core optional);

e. All SIVR/ARU application Scripts;

f. Reports Manual;

g. Settlement and Reconciliation Procedures Manual.

h. Interface Design, including host-to-host record formats and batch file formats (included in Detailed System Design Document);

i. Problem Reporting and Escalation Procedures (as part of Business and Continuation Plan);

j. Disaster Services Plan;

k. System Security Plan;

l. System Operations Manual;

m. Administrative Terminal Manual;

n. EBT-Only Retailer Manual; and

o. Project Management Reports.

2. The contractor will ensure that all manuals include a table of contents, index and glossary of terms and acronyms.

3. Operational Phase: The Operations Phase begins after all transition/conversion activities are completed. The State will require ongoing monthly communications, which will include, but are not limited to, status reports and status meetings with the contractor's project manager (and other project staff as needed). The contractor must also provide advance notification of scheduled system downtime to the State.

4. Incident and Problem Management: A draft Incident and Problem Management Plan will be due 30 days after the state's contract start date and a final plan will be due 90days after the state's successful conversion into Operational Phase.

5. The contractor must provide immediate oral and written electronic notification in the form of an Impact Statement to the CSA of any incidents, issues, or problems including, but not limited to, system outages, customer service delays, non-compliance with performance standards or deliverable due dates. Notification must provide immediate and open communication between the contractor and State personnel to allow for maximum CSA involvement in the planning, execution, and evaluation of any action(s) taken. This oral and written Impact Statement must be made as soon as reasonably possible after Contractor management is aware of, or should have reasonably been aware of the incident, issue or problem, not to exceed 60 minutes from the time the contractor was made aware of the incident.

6. The Impact Statement must include date and time of discovery, manner of discovery, nature of the incident or problem, affected service, category and severity, responsible individual, and next steps identified.
7. Incident or problem investigation must be followed up within a reasonable amount of time, but in no instance more than five (5) calendar days from the initial Impact Statement, with a written resolution report, including specific information documenting the nature of the problem and event triggers, the necessary actions/steps to resolve/correct the problem; estimated timeframes for implementation of the resolution; and the lead contractor personnel responsible for assuring resolution of the problem.
8. The contractor must maintain a detailed Knowledge Database of all incidents, issues and problems including a complete history from initial notification to closure. The contractor must provide monthly report of all the described history maintained in the Knowledge Database to the State of New Hampshire for review.
9. Events or problems identified by the CSA must also adhere to the aforementioned standards and must be addressed by the contractor with the same expectations specified above. In the event the contractor fails to comply with the requirements specified above, the State reserves the right to withhold 1% of the most current monthly voucher or $10,000, whichever is greater.
10. Unscheduled events or systems operations, incidents and problems, which interrupt or prevent system operations at the client/retailer interface, must be reported to the CSA immediately. Such events, incidents and problems which 1) have a duration of more than 15 minutes and 2) occur over a geographic area appearing likely to constitute as much as or more than a zip code, if those events/incidents/problems are not promptly reported to the CSA, shall be cause for assessment of liquidated damages. Please refer to Article XXV- Performance Standards of the Scope of Services and Xerox Response of the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal Section 12.1 for an extended definition of this standard.

F. Business Continuation and Recovery Plan

1. The contractor must provide a Business Continuation and Recovery Plan that provides for continuous operability in the event of technological failures or natural disasters affecting the contractor.
2. The plan must ensure restoration of the contractor's host system processing and communications facilities to the State of New Hampshire.
3. The contractor's Business Continuation and Recovery Plan must detail steps to be taken to recover from systems failures, telecommunications failures and natural and other disasters. This plan must include provisions to ensure that cardholder and retailer/merchant services incur minimal interruption. The plan must state the resources committed to each contingency operation for each system component as well as provide detailed problem and

escalation procedures. Problem and escalation procedures must conform to the requirements set forth in the Problem Notification and Escalation and Resolution Process

4. In the event of an outage or disaster impacting the availability of the contractor's primary data processing site, the contractor must provide a hot back-up site, as defined in the Hot Backup Site section of the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal. The hot backup site must provide EBT processing in the event of loss of primary host processing ability. The Business Continuation and Recovery Plan must detail guidelines, considerations, and specific steps for making the decision to switch over from the primary site to the backup site in the event of a primary system failure. The Business Continuation and Recovery Plan must include a communication protocol between the State and the Contractor, as well as criteria and time frames that are acceptable to the State.
5. The contractor must have the EBT hot back-up contingency site begin processing transactions within one (1) hour of a disaster being declared. The contractors' site must be maintained concurrently and must be able to take over on-line and batch processing switchover upon notification by the Contracting State Agency. One hour is the specified period within which the telecommunication links (state and acquirer), the databases, and the CPU processing must be operational and able to accurately and completely process EBT transactions via the backup site.
6. The contractor must submit a first design draft 30 calendar days after each State's contract start date and a final design draft 90 calendar days after the State's contract start date. Business Continuation and Recovery Plan acceptance is contingent upon State review and approval.

G. Core Cash Access Requirements:

1. The vendor must propose Cash Access Plans that ensure statewide cardholder access to cash withdrawals as defined in the Core Requirements described below.
2. The contractor must provide a written Cash Access Plan outlining the activities, dependencies, and timelines associated with ensuring that compliance with the cash access core requirements are maintained at all times. The first draft of the Cash Access Plan is due within 30 calendar days from the start of each State's contract start date.
3. The final Cash Access plan is due 90 calendar days from the start of each State's contract start date.
4. The vendor will work with the State regarding their cash access plan. The vendor will offer abundant coverage for cardholders, while ensuring that only authorized retail locations and ATMs are included in the plan. Locations that are unacceptable to a State (e.g., casinos, liquor stores, and adult entertainment venues) must be excluded from the plan at the State's request.

5. The vendor will create a cash access standard method for the State of New Hampshire that includes four components (capacity, proximity, distribution, and alternatives), which will enable the vendor to meet or exceed the current coverage. Each of the components is employed in completing this task. Factors included in calculating capacity include the type of location, hours of operation, number of transactions, transaction amount, surcharging and non-surcharging locations, check cashers, single- and multi-lane retailers, as well as non-EBT demand on cash at both ATM, POS, and POB sites. The vendor will use information from retailer surveys, retailer agreements, State historical data, and FNS data—in addition effort will be made with the networks, retail associations, and banking communities—to create each standard.
6. The contractor must provide national interoperability for cash access. The QUEST® Operating Rules or appropriate network operating rules shall govern the processing of cash transactions.
7. The contractor must ensure that adequate QUEST® or other applicable network signage is displayed at each cash access location.
8. The contractor must have controls in place to ensure that POS cash-back transactions from contractor provided EBT-only terminals for cash assistance households occurs only at entities that have valid agreements with the contractor. The contractor must have controls in place to ensure that the location of terminals permitting cash access to EBT cash accounts, including ATMs, contractor-deployed EBT-only POS terminals, and commercially deployed POS equipment are in compliance with the State of New Hampshire's laws and policy concerning EBT cash access.
9. The contractor will maintain retailer and ATM databases based upon information captured from retailer surveys and files received from ATM owners/processors.
10. To support NCS reporting requirements, the retailer database will include:

    Location type – POS or POB
    Location name as posted on the actual retailer business sign
    Address – street, city, state, and ZIP code
    Cross street reference
    Daily available cash back (per customer, per day)
    Purchase required for cash back (POS) indicator
    Surcharge indicator (Y/N)

11. To support NCS reporting requirements, the ATM database will include:

    Location type – ATM-bank or ATM non-bank
    Location name
    Address – street, city, state, and ZIP code
    Cross street reference
    Surcharge indicator (Y/N)

12. The contractor will incorporate this information into a master database, which can be sorted by various categories and may be printed by the Contractor when generating cash access reports/files for submission to each

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CSA. On a quarterly basis the contractor will provide electronic cash access reports/files for each CSA. These reports will recognize any unique reporting requirements for the State of New Hampshire. Separate reports will be available by location type (ATM, POS, POB). Within each location type a separate report will be available by surcharge policy (surcharging or surcharge-free).

13. The contractor must provide surcharge free ATM transactions to EBT cash recipients at ATM's owned and operated by the contractor. This requirement extends to subcontractors, if the subcontractor(s) receives more than 5% of the State's contract billing value.
14. Cash access services must include no less than annual reviews by the contractor to ensure cash access core requirements are maintained at all times.
15. The State of New Hampshire will review the contractor's plan to provide adequate cash access and the contractor will work with the State to implement any corrective action to identify additional sites with an emphasis to locate surcharge free locations.
16. If a the State of New Hampshire independently secures its own network of cash access points, the contractor must enroll that network without an enrollment charge being assessed against the network or its members.
17. Surcharged ATM cash transactions may not incur usage transaction fees (interchange and switch fees) that will be billable to the State or to the cardholder.
18. The Contractor must provide a minimum of 95% compliance with cash access requirements 14 calendar days prior to conversion. The contractor must achieve 100% compliance with the cash access requirements within 30 days after conversion and for the life of the contract.

ARTICLE III – Assurances

The Contractor warrants that it has carefully reviewed the needs of the State as described in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal as amended and its attachments and as otherwise communicated in writing by the State to the Contractor, and that it has familiarized itself with the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal, and the other documents incorporated into the Agreement.

A. The Contractor agrees that it will perform its obligations hereunder in accordance with all applicable laws, rules and regulations now or hereafter in effect.

B. The Contractor warrants and affirms that the terms of this Agreement do not violate any contracts or agreements to which it is a party and that its other contractual obligations will not adversely influence its capabilities to perform under this Agreement.

C. Within fifteen (15) business days of the contract effective date, the Contractor will provide the State with and will maintain in force and effect for the benefit of the State an Performance Bond as listed below, issued by a surety carrier providing said Performance Bond on behalf of the Contractor, in the amount(s) listed below from the date of conversion for the life of this Agreement on an annually renewable basis. Should the State exercise its option to extend the Agreement, the Contractor will maintain in force and effect for the benefit of the State, a Performance Bond issued by a surety carrier providing said Performance Bond on behalf of the Contractor, in the amount(s) listed below for the remaining life of the Agreement on an annually renewable basis. In the event of damages occurring as a result of non-performance, the State may make a claim against the Performance Bond to recover said damages. Such claim against the Performance Bond may be effected by the State's submission of written notice(s) to the surety carrier that issued the Performance Bond on behalf of the Contractor. Any surety claim payout shall not terminate the Performance Bond, but the balance shall be diminished by any amounts disbursed and shall otherwise remain in effect. Said Performance Bond will automatically expire at the end of this Agreement. Such surety bond may be issued on an annually renewable basis and may be issued on annually renewable bond forms to be provided by the Contractor's Surety Bond Broker.

State	Performance Bond	Amount
New Hampshire	Performance Bond	$1,000,000

D. The Contractor warrants that:

1. The system to be used for delivery of core services, functionality, and associated technology as required and described in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal must be comparable among all contracting

states to the extent that the Contractor is providing the same services to all contracting states.

2. New functionality paid for by federal or state funds will be transferable between systems and between states, as applicable and as required by said systems and/or states, without additional charge for development for such transfer. However, additional costs may apply and be charged to the NCS states for testing, installation and other related work effort specific to such transfer in accordance with the change order pricing in Article XXVIII Table 14.12.1. New functionality will comply with the provisions and requirements of the Quest Operating Rules as adopted and amended by the Electronic Funds Transfer Association (EFTA) and as approved by the NCS Regional Management Council, the State of New Hampshire, and in accordance with all applicable Federal or State laws, rules and regulations now and hereafter in effect.

ARTICLE IV - Obligations of the Parties to this Agreement

A. Contractor Obligations

1. The Contractor must develop, convert, implement, and operate the EBT system and services as outlined in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal, the Contractor's proposal, and this Agreement. The Contractor must complete Transition/Conversion in time to provide all required EBT processing services in accordance with the approved project schedule and no later than November 1, 2014.
2. The Contractor assumes sole and complete responsibility for the cost and timely accomplishment of all of its activities and duties required by this Agreement and will carry out those activities and duties in a competent and timely manner.
3. The Contractor warrants that the services provided using the equipment and software identified in its proposal, or required follow-on products (software and hardware), along with support for said services and products, will be available for the term of this Agreement.
4. The Contractor agrees that no aspect of Contractor performance under this agreement will be contingent upon State personnel or the availability of State resources with the exception of:
    a. Any actions of the Contractor specifically identified in this Agreement that require State of New Hampshire acquisition, approval, policy decisions, or policy approvals. Such actions by the State of New Hampshire will not be unreasonably delayed, and except as stated specifically herein, the Contractor shall not be liable for any damages for delays caused by the State of New Hampshire, Federal, State or local agencies, or by a third party not under the control of the Contractor (excluding Subcontractors of the Contractor).
    b. The normal cooperation, which can be expected in such a contractual relationship.
    c. All actions required to be performed by the State of New Hampshire in the authorization and approval of benefits as contemplated by this Agreement.
    d. Exceptions stated in this Agreement.
    e. Duties, tasks, and obligations subsequently agreed to by the parties.
5. The Contractor recognizes and agrees that any and all work performed outside the scope of this agreement or without the consent of CSA shall not be subject to charge by the Contractor.
6. The Contractor will cooperate fully with any other contractors who may be engaged by the CSA to carry out responsibilities associated with this Agreement.
7. The Contractor will provide authorized representatives of the State or Federal government, with appropriate notice by the CSA to the Contractor, access at all reasonable times to inspect or otherwise evaluate the

work performed or being performed under this Agreement. All such inspections shall be in conformity with the Contractor's reasonable security procedures.

8. The Contractor will cooperate as reasonably required with the NCS Regional Management Council including attendance at NCS Regional Management Committee (RMC) meetings.
9. The Contractor will provide all necessary travel expenses for two State of New Hampshire personnel during system acceptance testing. Such travel must be compliant with the Contractor's travel policies and procedures.
10. The State reserves the right to request replacement of key staff, regardless of their employer (Contractor or subcontractor) during the contract period if their continued presence would be detrimental to the State or the success of the EBT project. All requests shall comply with applicable anti-discrimination and employment laws. State will submit such requests in writing stating its reasons for the request and will not be unreasonable in its request(s).
11. The Contractor will, within seven (7) calendar days of the request, either respond with detailed objections to the State's request or have said person(s) removed from the project and immediately replaced with a qualified employee acceptable to the CSA.
12. In the event that the Contractor objects and the State does not withdraw its request within seven (7) calendar days of receipt of the Contractor's objections, the dispute shall be resolved by the interpretation and dispute procedure described in Article IX.
13. The Contractor will provide all necessary services to comply with Federal law P. L. 112-96, which requires states, by February 22, 2014, to implement and maintain policies and practices to prevent access to federal Temporary Assistance to Needy Families (TANF) benefits through any electronic benefit transfer transaction at casinos, liquor stores and retail establishments which provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state. The Contractor must also provide all necessary services to ensure compliance with New Hampshire EBT cash restriction laws. The State will work with the contractor to define procedures and processes to identify, monitor and maintain a current list of prohibited locations and any modifications to support other restrictive processes as mandated by Federal or State statue. Specific control methods and/or system enhancements may include, but not be limited to:
    a. Identifying locations where EBT transactions are prohibited;
    b. Blocking ATM transactions at specified locations; and
    c. Blocking EBT cash purchase transactions at specified locations.
14. Both parties acknowledge that in the event the State of New Hampshire provides to the Contractor only a category for deactivation or reactivation, the Contractor may not be able to identify all ATM and POS devices associated with that category. The Contractor will perform due diligence by working with the ATM owners and/or processors to disable EBT cash access within the identified category.

15. The State of New Hampshire shall, at its expense, indemnify, defend and hold harmless the Contractor, including its officers, employees and agents from and against any losses, liability, damages, penalties, costs, fees, including, without limitation, reasonable attorneys' fees, or expenses arising from any claim or action that alleges injury caused by an inability to access the ATM and POS devices deactivated in accordance with this Article IV paragraph 11 to the degree such losses liability,. damages, and fees directly arise from erroneous State of New Hampshire instructions pertaining to compliance with P.L. 112-96. Any claim or action not specifically described in this paragraph shall continue to be subject to the terms and conditions of this Contract.

16. The liquidated damages provisions will not apply to Article IV, Section A, paragraph 13 to the extent that any delay in deactivating or reactivating an ATM or POS device is caused by the State or a third party (not to include subcontractors).

17. The Contractor recognizes that the services provided under this Agreement are vital to the CSA and must continue without interruption and that upon the expiration or termination of this Agreement as specified herein, a successor contractor other than the Contractor may be chosen to continue these services. Contractor agrees to continue performance of the services under the terms and conditions set forth herein during the pendency of any ongoing process of selecting a successor contractor. The Contractor must cooperate fully with the transition for the provision of EBT services by a different contractor prior to current contract expiration and for one hundred and eighty (180) calendar days after the expiration of the contract. The provisions of this section shall survive the end of the term of this Agreement.

18. Contractor shall upon written notice provided by the State (1) furnish phase-in, phase-out services for a period to be determined by the State or NCS, and (2) negotiate in good faith the plan developed by the successor with the NCS/CSA and the successor to determine the nature and extent of the phase-in, phase-out services required. The plan must specify a set date for transferring responsibility for each division of work described in the plan, including, but not limited to, a detailed schedule of jobs that will be run for the conversion and the place during the schedule when balance and reconciliation activities will take place. The plan shall be subject to the prior written approval of the State. The Contractor must provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Agreement are maintained at the required level of performance. Any imbalances in the database values found after conversion and due to conversion that result in any liability must be the liability of the Contractor assuming responsibility for EBT host processing. Such plan must include, but not be limited to, the following transition items:

    a. Retailers/Acquirers/TPPs and EBT-Only Merchants

        Incumbent contractor will provide current lists of merchants, locations of EBT-only equipment, and supplemented phone lines.

    b. AMA/ASAP

Incumbent contractor will work with FNS, CSA and successor contractor to transfer authority to post to AMA and ASAP.

c. Pseudo-retailer numbers

Upon CSA and FNS approval, incumbent contractor will provide pseudo-retailer numbers to the successor contractor.

d. Database conversion, with provisions for check-point and back-out

Incumbent contractor will share file layouts and coordinate with the successor contractor to complete a database conversion to the successor contractor.

e. Database clean-up

Incumbent contractor will work with FNS, CSA and the successor contractor to create a final version of the existing database suitable for conversion.

f. ALERT

Incumbent contractor will coordinate with FNS, CSA and the successor contractor a switchover from the incumbent to the successor contractor input to the ALERT system.

g. STARS

Incumbent contractor will coordinate with FNS, CSA and the successor contractor a switchover from the incumbent to the successor contractor input to the STARS system.

h. Administrative functionality access

Incumbent contractor will continue to provide administrative functionality access to the CSA for the duration of the conversion to a successor contractor.

i. Manual authorization "holds"

Incumbent contractor will coordinate with the CSA and the successor contractor the timing of a transition of handling manual vouchers and cooperate in coordinating the routing and clearing of manual vouchers during the transition.

j. Reserved.

k. PIN retention

Upon CSA approval, the incumbent contractor will share the PIN encryption algorithm so that existing PIN offsets can be loaded onto the successor contractor's host.

l. Help Desk

Incumbent contractor will transfer the recipient help desk phone number to the successor contractor but retain the retailer help desk phone number.

m. Reconciliation

Incumbent contractor will coordinate with the CSA and the successor contractor reconciliation information and procedures to ease the transition from the incumbent contractor to the successor contractor.

n. Settlement

Incumbent contractor will coordinate with the CSA and the successor contractor to transfer settlement responsibilities from the incumbent to the successor contractor.

19. All conversion activities that are the responsibility of the Contractor must take place at times and using methods that will provide the least impact on retailers, recipients and state operations.

20. Any imbalances in the database values found after conversion and due to conversion that result in any liability must be the liability of the Contractor assuming responsibility for EBT host processing.

21. All phase-out costs associated with core services that are the responsibility of the Contractor must be included in the Cost Per Case Month. The Contractor will not be compensated for any additional phase-out costs.

22. The Contractor must provide oral and written email notification in the form of an Impact Statement to the CSA of any incidents, issues, or problems including, but not limited to, system outages, customer service delays, non-compliance with performance standards or deliverable due dates. This oral and written Impact Statement must be made as soon as reasonably possible after Contractor management is aware of, or should have reasonably been aware of the incident, issue or problem, not to exceed fifteen (15) minutes. Problem notification and resolution must provide immediate and open communication between the Contractor and the individual CSA personnel to allow for maximum CSA involvement in the planning, execution, and evaluation of any action(s) taken. The Impact Statement must include date and time of discovery, manner of discovery, nature of the incident or problem, affected service across the NCS member states, the category and severity of the system disruption, responsible individual(s) in charge of resolving the problem(s), and the next steps identified to cure the problem in the most immediate fashion to minimize any continued system disruption in services. Immediate oral and written notification must be followed up within a reasonable amount of time, but in no instance more than five (5) calendar days from the initial oral and electronic written notification, with specific written information documenting the nature of the problem, event triggers, the necessary actions/steps to resolve/correct the problem; estimated timeframes for implementation of the resolution; and the lead Contractor personnel to assure resolution of the problem. Events or problems identified by the CSA must also adhere to the aforementioned standards and must be addressed by the contractor with the same expectations specified above. In the event the contractor fails to comply with the requirements specified above, the affected CSA reserves the right to apply any applicable liquidated damages as set forth in Article 25, Performance Standards.

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23. Unscheduled events or systems operations, incidents and problems which interrupt or prevent system operations at the client/retailer interface which are within the Contractor's control must be reported to the State a s outlined in Article II Incident and Problem Management.

24. The Contractor must submit adequate advance written notification to the State of any planned changes that may result in any potential operational disruption to the services provided under this agreement. Operational disruptions may include, but are not limited to, the EBT system (host processing, network, settlement, etc.) the EBT gateway, retailer management, cardholder and/or retailer customer service. The required notification must include a project plan that outlines the activities, timelines, and dependencies that ensure that the proposed changes will not jeopardize or impact the operations or services of the NCS or the State of New Hampshire. Such project plan must have approval by the CSA/NCS prior to implementation. Prior consent shall not be required for emergency changes.

25. Federal Regulation 7 CFR 274.1(i) requires that the contractor and any subcontractors have an independent auditor, on an annual basis, perform a Statement on Auditing Standards, No.16, Service Organizations (SSAE No. 16) on the issuance, redemption, and settlement of SNAP benefits. Auditors must follow EBT guidance in the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement to the extent the guidelines refer to SNAP benefits. The SSAE 16 report must report on the operating effectiveness of controls for SNAP benefits. Annual SSAE 16 audits are based on the contractor's fiscal year and may be shared if the State EBT systems are under the same control environment and on the same platform. The contractor must provide the State(s) with the annual SSAE 16 report filed by the independent auditor within 30 days of receiving the report. The completion date for the first report will be determined during detail design.

B. Contracting State Agency Obligations

1. The CSA shall ensure elements of the EBT system not provided by the Contractor are delivered in a timely manner and comply with the minimum standards as set forth in the EBT Quest Operating Rules.

2. The CSA warrants that adequate funds to meet non-federally reimbursed obligations will be available for daily settlement.

3. Any CSA that uses a separate card production system must ensure card production services are performed in a timely manner and comply with the minimum standards as set forth in the EBT Quest Operating Rules. If the Contractor incurs expenses as a result of defects in the card system or other systems that affect the delivery of EBT services by the Contractor, the Contractor is entitled to negotiate in good faith with the CSA for reimbursement of expenses incurred or expense to mitigate the problems.

ARTICLE V - Contract Interests, Assignments, and Subcontracts

A. The State shall consider the prime contractor to be the sole contact with regard to all provisions of this Agreement. Full responsibility for the delivery of services provided by another firm which is a subcontractor or vendor to the Contractor under this Agreement must be assumed by the Contractor.

B. All subcontracts must be in writing and must contain provisions which are functionally identical to, and consistent with, all of the provisions of this Agreement. All subcontracts must contain a provision stating that the subcontractor agrees that the subcontract is subordinate to the Agreement with the CSA and that any and all conflicting provisions of the subcontract will be superseded by the terms of this Agreement.

C. Prior written approval of the CSA is required for all Contractor- initiated changes in subcontractors and for all subcontracts; such approval shall not be unreasonably delayed or withheld. When proposing to add, to replace, or to assume the responsibilities of an existing subcontractor or vendor during the contract period, the Contractor must notify the NCS of its intent to add or replace a subcontract. Such notification must include justification for the change, provide the proposed subcontractor's qualifications and experience, and provide transition work plans outlining the timeline, activities and dependencies that ensure that such action will not jeopardize or impact the operations or services of the NCS or CSA. Such transition work plans are subject to the review and approval of the CSA or NCS, as applicable. The CSA will review the plans and provide a reply to the Contractor within 15 business days. No Contractor costs or expenditures related to expenditures or obligations paid or owing to unapproved subcontracts may be asserted as damages or otherwise presented for payment in any proceeding or discussion involving the Contractor and the CSA.

D. The Contractor will work with the CSA to define any potential operational disruption if the prime contractor elects to terminate or change their agreements with any subcontractor or vendor. Operational disruptions may include, but are not limited to: the EBT Gateway; retailer management, cardholder/retailer customer service; training; system operations; host processing; and/or network/settlement processing.

E. The Contractor must modify any of the plans, as defined in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal, if affected by a change in subcontractors or vendors. Revised plans are subject to the review and approval of the CSA or NCS, as applicable. Such plans include, but are not limited to the following;

1. State Project Work Plan;
2. Business Continuation and Recovery Plan;

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3. System Security Plan;
4. Testing Plan;
5. Transition/Conversion Plan;
6. Third Party Acquirer and POS Certification Plan;
7. Change Management Plan;
8. Disaster Service Plan;
9. Customer Service Staffing Capacity Plan; and Cash Access Plan.
10. Business continuity Plan
11. System Operations Manual
12. Function Design Document

F. The Contractor shall not be relieved in any way of any responsibility, duty, or obligation of this Agreement by any subcontract.

ARTICLE VI - Payment Provisions

A. Monthly invoicing will be submitted to the CSA in arrears by the Contractor on a Standard Voucher in a form acceptable to the State. The State will make best efforts to process all vouchers within 30 calendar days of their receipt; however, failure to make payment within said timeframes shall not be considered a breach of contract. The laws of the State shall govern timeliness of payment and any interest to be paid to the Contractor for late payment.

B. The State may only be billed for active cases that have benefit authorizations made available during the billing month. Monthly benefits transmitted prior to the availability date shall not constitute an active case until the benefit has been made available to the cardholder (e.g., availability date of the benefit has been reached). To support a multi-state EBT procurement, pricing for core services is volume based. Monthly billings to the CSA shall be based on the quoted CPCM in the pricing tier in Article XXVIII Table 14.7-1 and 14.8-1 that corresponds to the total actual number of cases across the NCS.

C. For invoicing purposes, an active case is defined as a case for which one or more benefit(s) has been authorized and transmitted to the EBT Contractor to be made available during the billing month. A single cardholder who has benefits authorized for both a cash program and a Food Stamp program is billable at the applicable cash cost per case-month (CPCM) and the applicable Food Stamp cost per case-month (CPCM). Where optional services are chosen by the CSA and those services are priced on a cost per case month (CPCM) basis, the incremental CPCM will be added to the applicable cash CPCM and FS CPCM.

D. The documentation must provide detailed information in support of all billing charges for EBT services and for pass-through expenses in a mutually agreed upon format. Data must be provided on unduplicated case counts of cases in which benefits are made available during the billing month. Data must be broken down by benefit program (Food Stamps, cash and other programs as determined by the CSA). Cash benefits that are transferred to direct deposit accounts must not be included in the CPCM case counts.

E. Supporting documentation must also provide a separate accounting of any benefits made available which occur in a month other than the month of the intended available date as supplied by the CSA.

F. The contractor must support the State in pursuit of additional State and Federal program benefits to be posted into new or existing SNAP or Cash accounts.

G. The contractor's Cost-Per-Case-Month (CPCM) pricing for core services must apply to any future SNAP or Cash cases added as a result of additional program benefits. Any additional program benefits posted to existing SNAP or Cash cases will not be subject to an additional CPCM.

H. Core Services

1. Pricing for core services is volume based. Monthly billings to the CSA shall be based on the quoted Cost per Case-Month (CPCM) in the pricing tier that corresponds to the total actual number of cases per case category (SNAP and cash) across the NCS.

2. Core services pricing for cash and SNAP benefits shall be in accordance with Article XXVIII – Pricing Charts of the scope of Services and the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services financial response.
3. A single cardholder who has benefits made available by the CSA from both a cash program and SNAP will be billed at the applicable cash cost per case-month and the applicable SNAP CPCM.
4. Surcharged transactions may not incur usage transaction fees (interchange and switch fees) that will be billable to the State or to the Cardholder.
5. Unlimited ATM balance inquiries under the Quest network service mark will be provided by the Contractor at no additional cost to the State or the cardholder.
6. From time to time the State will require the contractor to place emergency or benefit program ARU/SIVR broadcast messages. The contractor will be required to expedite this request within reasonable period of time, unless otherwise approved by the State, and at no additional cost to the State. The definition of an emergency message and a broadcast message are as follows;
   a. Emergency messages will be requested and provided by the CSA in English and Spanish. The message must be posted to the ARU/SIVR system immediately or within five business days once the CSA provides the details of the message.
   b. Benefit program broadcast messages will be provided to the contractor in the same manner as emergency messages. The contractor will be instructed to post a benefit program message during certain periods where the CSA will be required to issue EBT payments for specific benefit programs. Advance notification will be provided to the contractor once the benefit issuance period is identified by the State.

I. Optional Services

1. Monthly bills must discretely delineate any optional services provided to the State.
2. Optional services may be required by the State at any time during the contract period in conformance with the Change Management section Article II of this agreement. Such services may also be discontinued by the CSA with 90 days written notice at any time during the contract period, including any extensions. Implementation shall be in accordance with the requirements outlined in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal – Change Management, Section 11.9.
3. Optional services pricing shall be in accordance with Article XXVIII of the Scope of Services.
4. The State will pay the Contractor, as a pass through in arrears on a monthly basis, the lower of 1) the Contractor's bid rate of $.494; or 2) the Federal Communications Commission (FCC) Default rate.

5. The Contractor must provide the State with information concerning payphone call volumes and other information available to the Contractor. Such information must be submitted monthly in support of the invoicing for payphone interexchange charges. At any point during the State's review of payphone information available to the Contractor, the State may require detail reporting of the originating phone numbers from payphone locations.

6. For cash cases, the State agrees to compensate the Contractor for up to two (2) ATM/POB withdrawals per case per month in the amount of $.40 each. Balance inquiry transactions, as well as transactions that are denied, reversed, voided or adjusted either partially or completely, will not be counted toward the allotted 2 CSA withdrawals and shall not be billable to the State or the Cardholder. Any ATM usage transaction fee deducted from the cardholder's cash account accompanying a balance inquiry denied, reversed, voided or adjusted transactions either partially or completely must be credited back to the cardholder account immediately. Surcharged ATM cash transactions may not incur usage transaction fees (interchange and switch fees) that will be billable to the State or to the cardholder. Once the cardholder has performed two (2) CSA compensated ATM/POB withdrawals per month), the cardholder will be charged by the contractor for any additional ATM usage fees associated with cash withdrawals at the rate of $.45 per withdrawal for the remainder of the calendar month. The number of free ATM usage transactions is based on a calendar month and is not affected by the status of the account, nor whether the benefits were posted/deposited to the account during the month. The contractor will include a monthly report listing all transaction fees incurred by the CSA and a separate report for cardholder incurred fees containing the number of transactions processed for each of the following illustrated examples. For avoidance of doubt, the following example illustrates the accounting of billable transactions:

    a. Cardholder withdrawal #1 is surcharge free. This transaction is counted toward the allotted 2 CSA compensated withdrawals and is billable to the CSA in the amount of $.40.

    b. Cardholder withdrawal #2 is surcharged. This transaction is not counted toward the allotted 2 CSA compensated withdrawals and is not billable to the CSA or the Cardholder.

    c. Cardholder withdrawal #3 is surcharge free. This transaction is billable toward the allotted 2 CSA compensated withdrawals in the amount of $.40.

    d. Cardholder withdrawal #4 is surcharged and the withdrawal fee of $.45 is not billable to the Cardholder or the CSA.

    e. Cardholder withdrawal #5 is surcharge free and the withdrawal fee of $.45 is billable to the Cardholder.

    f. The ATM/POB withdrawal process counting the number of CSA compensated withdrawals must be reset to "0" for each cash account at 11:59PM EST on the final calendar day of each month.

7. EBT processing for all core, core optional, and State specific services selected as of the date of commencement of this Agreement (as specified in Article 1.A.1.) under the terms and conditions of this Agreement must include transition and all required activities to provide a fully operational EBT system that meets the specifications included in this Agreement no later than the date associated with the approved project schedule, in accordance with the obligations of the parties to this Agreement specified in Article IV of this Agreement, unless an earlier date is mutually agreed upon by both the Contractor and the CSA.

8. The Contractor shall supply a $1,000,000 Performance Bond as required by Article II-3 at a price of $560.00 per month payable monthly in arrears.

9. All pricing is firm over the entire term of this Agreement including the two one-year optional extension options and therefore will not be subject to escalation.

10. Reimbursable postage charges shall be made by CSA monthly in arrears and subject to Contractor-provided documentation validating all such charges. Reimbursable charges shall be payable at cost and not subject to Contractor mark-up.

11. The State may elect to pay core optional start-up costs in advance or over time broken down into equal monthly payments of 84 months or by the number of months remaining in the contract duration, excluding option periods, when the NCS member elected to implement the option. If the latter option is selected the start-up costs for core optional and State specific services initiated after contract negotiations, the CSA will amortize such costs over the remaining months of the contract, exclusive of any extension years.

12. The CSA shall not be liable for the payment of any taxes under this Agreement however designated, levied or imposed. The CSA represents that the Contractor is not liable for the payment of any transfer taxes including, but not limited to, sales taxes upon goods or services purchased for or provided for the CSA.

13. The State may authorize the Contractor to perform changes as described in Article II of this agreement. For personal services, payments to the Contractor shall be based on the change request rates included in Article XXVIII Table 14.12.1 included in the Scope of Services and the vendor financial response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal. Any applicable non-personal services charges shall be billed at cost as evidenced by invoicing or other such reasonable documentation to be submitted by the Contractor plus a mark-up/administrative fee of not more than 4% as specified in Article XXVIII Table 14.12.1 included in the Scope of Services and the vendor RFP financial response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal. The mark- up/administrative fee shall not apply to personal service charges.

14. From time to time, the State may also require the Contractor to perform pilot projects or other EBT-related tasks which, although within the general scope of work required by this Agreement, are not required to be performed within the

current pricing structure. For personal services, payments to the Contractor shall be based on the change request rates specified in Any applicable non-personal services charges shall be billed at cost as evidenced by invoicing or other such reasonable documentation to be submitted by the Contractor plus a mark-up/administrative fee of not more than 4% as specified in Article XXVIII included in the Scope of Services and the Contractor Financial Proposal. The mark-up/administrative fee shall not apply to personal service charges. Prior written approval from the State shall be required for all such tasks and total expenditures within any given contract year and will not exceed $250,000. Prior to providing written approval, the State reserves the right to require reasonable evidence, including the requirement that the Contractor follow formal bidding procedures, that all tasks performed hereunder are obtained from the best available source, price and all other factors considered.

15. Settlement and Reconciliation Procedures. The Contractor shall initiate a process of crediting local merchants and debiting each State or County bank account for cash assistance benefits redeemed. The State will be responsible for maintaining adequate funds in the bank account used for electronic funds transfers. The State should have funds in place by 11:00 a.m. ET each business day. The Contractor must have a process in place to accommodate a change in bank account by the State.

16. The Contractor must draw from the Federal Letter of Credit and make payments to merchants for SNAP benefits.

17. Once each business day the Contractor must initiate an electronic funds transfer from the bank account that has been designated by the State. The amount of the draw must be equal to the total of cash transactions for the previous day, plus or minus any adjustments.

18. In the event that inadequate funds are available to meet the State reimbursed obligations for daily settlement, the Contractor will provide funding on a temporary basis and be reimbursed by New Hampshire for the funding and any overdraft fees in the form of an interest rate equal to the then-current prime rate plus 3% APR.

19. The Contractor shall be liable for interest payable to the State at a rate equal to the then- current prime rate plus 3% APR for errors made by the Contractor regarding transfers as described in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal to Section 6 Settlement and Reconciliation Procedures of the RFP (e.g. Contractor removes funds from the State funding accounts twice for the same transaction).

20. Price Protection - The Contractor confirms that the prices and warranties granted by the Contractor herein are comparable to or better than the equivalent terms being offered by the Contractor to other CSAs using similar scope and volume of services under like terms and conditions. If the Contractor, during the term of this Agreement, enters into agreements for similar scope and volume of services with any other CSAs providing better

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prices and warranties inconsistent with the commitments of this section, at the option of the CSA, following consideration of any comments provided by Contractor, this Agreement shall thereupon be deemed amended to provide the same to the CSA. All financial adjustments related to this amendment will be amended on a prospective basis only.

ARTICLE VII - Rights of the State

A. License/Ownership/Title of Products Furnished

1. The Federal government retains the rights to use and authorize others to use, any software products developed with Federal funding. This is a non-exclusive, royalty free right to these products, and does not include ownership or copyrights to the material. The CSA(s) may copyright such material if they so choose; however, any Federal rights to use the material would not be affected by the State copyright.

2. Contractor warrants that it has full ownership, clear title or perpetual license rights to any and all tangible or intangible products furnished, used or modified by the Contractor or third parties on behalf of the State pursuant to contract award, and Contractor shall be solely liable for the full cost of acquisition associated therewith. Contractor shall provide the State with appropriate documentation indicating the vesting of such rights in Contractor, and/or the right to transfer or transfer of such rights, as requested by State. The cost of obtaining such rights for continued perpetual use of such product(s) by the CSA upon project completion shall be deemed to have been included by Contractor in its proposal. Such products include, without limitation, all hardware, commodities, custom programming or third party software, training modules, printed materials, source codes, or any other products or services furnished pursuant to a contract award. The Contractor fully indemnifies the CSA for any loss, damages or actions arising from a breach of said warranty in accordance with Article X herein. All intellectual property developed prior to or independently of this project shall continue to be owned by the Contractor or any relevant third parties and will be for the term of the agreement only.

B. Title of Proprietary Information Furnished for Evaluation Purposes

1. Any and all proprietary written documentation, information, object or source code and software provided to the CSA for use in conjunction with a Contract award evaluation including any pre-award benchmark testing, shall remain the property of Contractor.

2. Contractor hereby grants the CSA a personal, non-transferable and non-exclusive license for the duration of the contract to use all such documentation, technical information, confidential business information and all software and related documentation, in whatever form recorded (all hereinafter designated "property"), which are furnished to the State.

C. Ownership/Title to Custom Products/Programming Deliverables

1. It is anticipated that Deliverables under this contract may include "existing" and/or "custom" materials.

2. "Existing Materials" include, without limitation, such things as: programs, program listings, programming tools, documentation, reports, drawings, data, modules, components, utilities, interfaces, templates, subroutines, algorithms, formulas and technical information, existing prior to the contract award, and/or independently developed by Contractor or another Third Party other than as a result of an Order

Letter, including components transferred under perpetual license pursuant to this Article, above (hereinafter "Existing Materials(s)").

3. "Custom Materials" include, without limitation, such things as programs or programming tools, source code, object code, user or training manuals, programming, reports, drawings and any other materials, preliminary, final and otherwise, created, prepared, written or developed, whether jointly or individually, for the CSA under an Order letter (hereinafter "Custom Material(s)").

4. Title to all Existing Material(s), whether or not embedded in or operating in conjunction with Custom Materials, shall remain with Contractor or such Third Party, who shall have all right, title and interest (including ownership or copyrights). Contractor will deliver as directed Existing Material(s) to the CSA and hereby grants an irrevocable, non-exclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, and distribute Existing Materials to Authorized Users. The CSA agrees to reproduce the copyright notice and any other legend of ownership on any copies made under the licenses granted under this paragraph.

5. Title to Custom Material(s), excluding Existing Materials, shall be the sole and exclusive property of the CSA, who shall have all right, title and interest, including ownership and copyrights, and the rights to use, copy, modify and prepare derivative works of the Custom Materials. The CSA retains the right to sell Custom Materials, or to license them on an exclusive or non-exclusive basis. Contractor hereby agrees to take all necessary and appropriate steps to ensure that the Custom Materials are protected against unauthorized copying, reproduction and marketing by or through the Contractor.

6. Nothing herein shall preclude the Contractor from using the related or underlying general knowledge, skills and experience developed in the course of providing the Project Deliverables and intellectual property in the course of Contractor's business.

D. Nothing in this Agreement shall preclude Contractor from developing for itself, or for others, materials that are competitive with those produced or a result of the services provided hereunder, irrespective of their similarity to items, which may be delivered to CSA pursuant to this Agreement.

E. Notwithstanding any other provisions in the Agreement, the parties acknowledge that the Contractor, or its subcontractors, has provided and will continue to provide to other customers the same or substantially similar host-processing-, switching-, gateway-, project-management, terminal driving, and retail-management-related, Services, software, and deliverables it is being engaged to provide under this Agreement, including those specified by all attached and contemplated Task Orders or Statements of Work. The parties, therefore, agree that all Services, software, deliverables and any related intellectual property provided by the Contractor, or its subcontractors, pursuant to the terms of this Agreement constitute Existing Materials for which the Contractor, or its subcontractors, as applicable, retains all right, title, and interest, notwithstanding any modifications, revisions, or enhancements thereto. A deliverable may be deemed a Custom Material under this Article VII only if explicitly designated as "CUSTOM MATERIAL TO BE OWNED BY THE CSA" in a Task Order

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or Statement of Work, and such designation is approved in writing by an attorney member of the law department of the Contractor, or its subcontractors, as applicable. Notwithstanding such designation, in no event shall Custom Materials include any software, system, or related intellectual property that is not furnished to the CSA as a deliverable, but that may be operated by the Contractor, or its subcontractors, to facilitate the provision of Services under this Agreement.

ARTICLE VIII - Document Incorporation and Order of Precedence

A. Agreement Elements:

1. The Agreement between the parties shall consist of the following:
   a. P-37 Agreement General Provisions
   b. Exhibit A – Scope of Services - Statement of work for all goods and services to be provided as agreed to by State of New Hampshire/DHHS and the Contractor.
   c. Exhibit B – Methods and conditions precedent to payment
   d. Exhibit C – Special Provisions - Provisions and requirements set forth by the State of New Hampshire/DHHS that must be adhered to in addition to those outlined in the P-37.
   e. Exhibit C-1 Additional Special Provisions.
   f. Exhibit D – Certification Regarding Drug Free Workplace Requirements – Contractor's Agreement to comply with requirements set forth in the Drug-Free Workplace Act of 1988.
   g. Exhibit E – Certification Regarding Lobbying – Contractor's Agreement to comply with specified lobbying restrictions.
   h. Exhibit F – Certification Regarding Debarment, Suspension and Other Responsibility Matters - Restrictions and rights of parties who have been disbarred, suspended or ineligible from participating in the Agreement.
   i. Exhibit G – Certification Regarding Americans With Disabilities Act Compliance – Contractor's Agreement to make reasonable efforts to comply with the Americans with Disabilities Act.
   j. Exhibit H – Certification Regarding Environmental Tobacco Smoke – Contractor's Agreement to make reasonable efforts to comply with the Pro-Children Act of 1994, which pertains to environmental tobacco smoke in certain facilities.
   k. Exhibit I – HIPAA Business Associate Agreement - Rights and responsibilities of the Contractor in reference to the Health Insurance Portability and Accountability Act.
   l. Exhibit J – Certification Regarding Federal Funding Accountability & Transparency Act (FFATA) Compliance
   m. February 1, 2013 Xerox Response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal
   n. July 18, 2013 Letter from Xerox Regarding New Hampshire SDU Request for Clarification
   o. August 21, 2013 Letter from Xerox extending additional products and services at no additional cost that were not originally offered in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal

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B. Order of Documents.

1. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.

C. This Agreement as defined in this Article constitutes the entire agreement between the parties with respect to the subject matter. All prior agreements, representations, statements, negotiations and undertakings are superseded hereby. The terms, provisions, representations and warranties contained in this Agreement shall survive performance hereunder.

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ARTICLE IX - Interpretations and Disputes

A. This disputes provision shall apply to any dispute of the parties relating to performance under the Agreement except liquidated damages. Any dispute concerning any question of fact or law arising under the Agreement, which is not disposed of, by mutual agreement of the parties shall be initially decided by the adjudicator designee (hereinafter "Designee") of the Director of the Division of Family Assistance (hereinafter "Director") or their designee. The Director shall also designate the person who will present the State's position in the dispute (hereinafter "Advocate") or in the State's discretion, the Parties may by agreement appoint a person who is an expert in the subject matter of the Dispute.

B. Within thirty days of such designations, the Advocate will state and brief the Designee on the State's position on the dispute. The Contractor will then have thirty days to make its submission; the submission may include any material the Contractor deems relevant to the dispute. All documents may be sent either by surface mail, by carrier, or electronically.

C. The Advocate will have a right to submit a response to the Contractor's submission. The response must be limited to the material rebutting evidence and arguments raised by the Contractor in its most recent submission and must be submitted within fifteen days of receipt of the Contractor's submission. If the Advocate submits a response, the Contractor will have thirty days to prepare and submit a response to the Advocate's rebuttal submission; this response shall consist wholly of material, which responds to evidence or arguments raised in the Advocate's rebuttal. Any actual submission by the Advocate shall generate a right of rebuttal by the Contractor.

D. The Advocate and the Contractor will be informed in writing by the Designee when the submission process is deemed complete. The Designee shall have the right to take administrative notice of relevant matters of law and fact as he believes appropriate, in accordance with general principles of Administrative Law.

E. The Designee will prepare and forward the recommended written decision to the Director. The Director shall: (a) evaluate the Designee's findings and recommendations, (b) review the materials presented by the Contractor and the Advocate, (c) if necessary, consult with agency Counsel, and (d) prepare a response to the dispute either ratifying, modifying, or reversing the recommended decision. The Director's decision will be rendered within 45 days of the date when the submission process is deemed complete pursuant to 10.D, above.

F. A copy of the Director's decision stating the reason(s) upon which it is based and informing the Contractor of the right to appeal an unfavorable decision to the Commissioner of the Department of Health and Human Services, State of New Hampshire will be issued to both parties. The dispute decision shall be deemed a final and conclusive agency decision unless a written notice of appeal is received no more than 15 calendar days after the date the decision is received by the Contractor. Such notice of appeal must be filed with the Department of Health and Human Services Office of the Commissioner.

G. The Commissioner or his or her designee(s) shall hear and make a final decision on all appeals. A formal dispute appeal may not introduce new facts unless responding to facts or issues unknown to the Contractor prior to the final dispute decision. The Commissioner's decision will be rendered within 30 calendar days of the date that the notice of appeal is received by the General Counsel.

H. If the Contractor is unwilling to accept the decision rendered through this procedure or if a decision is not made within 90 calendar days after the record is deemed final, it may then pursue its normal legal remedies de novo, but it is specifically agreed that any and all reports rendered through this procedure shall be admissible as evidence in any court action taken with respect to the matter. Pending conclusion of any dispute or disagreement by whatever procedure, the construction placed upon the Agreement by the State shall govern operation thereunder and the Contractor and the State shall continue to perform under the Agreement.

I. The Contractor shall be required to bring all legal proceedings relating to this Agreement against the State in the Courts of the State of New Hampshire.

ARTICLE XI - Force Majeure

A. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting directly or indirectly from acts of God, civil or military authority, acts of public enemy, wars, riots, civil disturbances, insurrections, accidents, fire, explosions, earthquakes, flood, the elements, acts or omissions of public utilities, or strikes, work stoppages, slowdowns or other labor interruptions due to labor/management disputes involving entities other than the parties to this Agreement, or any other causes not reasonably foreseeable or beyond the control of a party. The parties are required to use best efforts to eliminate or minimize the effect of such events during performance of this Agreement.

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ARTICLE XII - Record Retention

A. The Contractor during the course of this Agreement and for a period of six (6) years following the Agreements termination, or final payment hereunder, whichever occurs later, agrees to maintain and make available for audit by duly authorized representatives of the State, the individual states, and the United States Government all financial records or documentation arising hereunder or relating hereto.

B. Records involving matters in litigation or audit must be kept for a period of not less than three (3) years following the termination of the litigation or audit. Copies of any Agreement-related documents may be substituted for the originals with the prior written approval of the State, provided that the microfilming procedures are accepted by the State as reliable and are supported by an adequate retrieval system.

C. The Contractor shall be responsible for assuring that the provisions of this Article shall apply to any subcontract related to performance under this Agreement.

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ARTICLE XIII - Disclosure and Audit of Agreement Records

A. The responsible NCS State agencies, United States Department of Agriculture, Food and Nutrition Service (USDA-FNS), or any other governmental agency authorized by law, reserve the right to inspect, review, investigate or audit all parts of any services provided herein by the Contractor's or any subcontractors' or vendors' facilities engaged by the prime contractor in performing EBT services. In such capacity, the NCS States, or their representative(s), must have access to facilities, records, reports, personnel and other appropriate aspects of the EBT system furnished by the contractor, except for proprietary information for which the disclosure of which would cause substantial injury to the competitive position of the Contractor's enterprise.

B. All records and information obtained by the State pursuant to the provisions of this Agreement, whether by audit or otherwise, shall be usable by the State solely for the purpose of performing this Agreement in any manner, at its sole discretion, as it deems appropriate and the Contractor shall have no right of confidentiality or proprietary interest in such use of such records or information.

C. Contractor hereby agrees that all documents furnished by Contractor shall be subject to public disclosure by the State in the normal course of business, except for proprietary information the disclosure of which would cause substantial injury to the competitive position of Contractor enterprise. Information relating to Contractor price submissions, including commercial, book or list pricing, applicable discounts or final bid price and like information, shall not be entitled to confidentiality protection whether or not submitted or designated as proprietary to Contractor. Contractor may otherwise preserve proprietary rights as to confidential or business process information, provided that (i) Contractor shall inform State prior to or with submission of its bid, in writing, that such records are being furnished, are proprietary and are not to be disclosed; and (ii) said records shall be sufficiently identified; and (iii) Contractor shall state the reasons with specificity why the information should be exempted from disclosure; and (iv) designation of said records as exempt from disclosure is reasonable and accepted by the CSA.

D. The Contractor shall promptly notify the State of any request by anyone for access to any records maintained pursuant to this Agreement. Access by Federal or State bank regulatory agents, or Contractor's regular outside auditors to Contractor's financial records, pursuant to regularly scheduled or routine audits or inspection of Contractor, shall not require notification to the State provided that rights of confidentiality or proprietary interests are preserved.

E. The Contractor shall be responsible for assuring that the provisions in this Section shall apply to any subcontract related to performance under this Agreement.

ARTICLE XIV - Confidentiality of Information

A. The Contractor, its officers, agents and employees and subcontractors, shall treat all information, with particular emphasis on information relating to Public Assistance clients and providers of services or benefits, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws of the CSA and of the United States and any regulations promulgated there under.

B. Individually identifiable information relating to any eligible client or provider shall be held confidential and shall not be disclosed by the Contractor, its officers, agents and employees or subcontractors, without the prior written approval of the State.

C. All other information about or from the CSA's operations, policies, and procedures not covered by sections A or B of this Article, must be kept confidential as if it were so covered. The use of any information obtained by the contractor in the performance of its duties under this Agreement shall be limited to purposes directly connected with such duties.

D. The Contractor shall promptly advise the CSA of all requests made to Contractor for information related to the contract.

E. The Contractor shall be responsible for assuring that any agreement between the Contractor and any of its officers, agents and employees or subcontractors contains a provision that conforms to the provisions of this article.

F. The Contractor will use the same care and discretion to avoid disclosure, publication or dissemination of confidential information as it uses with its own similar information that it does not wish to disclose, publish or disseminate.

G. The obligation(s) and limitation(s) set forth herein regarding the confidential information shall not apply to information which is:

   1. At any time in the public domain other than by a breach of this Agreement on the part of the receiving party.
   2. At any time rightfully received from a third party which has the right and transmits it to the receiving party without any obligation of confidentiality.
   3. Rightfully known to the receiving party without any limitation on use or disclosure prior to receipt of the same from the furnishing party.
   4. Independently developed by personnel of the receiving party who have no access to confidential information received from the furnishing party.
   5. Generally made available to third parties by the furnishing party without any restriction concerning use or disclosure.
   6. Required to be disclosed by law or judicial process.

H. Except for personal information relating to clients and providers which shall be kept confidential pursuant to requirements of the State and federal laws, and information relating to the business and finances of the State or the Contractor, confidential information disclosed by one party to the other continues to be subject to this

Agreement for six years following termination of this Agreement. No obligation of confidentiality applies to:

1. Information the Contractor already possesses without an obligation of confidentiality.
2. Information the Contractor develops independently from publicly available data.
3. Information the Contractor receives without obligation of confidentiality from a third party.
4. Information that is, or becomes, publicly available without breach of this Agreement.

I. In the event either party receives a subpoena or other validly issued administrative or judicial process requesting confidential information of the other party, it shall, to the extent permitted by law, provide prompt notice to the other of such receipt prior to disclosure or action. The party receiving the request shall thereafter be entitled to comply with such subpoena or other process to the extent permitted or required by law.

J. Non-Disclosure/Freedom of Information

1. While this Agreement is in effect and thereafter, the State will, to the extent allowable by law, protect and keep confidential the contents of the proprietary information, software and documentation which are marked confidential or proprietary to the Contractor. The State shall employ the same or similar precautions used for its own confidential information. The State will keep in confidence and protect Proprietary information from disclosure to third parties and restrict its use as provided in this Agreement. All materials containing proprietary information will be marked with "Proprietary," "Confidential," or in a manner, which gives notice of its proprietary or confidential nature. Proprietary information will not be copied, in whole or in part, except when essential for correcting, generating or modifying Proprietary information for the CSA's authorized use.
2. Both the State and Contractor recognize that information provided by Contractor to the State may be subject to public disclosure. With respect to information which is identified as trade secret, proprietary or which might compromise the competitive position of a vendor which may be exempt from disclosure, the State shall make a good faith determination of applicability to the information provided by Contractor and if the State is compelled to provide such information, the State shall provide Contractor with notice of its intent to disclose such information. Unless circumstances beyond the control of the State require an earlier time of disclosure, the Department shall make reasonable efforts to provide Contractor with ten (10) working days' notice in accordance with the Notification provisions (Article XX) of this Agreement. Contractor, in its discretion, may avail itself to any and all remedies at law and equity to prevent such disclosure.

K. Rights to Information

1. Except as otherwise provided herein, the ideas, concepts, know-how or techniques developed during the course of this Agreement by Contractor

personnel or jointly by Contractor and CSA can be used by either party in any way it may deem appropriate.

2. Each invention, discovery, or improvement and specifically, new software programs and associated documentation as well as modification, improvements and enhancements to existing software which includes ideas, concepts, know-how or techniques developed in the course of this Agreement shall be treated in accordance with the following general principles:

   a. If a modification, improvement or enhancement to software generally licensed by Contractor to end-users, then such modifications, improvements, and enhancements shall be the property of Contractor and Contractor hereby grants to the CSA a non-transferable (except to sibling state agencies to the CSA), non-exclusive, irrevocable and royalty-free license to use with a Contractor software processing unit.

   b. If a modification, improvement, or enhancement to application software, which has not been licensed to the CSA by Contractor and is used by Contractor in its provision of services, then such modifications, improvements and enhancements shall be the property of the Contractor.

   c. If a modification, improvement or enhancement to application software, which is owned by the CSA and has been licensed to the Contractor, then such modifications, improvements, and enhancements shall be jointly owned, without right of accounting.

   d. If a modification, improvement or enhancement to application software developed exclusively by the Contractor for use by the CSA, then such modifications, improvements, and enhancements shall be jointly owned without right of accounting. In all other cases, such modification, improvements and enhancements shall remain the sole property of the Contractor.

   e. If a new application software program for the CSA with development costs partially funded by the Contractor, then such application software program shall be jointly owned, without right of accounting.

   f. If a derivative of existing applications software, that is the property of Contractor with development costs funded in whole or in part by the CSA, then such derivative application software shall be jointly owned, without right of accounting.

   g. If a new application program for the CSA, which has been entirely funded by the CSA, then such new application software shall be the property of the CSA.

   h. If a new application software program for the CSA with development costs partially funded by Contractor or derived from the existing application software, which is the property of the Contractor, then such applications software program shall be jointly owned, without right of accounting.

3. Notwithstanding the provisions set forth above, the parties agree that the United States Department of Health and Human Services and the United States Department of Agriculture shall be granted a royalty-free, non-exclusive and irrevocable license to produce, publish or otherwise use such documents and software and to authorize others to do so for government purposes to the extent that the services which resulted in the production of such documents and software are Federally funded. The grant excludes the proprietary products, documentation, materials and information (and derivative works thereto) of Contractor, Contractor's sub-contractors and third party product providers.
4. The State acknowledges that the provision of Contractor services under this Agreement does not create a license by the State to use any software generally licensed by the Contractor to end-users and if any such software is to be used in connection with the provision of Services hereunder, a separate license is necessary. Ownership of software modifications, improvements, and enhancements does not create any interest in or right to use underlying software, absent ownership of the underlying software or an express conveyance of rights or grant license from the party owning the underlying software.
5. The above provisions shall not preclude the Contractor from developing materials, including software, which are similar to that furnished the CSA in the course of providing services under this Agreement.
6. This article will survive termination or cancellation of this Agreement.

ARTICLE XV – State and Contractor Fiscal Liabilities

A. Federal and State or County funds may not be drawn down for over-issuances or transactions in excess of the authorized recipient benefit allotment.

B. Liability with regard to authorization of State administered programs into a recipient account is described in 45 CFR 200, 45 CFR 74, and 7 CFR 276. Each member State is responsible for losses resulting from the provision of erroneous information by the State to the contractor.

C. The contractor will bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the contractor or its representatives or subcontractors. These liabilities include, but are not limited to:

1. Any duplicate or erroneous postings of benefits or void actions to a cardholder account.
2. Any losses from funds drawn from an account after the cardholder notified the contractor that the card had been lost or stolen.
3. Any losses from transactions performed with cards issued but not activated by the cardholder and/or the contractor.
4. Any losses from transactions completed using invalid retailer FNS authorization numbers.
5. Any damages or losses suffered by a Federal or State agency due to negligence on the part of the contractor.

ARTICLE XVI - Termination of the Agreement

A. All or any part of this Agreement may be terminated by mutual written agreement of the contracting parties.

B. Unless otherwise excused, all or any part of this Agreement may be terminated by the State in the event of failure of the Contractor to perform within the time requirements set forth in this Agreement.

C. All or any part of this Agreement may be terminated by the State for cause upon the failure of the contractor to comply with the terms and conditions of this Agreement, including the attachments hereto. In the event that the Contractor is in breach of its obligations under this Agreement other than case of willful violation, the State shall give the Contractor written notice specifying Contractor's failure and a 10 calendar day period to submit a mutually agreeable corrective action plan. The corrective action plan shall define the scope and timeline of the cure. If the State reasonably determines that the failure to comply is a) a willful violation or b) presents a danger to the health, safety, or welfare of the employees, agents, or citizens of the State, the State may terminate the Agreement immediately upon notice to the Contractor. The Contractor agrees to incur no new obligations nor to claim any expenses made after receipt of notification of termination. Termination for cause shall create a liability upon the Contractor for legal damages.

D. All or any part of this Agreement may be terminated if the State deems that termination would be in the best interest of the State provided that the State shall give written notice to the Contractor not less than 90 calendar days prior to the date upon which termination shall become effective, such notice to be made via registered or certified mail, return receipt requested or hand-delivered with receipt made. The date of such notice shall be deemed to be the date of postmark in the case of mail or the date of Contractor's receipt for notice in the case of hand delivery. The State will not be obligated to pay the Contractor for lost and/or anticipated profits. The Contractor, on its part, agrees to incur no new obligations after receipt of notification of termination and to cancel as many outstanding obligations as possible

E. This Agreement may be deemed terminated immediately at the option of the State upon the filing of a petition in bankruptcy or insolvency, by or against the Contractor. Such termination shall be immediate and complete, without termination costs or further obligations by the State to the Contractor.

F. In the event of termination for any reason, the Contractor shall not incur new obligations for the terminated portion and the Contractor shall cancel as many outstanding obligations as possible. Contractor shall take all reasonable measures to mitigate any damages for which the State may be liable.

G. If this Agreement is terminated for any reason, the State shall have the right to award a new contract to a third party. In the event of termination for cause, the State shall have the right to seek recovery of damages incurred by the State and the reasonable costs incurred in reassigning the contract, subject to the limitations set forth in Article XVI of this agreement.

H. If all or any part of this Agreement is terminated as a result of the Contractor's failure to perform as provided for in this Agreement, the State shall have the right to

negotiate a price for purchase of any or all leased equipment, pursuant to the terms of this Agreement. The State shall continue to make payments to the Contractor, its successors or assigns, in the amounts and manner provided for by the terms of this Agreement or in a reasonably comparable amount or manner if the terms of this Agreement do not specify the amounts and manner in which payments shall be made in the circumstances existing at the time of termination until the effective date of termination. Contractor or its successors or assigns shall not repossess or authorize the repossession on any equipment, software or rights and shall not discontinue, or authorize the discontinuance of, any services of any personnel until the effective date of termination without having first obtained a court order to such effect after having given the State notice and an opportunity to appear and respond in an appropriate legal forum.

I. The remedy set forth in this Article shall be in addition to any other remedy available to the State under this contract or under any other provisions of law.

J. The State reserves the right to terminate this Agreement in the event it is found that the certification filed by the Contractor in accordance with the State Procurement Lobbying Act was intentionally false or intentionally incomplete. Upon such finding, the CSA may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of the Agreement.

K. The Commissioner of Department of Health and Human Services (DHHS) or his or her designee, in his or her sole discretion, reserves the right to suspend any or all activities under this Contract, at any time, when he or she discovers information that calls into question the responsibility of the Contractor. In the event of such suspension, the Contractor will be given written notice outlining the particulars of such suspension. Upon issuance of such notice, the Contractor must comply with the terms of the suspension order. Contract activity may resume at such time as the Commissioner of DHHS or his or her designee issues a written notice authorizing a resumption of performance under the Contract.

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ARTICLE XVII - Patent/Copyright Indemnification

A. The Contractor, at its expense, will defend any claim or suit which may be brought against the CSA for the infringement of United States patents or copyrights arising from the Contractor's or CSA's use of any equipment, materials, or information prepared or developed by the Contractor in connection with performance of this Agreement and in any suit will satisfy any final judgment for such infringement, provided, however, that the Contractor shall not be liable for any infringement or alleged infringement that results, in whole or in part, from: (a) use of a Service, Software or Deliverable in a manner or for a purpose not specifically described in the Agreement (including the Addenda) or Specifications; (b) use of a Service, Software or Deliverable in combination with computer programs, processes, hardware, software, data, systems, or services owned, licensed or provided by someone other than the Contractor; (c) CSA's products or services, (d) modification, change, amendment, customization, or adaptation of any Service, Software, or Deliverable not made wholly by the Contractor; or (e) CSA's failure to implement corrections or changes provided by the Contractor. If a claim of infringement has been asserted, or is about or likely to be asserted, the Contractor may, at its option either (1) procure for CSA the right to continue using the Service, Software, or Deliverable; (2) replace or modify the Service, Software, or Deliverable so that it becomes non-infringing; or (3) defend the action on CSA's behalf and pay any associated costs or damages. The CSA will give the Contractor written notice of such claim or suit and full right and opportunity to conduct the defense thereof, together with full information and all reasonable cooperation. The obligation to indemnify under this Article is contingent up (i) the CSA notifying the Contractor in writing of any Claim subject to such indemnity obligation; (ii) the Contractor having sole control over the defense and settlement of the claim; (iii) the CSA's reasonably cooperating during defense and settlement efforts; (iv) the claims not arising out of the action or inaction of the CSA; and (v) the CSA not making any consent judgment, default judgment or settlement of the claim or any part thereof. The CSA will give the Contractor written notice of such claim or suit and full right and opportunity to conduct the defense thereof, together with full information and all reasonable cooperation.

B. If principles of governmental or public law are involved, the CSA may participate in the defense of any such action.

C. If in the Contractor's opinion the equipment, materials, or information mentioned above are likely to be or become the subject of a claim of infringement of a Contractor's obligation to satisfy any final award, Contractor may, with the CSA's written consent, substitute other equally suitable equipment, materials, and information or at Contractor's option and expense, obtain the right for the CSA to continue the use of such equipment, materials, and information. In the event that an action at law or in equity is commenced against the CSA arising out of a claim that the CSA's use of the software, equipment, materials or information under this Agreement infringes on any patent, copyright, or proprietary right, and such action is forwarded by the CSA to the Contractor for defense and indemnification pursuant to this paragraph, the CSA shall copy all pleadings and documents forwarded to the Contractor together

with the forwarding correspondence to the Office of the Attorney General of the State of New Hampshire together with a copy of this Agreement. If upon receipt of such request for defense, or at any time thereafter, the Contractor is of the opinion that the allegations in such action, in whole or in part, are not covered by the indemnification set forth herein, the Contractor shall immediately notify the CSA and the Office of the Attorney General of the State of New Hampshire in writing and shall specify to what extent the Contractor believes they are and are not obligated to defend and indemnify under the terms and conditions of this Agreement. The Contractor shall in such event protect the interests of the State of New Hampshire and secure a continuance to permit the State of New Hampshire to appear and defend its interests in cooperation with the Contractor as is appropriate including any jurisdictional defenses which the State shall have.

D. The Contractor shall have no liability to the CSA, hereunder or otherwise, with respect to any claims of patent or copyright infringement which are based on the use of any unit of equipment or combination of equipment or programs not supplied by the Contractor, nor shall the Contractor have any liability with respect to any claims of patent or copyright infringement based on use of any unit of equipment in a manner other than in accordance with its specifications as provided by the Contractor and the license given to the CSA herein.

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ARTICLE XIX - Notification

A. All notices permitted or required hereunder shall be in writing and shall be transmitted either by:

1. Certified or registered United States mail, return receipt requested;
2. Facsimile transmission;
3. Personal delivery;
4. Expedited delivery service; or
5. E-mail.

i. Such notices shall be addressed as follows or to such different addresses as the parties may from time-to-time designate:

V. Rénee Drouin, EBT Administrator
Division of Family Assistance
Department of Health and Human Services
129 Pleasant Street
Concord NH 03301-3857
Telephone Number: 603-271-9286
Fax Number: 603-271-4637
E-Mail Address: Rdrouin@dhhs.state.nh.us

And

Terry Smith, Director
Division of Family Assistance
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857
Telephone Number: 603-271-9281
Fax Number: 603-271-4637
E-Mail Address: tsmith@dhhs.state.nh.us

Todd Halter, VP
Xerox State & Local Solutions, Inc.
PO Box 694

Genoa, NV 89411
Cell Number: 916-705-3811
E-Mail Address: Todd.halter@xerox.com

And

Teri Rietfort, PMP
Regional Director, Card Services
Xerox State & Local Solutions, Inc.
11640 Newton Street
Westminster, CO 80031
Office Number: 303-465-2512
Cell Number: 720-253-4313
E-mail Address: teri.rietfort@xerox.com

B. Any such notice shall be deemed to have been given either at the time of personal delivery or, in the case of expedited delivery service or certified or registered United States mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of facsimile transmission or email, upon receipt.

C. The parties may, from time to time, specify any new or different address in the United States as their address for purpose of receiving notice under this Agreement by giving fifteen (15) days written notice to the other party sent in accordance herewith. The parties agree to mutually designate individuals as their respective representatives for the purposes of receiving notices under this Agreement. Additional individuals may be designated in writing by the parties for purposes of implementation and administration/billing, resolving issues and problems and/or for dispute resolution.

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ARTICLE XX - Conflict of Interest

A. DELETED.

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ARTICLE XXI - Other Agency Use

A. Upon request by any other New Hampshire State Agency, the Contractor shall enter into an agreement with such agency for the purchase of the goods and services that are the subject of this Agreement, which is the subject of the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal. Such new agreement shall provide that the cost of such goods and services to the agency entering into such agreement shall be the same as charged to CSA under this Agreement except that the Contractor shall be permitted to negotiate an increase in price to the extent it can show an increase in the cost of providing goods and services which can be attributed to the fact that the agency requires the contractor to be obligated to standard contractual provisions that are more onerous than those contained in the New Hampshire Standard State Contract, Form P-37, as incorporated in this agreement.

B. Upon request by a local social services district or its designated purchasing agent, the Contractor shall enter into an agreement with such district or agent for the purchase of the goods and services that are the subject of this Agreement. Such new agreement shall provide that the cost of such goods and services to the district/agent entering into such agreement shall be the same as charged to CSA under this Agreement except that the Contractor shall be permitted to negotiate an increase in price to the extent it can show an increase in the cost of providing goods and services which can be attributed to the fact that the municipality constituting the social services district requires the contractor to be obligated to standard contractual provisions that are more onerous than those contained in the New Hampshire Standard State Contract, Form P-37, as incorporated in this Agreement.

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ARTICLE XXII - Limitation of Liability

A. For damages arising as a result of acts or omissions of Contractor, its officers, employees, subcontractors, partners or agents, Contractor shall be jointly and severally responsible for the actions of its agents, employees, partners, or sub-contractors, including losses arising from, but not limited to: (i) providing defective or inadequate specifications; (ii) defective or inadequate performance; (iii) losses incurred in shipping and delivery of products to site; (iv) connection, installation or removal of tangibles or intangibles, including telecommunications; (v) defective or inadequate recommendations inducing detrimental reliance by Issuing Entity; (vi) defective or inadequate maintenance and warranty service; or (vii) removal of existing equipment or acquisition of components resulting from defective specifications. The Contractor remains liable, without monetary limitation, for direct damages for personal injury, death, or damage to real property or tangible personal property attributable to the negligence or other tort of the Contractor, its officers, employees or agents.

B. The Contractor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Contractor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be of good quality and workmanship and free from defects for the duration of the contract; and (c) be of good title and be free and clear of all liens and encumbrances. The warranties set forth herein are in addition to all other warranties, express or implied, including but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

C. Where express loss liabilities set forth herein provide for a higher loss limitation liability than as set forth in this article, or where such express provisions impose Contractor liability "without limitation", such express warranties, obligations and indemnifications shall supersede the loss limitation cap contained in this Article. For any suit, action, claim, damages or costs arising under or connected to the title, patent and copyright actions by third parties, Contractor shall be fully liable for damages without limitation.

ARTICLE XXIII - Warranty for Deliverables/Workmanship

A. Contractor guarantees that any required deliverables, tangible or intangible, regardless of form, shall be unconditionally guaranteed for a minimum of ninety calendar days from the contract completion date. The Contractor may offer a longer warranty by setting forth the terms and costs thereof in the project Bid. This warranty will be voided by the CSA's misuse, accident, operation in other than the Specified Operating Environment, unauthorized modification of the source code, improper maintenance or failure caused by a product for which Contractor is not responsible.

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ARTICLE XXIV - Federal Requirements

A. The Contractor agrees to provide a written document stating compliance with Federal Executive Order 11246, the Copeland "Anti-Kickback Act" (18 USC 874), Section 508 of the Federal Clean Air Act, Section 306 of the Federal Clean Water Act. This document must also certify that neither the Contractor nor its principals are debarred or suspended from Federal financial assistance programs and activities and to complete and return in pursuit of such certification any appropriate form required by the CSA (see Federal Executive Order 12549 and 7 CFR Part 3017).

B. The Contractor agrees to comply with the provisions of Section 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have their representative execute the certification Standard Exhibit D.

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ARTICLE XXV - Performance Standards, Benchmarks &Thresholds and Liquidated Damages

It is the expectation of the NCS that the integrity and responsiveness of the EBT system be of the highest quality and that the requirements throughout this Agreement and the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal are met. This section outlines the performance standards and the methods and potential dollar amounts for the assessment of liquidated damages for failure to meet performance standards.

A. Performance Standards

1. To ensure the Contractor provides uninterrupted services to clients and SNAP merchants, and meets the performance standards set forth in USDA FNS regulation, the CSA has defined and provided in this Agreement and the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal a set of EBT system and service performance standards. The Contractor must adhere to the performance standards as set forth below and in the requirements of this Agreement.

2. The Contractor must provide a consolidated report or individual specific reports of their performance as described in the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal . Each report, or section of the consolidated report, must provide in detail the actual measures of performance for that standard. For example, if the standard requires daily or weekly conformity, then the report will detail actual daily or weekly performance. The report(s) must also detail the degree to which the contractor either satisfied or did not satisfy the requirements of the standard. The detail must be sufficient so as to allow the State to calculate potential liquidated damages in the event of failure to perform. The State will work with the contractor during system design/development to determine performance report/file details.

3. Should Contractor performance fall below the predefined standard outlined in Article XXV Section B and further included and described in the NCS EBT RFP and the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal, as measured by either Contractor reporting or the result of CSA monitoring, the CSA will reserve the right to assess liquidated damages and/or require that the Contractor develop and fully implement a corrective action plan. The corrective action plan must be delivered within five business days of the determination that the performance standard is not being met. Upon approval by the State, the corrective action must be implemented no later than five days from the date the plan is approved by the State. Liquidated damages specified in this Article are intended for the

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Contractor's failure to meet its proposed timeframe commitments stated in the following performance standards (when not otherwise caused by a Force Majeure event, the CSA, or by a third party not under the control of the Contractor [excluding subcontractors of the Contractor]).

4. The contractor must provide oral and written email notification in the form of an Impact Statement as soon as reasonably possible after Contractor management is aware of the issue, or should have reasonably been aware of it, not to exceed thirty (30) to the CSA of any incidents, issues, or problems including, but not limited to, system outages, customer service delays, non-compliance with performance standards or deliverable due dates. Notification must provide immediate and open communication between the contractor and the individual CSA personnel to allow for maximum State involvement in the planning, execution, and evaluation of any action(s) taken.

5. The Impact Statement must include date and time of discovery, manner of discovery, nature of the incident or problem, affected service, category and severity, responsible individual, and next steps identified.

6. Incident or problem investigation must be followed up within a reasonable amount of time, but in no instance more than five (5) calendar days from the initial Impact Statement, with a written resolution report, including specific information documenting the nature of the problem and event triggers, the necessary actions/steps to resolve/correct the problem; estimated timeframes for implementation of the resolution; and the lead contractor personnel responsible for assuring resolution of the problem.

B. Liquidated Damage Calculation Description

1. As described below each CSA has authority to assess full or partial liquidated damages at its discretion for non-compliance with performance standards. In the event of contractor deficiencies in meeting performance standards, the State may opt to withhold a percentage of the monthly billing times the "State Multiplier" until such time as the deficiency is cured. The State Multiplier for each CSA is indicated below and will used to determine the total dollar amount to assess the liquidated damage value if the Benchmark/Threshold falls below the standard. Such action shall not affect the State's right to assess liquidated damages per the terms of the contract.

2. Example Penalty Calculation Example:

   $2,500 = dollar value;
   1 = the whole point below the standard.- In this case the contractor failed to meet the benchmark/threshold of 99.9%, and was reported @98.9%;
   $2,500 = the dollar value multiplied by the State multiplier;

$2,500 X 2 (NH State Multiplier).
$5,000 = assessed damage value.

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Exhibit A- Tables

Host and Transaction Processing, Communications Facilities, and Hot Backup			
#	Performance Standard	Benchmark/ Threshold Measurement and Frequency	Liquidated Damages / Calculations
1	**% of Availability (Uptime):** **1a.) EBT System Availability (Uptime):** 24 hrs a day, 7 days a week, 365 days a year, except for scheduled downtime, measured per month, for EBT Processor, transaction switch, and EBT Third Party Processors.	• 99.9% • Monthly	• 1st outage- 1% of monthly bill. For each additional hour segment an additional ½ % will be added. Result for each state multiplier. • 2nd outage- 2% of monthly bill. For each additional hour segment an additional ½ % will be added. An additional ½ % for each subsequent outage >2 will be added. Result for each state multiplier. • SM: NH=5
	1b.) Client Web Portal Availability (Uptime): 24 hrs a day, 7 days a week, 365 days a year, except for scheduled downtime.	• 99% • Daily	• $2500 for each whole % point below standard times state multiplier • SM: NH=1

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Exhibit A- Tables

	1c.) SOAP Communication Availability: 24 hrs a day, 7 days a week, 365 days a year, except for scheduled downtime. Currently this communication protocol is specific to NYS and Massachusetts and liquidated damages stated herein are applicable. During the contract term the CSA may choose to develop and implement this technology at which time liquidated damages may be assessed should the contractor fail to meet the benchmark once the CSA's ability to support this communication has been developed and implemented on the System Baseline.	• 99% • Daily	• $2500 for each whole % point below the standard, except for scheduled down time, for each state multiplier • SM: NH=1
	1d.) EBT Administrative System Availability (Uptime): 24 hrs a day, 7 days a week, 365 days a year, except for scheduled downtime.	• 99 % • Daily	• $2500 for each whole % point below standard times state multiplier • SM: NH=1
2	**2a.) EBT POS Transactions via Leased Lines:** % of System Transactions Executed Within Response Time Threshold	• 98% executed within 10 seconds • 100% executed within 15 seconds • Monthly	• $2500 for each whole % point below standard times state multiplier • SM: NH=1
	2b.) EBT POS Transactions via Dial Up Systems:	• 95% executed within 15 seconds • 100% executed within 20 seconds • Monthly	• $2500 for each whole % point below standard times state multiplier • SM: NH=1
	2c.) EBT Administrative Functionality Transactions These transactions include, but are not limited to posting of a benefit, account set up records, and account repayment.	• 99% processed within 2 seconds • Monthly	• $5000 for each whole % point below standard times state multiplier. • SM: NH=1

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	2d.) EBT Cardholder Web or IVR Transactions: Includes any transaction initiated via the cardholder web portal or IVR.	• 99% executed within 3 seconds • Monthly	• $5000 for each whole % point below standard times state multiplier. • SM: NH=1
	2e.) SOAP Record Communication Transmission Rate Number: No less than 1500 records, incoming and outgoing, transferred per hour or maximum records sent. Currently this communication protocol is specific to NYS and Massachusetts and liquidated damages stated herein are applicable. During the contract term other CSA's may choose to develop and implement this technology at which time liquidated damages may be assessed should the contractor fail to meet the benchmark once the CSA's ability to support this communication has been developed and implemented on the System Baseline.	• Processes 99% • Monthly	• $5000 for each whole % point below the hourly standard times state multiplier. • SM: NH=1
	2f.) Incoming SOAP Communication: Records received via SOAP communication This communication protocol is specific to NYS and Massachusetts. At state option, each CSA may choose to develop and implement this technology during the contract term. Liquidated Damages may be assessed upon the contractor's failure to meet the benchmark once the CSA's ability to support this communication has been developed and implemented on the System Baseline.	• 99% of records are processed within 3 seconds of receipt • Monthly	• $5000 for each whole % point per day below standard times state multiplier. • SM: NH=1
	2g.) Data File Processing: All data file records, including but not limited to Benefit Files and CBIC Batch Update Files received via FTP or any other means.	• 99% of files are processed within 1 hour of receipt • Monthly	• $5000 for each whole % point below standard times state multiplier. • SM: NH=1

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Exhibit A- Tables

3	**# of Inaccurate Transactions** **3a.) Inaccurate EBT Financial Transactions:** This includes any transactions made directly by the contractor and any of its sub-contractors acquiring networks. For example, transactions incorrectly (or erroneously) denied, funds drawn from an incorrect account; overdraws of benefit accounts; incorrect debits and credits, including; failure to apply requested benefit cancellations; and/or incorrect postings of benefits to cardholder EBT accounts.	• 99.9% accuracy assessed per day. • Reported Monthly	• $5000 times number of days under standard times state multiplier. • SM: NH=1
	3b.) Inaccurate EBT Transactions processed via the IVR or Client Web Portal.	• 99.9% accuracy assessed per day • Reported Monthly	• $5000 times number of days under standard times state multiplier. • SM: NH=1

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Exhibit A- Tables

4	**Data Files and Reports Accuracy and Transmission** **4a.) Data File Transmission:** Data files are sent according to the daily/ monthly schedule as defined in the RFP.	• 100% of data files are sent within 1 hour • Monthly	• $5000 for each whole % point below standard times state multiplier. • SM: NH=1
	4b.) Data File Transmission Accuracy: Data files are accurately formatted and data is accurate.	• 100% of data files are accurate • Monthly	• $5000 for each whole % point below standard times state multiplier. • SM: NH=1
	4c.) Report Transmission: Reports are sent according to the daily/ monthly schedule as defined in Appendix 15 in the RFP.	• 99.9% of reports are sent within 1 hour of the defined deliverable. • Monthly	• $2500 for each whole % point below standard times state multiplier. • SM: NH=1
	4d.) Report Accuracy: Reports are accurately formatted and data is accurate.	• 99.9% of reports are accurate • Monthly	• $2500 for each whole % point below standard times state multiplier. • SM: NH=1
	4 e.) File Accuracy: Timely FNS file transmissions of ALERT, AMA, and STARS in accordance to Appendix 15 of the RFP.	• 100% of data files are accurate. • Daily/Monthly	• $1,000 per instance for files that are delayed more than two (2) days. • An additional $1,000 for each additional day after the first two days the files are delayed. • $1,000 each time the "ALERT" file is entirely rejected by FNS. This also applies when the "ALERT" file is entirely rejected multiple times in a month/day exceeding the permitted number of file rejections. • SM: NH=1

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Exhibit A- Tables

5	**Cards and PINS** **5a.) Mailed Card Turn Around Time**: Mailed cards are produced and mailed within 3 calendar days. The calendar date of receipt of the data by the Contractor will be considered day zero. Following day zero, the first business day will be considered Day 1. Day 2 will be the first business day following day one, and Day 3 will be the first business day following day two. Cards will be measured as delayed if produced on Day 3 or greater.	• 100% of cards produced within 2 calendar days. • Monthly	• Cards produced on day 3 and any subsequent delayed days, the CSA will not be charged for those cards and corresponding postage. • Cards produced on or after day 3, an additional charge will be calculated as the total card cost times the number of cards times the number of days delayed minus 1. Example: 5,000 cards delayed for 3 days will be assessed at the rate of the cost of ***one*** card x 5,000 x 2. The cost per card in place within the contract cycle will be used to determine the damages.
	5b.)OTC Card Turnaround Time: OTC cards are produced within 1 hour from a client arriving at the CSA designated site.	• 90% of cards produced within 1 hour • Monthly	• $300 for each whole % point below standard times state multiplier. • SM: NH=1
	5c.) Bulk Shipment Card Turnaround Time: Cards are delivered within State time frame. NY/VT= 20 days CT/NH/RI/MA=5 days	• 100% on time card delivery • Monthly	• $1000 for each business day a bulk shipment is late.
	5d.) Card Standards: Cards meet ISO standards as defined in the RFP.	• 100% ISO compliance • Monthly	• $10 times number of non-compliant cards.
	5e.) PIN Mailer Turnaround Time: PIN Mailers are produced and mailed within 1 business day.	• 90% of PIN Mailers produced and mailed within 1 business day. • Monthly	• PIN mailers produced and mailed on 2nd business and any subsequent delayed days, the CSA will not be charged for those PIN mailers and corresponding postage. • PIN mailers produced and mailed on or after 3rd business day an additional charge will be calculated as follows; total number of delayed PIN Mailers times the number of days delayed minus 1.

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Exhibit A- Tables

	5f.) PIN Mailer Accuracy: PIN Mailers are accurately formatted and the data contained within the PIN Mailer is accurate.	• 100% of PIN Mailers are accurate • Monthly	• $1,000,for each whole % point below standard times state multiplier. • SM: NH=1 • Additionally, CSA will not be charged for inaccurate PIN mailers and corresponding postage.
	5g.) PIN Selection Device Availability: PIN selection devices will be available and working as defined in this RFP.	• 100% of PIN Selection Uptime • Monthly	• $2500 for each whole % point below standard times state multiplier • SM: NH=1
	5h.) PIN Selection Transaction Processing: Timing begins upon entry of client PIN for processing.	• 98% executed within 45 seconds or less • Monthly	• $2500 for each whole % point below standard times state multiplier • SM: NH=1
6	**Direct Deposit and Direct Deposit Returns** **6a.) Direct Deposit and Direct Deposit Accuracy**: Direct Deposits and Direct Deposit Returns are accurate and formatted and data is accurate.	• 100% of direct deposits and returns are accurate • Monthly	• $5000 for each whole % point below standard times state multiplier • SM: NH=1
	6b.) Direct Deposit and Direct Deposit Timeliness: Direct Deposits Direct Deposit Returns are processed in the time as specified Section 5.2.1. of the RFP	• 100% of direct deposits and returns are on time • Monthly	• $5000 for each whole % point below standard times state multiplier • SM: NH=1

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7	**Settlement and Reconciliation** **7a.) SNAP:** EBT contractor must provide credits to the financial institution holding the accounts for retailers or third party processors within two business days of the daily cutover period for retailer settlements in accordance with Federal regulations and AMA and ASAP standards.	• 100% compliance with regulations and standards • Monthly	• $1000 per occurrence beyond the measured cutover settlement, times state multiplier • SM: NH=1 • Additionally, contractor is liable for the value of benefits incorrectly applied and any bank costs, charges, or damages that government or retailers may accrue from missed or incorrect settlement processing.
	7b.) Cash: EBT contractor must provide credits to the financial institution holding the accounts for retailers or third party processors according to applicable network rules and QUEST Operating Rules.	• 100% compliance with regulations and standards • Monthly	• $1000 per occurrence beyond the applicable network or QUEST settlement rules, times state multiplier • SM: NH=1 • Additionally, contractor is liable for the value of benefits incorrectly applied and any bank costs, charges, or damages that government or retailers may accrue from missed or incorrect settlement processing.
8	**Disaster Preparation and Contingency Planning** **8a.) Continuation of Business (COB) Testing:** COB test conducted annually on mutually agreed upon date.	• COB is conducted on annual scheduled date.	• $2500 per month delayed from scheduled date, times state multiplier • SM: NH=2
	8b.) Continuation of Business (COB) Reporting: Complete COB reporting as described in this RFP.	• Received within 30 days of completion of COB test.	• $2500 per month if delayed beyond the 30 days of completion, times state multiplier • SM: NH=2
	8c.) Continuation of Business (COB) Accuracy: COB is conducted as specified in this RFP with no unexpected disruptions to normal EBT processing.	• 100% Accuracy (0 incidents)	• $2500 per incident times state multiplier • SM: NH=2 • Any actual damages in excess of the liquidated damages cited by the CSA as a result of the failure of the COB or unexpected incidents as a result of the

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			COB, including, but not limited to, additional costs incurred by the CSA.
9	**Transition/Conversion Plan** 9a.) Transition/Conversion Timeliness: contractor must assume EBT processing according to the schedule determined in this RFP and as noted during contract negotiations. The ensuing EBT contractor must prepare a Transition and Conversion Plan that complies with the FNS EBT System Transition Guide, Version 2.0, June 6, 2005 or the most recent version issued by FNS.Upon termination of the contract, the contractor must cooperate with the future EBT contractor to ensure a timely and accurate conversion of a the 3-Year on-line transaction history.	• 98% of deadlines • daily/ weekly during conversion in accordance to the plan.	• $500 per day times the number of days delayed for each individual deliverable described in the plan. • Additionally, actual damages in excess of the liquidated damages cited above incurred by the CSA as a result of the failure by the Offer or to convert the EBT systems and processing by the scheduled conversion date, including, but not limited to, additional costs for the continuation of EBT services. • SM: NH=2
	9b.) **Transition/ Conversion Plan Accuracy**: contractor must accurately transition and convert EBT data and processes as defined in the RFP.	• 100% (0 incidents) • daily/ weekly during transition/ conversion	• $2500 per incident times state multiplier. • SM: NH=2 • Additionally, actual damages in excess of the liquidated damages cited above incurred by the CSA as a result of the incident.
10	**Retailer Management, Customer Service and Training** **10a.) Answer Timeliness**: Cardholder and retailer calls answered by automated system as defined in the RFP.	• 98.5% within 20 seconds • Monthly	• 1% of the total EBT monthly billing as defined in the RFP times state multiplier. • SM: NH=1
	10b.) IVR Calls Answered: Cardholder and retailer calls answered by IVR after menu selection	• 100% within 5 seconds • Monthly	• For each whole % point above the standard, 1% of the total EBT monthly billing times state multiplier. • SM: NH=1

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	10c.) Call Selection Wait Period: Cardholder or retailer calls answered by live operator.	• 99.8% answered by live operator within 2 minutes. • 3% answered by live operator within 30 seconds. • Monthly	• 1% of the total EBT monthly billing times state multiplier for *each* standard. • SM: NH=1
	10d.) Abandon Call Rate: Cardholder and retailer calls abandon call rate	• < 5% • Monthly	• For each whole % point above the standard,1% of the total EBT monthly billing times state multiplier • SM: NH=1
	10e.) Blocked/ Busy Signals: Cardholder or retailer calls.	• 0% for first 400 concurrent callers • < 2% after the first 400 concurrent callers • Monthly	• 1% of the total EBT monthly billing times state multiplier for *each* standard. • SM: NH=1
	10f.) Cardholder Service Line Availability: Customer Service toll free line is available 24 hours per day, 7 days per week.	• 100% • Monthly	• $2500 for each whole % point below standard times state multiplier. • SM: NH=1

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11	**Incident, Problem, Change and Release Management** **11a.) Incident/Problem Management; Incident/ Problem Response Time:** Contractor documents and submits an impact statement to incidents/problems reported by the CSA or Contractor.	• Immediate for CSA and Contractor detected/reported incidents/problems. • Quarterly	Events, incidents or problems identified by the CSA must also adhere to the following standards and must be addressed by the contractor with the same expectations specified in Section 11.7.2 of the RFP. In the event the contractor fails to comply with the specified requirements, the affected CSA reserves the right to withhold 1% of the most current monthly voucher or $10,000, whichever is greater. • $1,000 per problem per month delayed reporting times state multiplier. • SM: NH=1

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	Incident and Problem Notification **11.a.1.) Incident and Problem Notification Response Time**: Contractor notifies the CSA of system operating incidents, problems or outages.	• Immediate for CSA and Contractor detected/reported incidents and problems or outages. • Daily	Unscheduled events or systems operations, incidents and problems which interrupt or prevent system operations at the client/retailer interface must be reported to the CSA immediately. Such events, incidents and problems which 1) have a duration of more than 15 minutes and 2) occur over a geographic area appearing likely to constitute as much as or more than a zip code, if those events/incidents/problems are not immediately reported to the CSA, shall be cause for assessment of liquidated damages, which damages shall be computed in the following manner. The CSA may assess damages in the amount of $10.00 for each projected disrupted transaction. The number of projected disrupted transactions (which shall not be computed if notice of the disruption is communicated within the first 15 minutes after the contractor initially becomes or should have become aware of the systemic interruption in benefit processing) shall consist of the average number of approved and logged SNAP and Cash transactions that occurred in the fifteen days prior to the day in which the disruption occurs for the period of disruption in which there was no notification to the CSA. Initial notification may consist merely of an identification of the geographical area in which the problem is occurring, to the extent that is known, and a general description of the nature of the incident/problem/interruption. • $10.00 per affected approved and logged transaction. SM: NH=I

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	11b) Incident/Problem Written Resolution Report: Contractor investigates and provides written resolution report for Contractor or CSA reported incidents and problems as described in Section 11.7.2 of the RFP.	• Within 5 calendar days for Contractor and CSA detected and/or reported incidents/problems.	• $1,000 per reported incident/problem per month where a written resolution is not provided times the state multiplier. • SM: NH=1
	11c.) Incident Management: % of Repeat Incidents: % of incidents that can be classified as a repeat incident, relative to all incidents.	• 2% • Quarterly	• Number of repeat incidents times $500 times state multiplier • SM: NH=1
	11d.) Incident Management: % of Incidents Resolved within target/deadline: # of incidents closed within allowed time frame, relative to the total number of incidents.	• 99% • Quarterly	• $500 per incident not resolved times month(s) delayed times state multiplier • SM: NH=1
	11e.) Problem Management: % of Repeat Problems: % of problems that can be classified as a repeat problem, relative to all incidents.	• 0% • Quarterly	• Number of repeat problems times $2500 times state multiplier • SM: NH=1
	11f.) Problem Management: % of Problems Resolved within target/deadline: # of problems closed within allowed time frame, relative to the total number of problems.	• 99% • Quarterly	• $2500 per problem not resolved times month(s) delayed times state multiplier • SM: NH=1
	11g.) Change Management: Time (Days) Request for Change Response: Change Request Form and the results are returned as defined in the RFP.	• 14 calendar days • Quarterly	• $250 per day delayed times state multiplier • SM: NH=1
	11h.) Change Management: % of Changes Implemented within target/deadline: # of changes implemented within allowed time frame, relative to the total number of changes.	• 99% • Quarterly	• $2500 per change not implemented times month(s) delayed times state multiplier • SM: NH=1

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	11i.) Change Management: % of Unauthorized Implemented Changes: # of implemented changes that were not authorized by the CSA relative the total implemented changes.	• 0% • Quarterly	• $5000 per change not authorized times state multiplier • SM: NH=1
	11j.) Change Management: % of Changes that Cause Incidents: # of implemented changes that have caused incidents relative the total implemented changes.	• 0% • Quarterly	• $2500 per unique incident times state multiplier • SM: NH=1
	11k.) Change Management: % of Backed Out Changes: # of closed changes which were rolled back relative to the total number of changes.	• 0% • Quarterly	• $2500 per backed out change times state multiplier • SM: NH=1
	11l.) Release Management: % of Unauthorized implemented Releases: # of releases that were not authorized by the CSA relative the total releases.	• 0% • Quarterly	• $5000 per release not authorized times state multiplier • SM: NH=1
	11m.) Release Management: % of Backed Out Releases: # of releases which were backed out relative to the total number of releases.	• 0% • Quarterly	• $2500 per backed out release times state multiplier • SM: NH=1
	11n.) Release Management: % of Releases Implemented on Schedule: # of releases implemented within allowed time frame, relative to the total number of releases.	• 99% • Quarterly	• $2500 per release not implemented times month(s) delayed times state multiplier • SM: NH=1
	11o.) Release Management: % of Releases that Cause Incidents: # of releases that have caused incidents relative to the total releases.	• 0% • Quarterly	• $2500 per unique incident times state multiplier • SM: NH=1
12	**Cash Access** **12a.) Cash Access Availability**: Contractor		

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	provides continuous cash access as defined in the RFP.	• 100% • Quarterly	• 10% of monthly EBT billing will be withheld until Contractor meets cash access standard.
13	**Adjustment Processing** 13a.) The contractor must adjust cardholder accounts, as applicable by FNS regulation or QUEST Rules, to correct auditable, out-of-balance settlement conditions that result from a system error. A system error is defined as an auditable processing failure at any point in the redemption process that results in the improper crediting or debiting of an account or the failure to credit or debit an account. The adjustment transaction must reference the original transaction that is completely or partially erroneous.	• 100% • Monthly	• $250 per deadline missed times state multiplier. • SM: NH=1

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ARTICLE XXVI Negotiated Changes to the RFP and Contractor's Proposal

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ARTICLE XXVII – Selected Optional Services

The following is a listing of EBT optional services initially selected for purchase under this contract by the State of New Hampshire. See Article XXVIII included in the Scope of Services and the Xerox response to the Northeast Coalition of States (NCS) Regional Management Council (RMC) EBT Services Proposal financial response for pricing of these services.

A. 4.2.3.4 ATM Usage Transaction Fees

The EBT system must provide New Hampshire cardholders with two free successful cash ATM withdrawal transactions per month per case without assessment of ATM usage transaction fees by the contractor to the cardholder. Balance inquiry transactions, as well as transactions that are denied, reversed, voided or adjusted either partially or completely, do not count as one of the ATM usage transaction fee free ATM cash withdrawal transactions. Any ATM usage transaction fee accompanying reversed, voided or adjusted transactions must be credited back to the cardholder account. Once the cardholder has perfomed the allowed number of ATM usage transaction fee-free cash withdrawal transactions, the cardholder is responsible for any additional ATM usage fees associated with cash withdrawals as charged by the contractor. The number of free ATM usage transactions is based on a calendar month and is not affected by the status of the account, nor whether the benefits were posted/deposited to the account during the month.

B. 4.5.7 Overnight Bulk Delivery of Cardholder Customized Card Stock

The State's card production will be utilizing the option to have High Co cards produced by the EBT contractor they must be drop shipped overnight to the CSA. All cards must be shipped using an overnight service of the State's choosing. The per-card price referenced in Article XXVIII pricing table 14.10-8 will include card customization, card insert and collating envelopes. The drop ship cost will be a pass through cost to the CSA.

C. Local District, Group Home, OTCs or Congregate Facility PIN Selection via Hardware Device

The contractor must offer a secured mechanism to support card PIN selection at local district offices, Group Home or Congregate Care facilities using a PIN selection device/system that interfaces with the EBT system in real time.

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D. 9.3.4.3 State/Local District Training Materials – Core Optional Requirements

The contractor shall provide written training materials for CSA EBT staff and Local or County office staff and eligibility workers. The CSA and Local staff training materials shall cover EBT system functionality as it applies to the job functions of State and Local workers. The materials must be provided to the CSA in camera-ready hard copy versions and electronic format on CD ROM using Microsoft Office Suite products. The EBT contractor shall be required to maintain the training materials and make revisions whenever the EBT system functionality is modified. In addition, updates and revisions of the training materials must be provided in a timely manner to the CSA whenever the contractor modifies the functionality of the EBT system. The vendor is encouraged to recommend for consideration any approach that may provide on-line training and/or on-line access to training materials and updates. Where applicable, State and Local District staff training material must incorporate the information provided within any of the system manuals or procedures.

E. 14.3.1 Public Payphone Charges

The vendor will be reimbursed by the CSA for the interexchange rate for calls to the 1-800 Toll Free Customer Service number originating at public payphones during a single service month. The CSA will pay the vendor, as a pass through in arrears on a monthly basis, the lower of: 1) the contractor's bid rate; or 2) the Federal Communications Commission (FCC) Default rate. The contractor must support the CSA option for not accepting payphone calls and as such will not be required to reimburse the vendor.

The vendor must provide the CSA with information concerning payphone call volumes and other information available to the vendor. Such information must be submitted monthly in support of the invoicing for payphone interexchange charges. A base is included in Article XXVIII Schedule 14.10-3, this is subject to change in accordance with FCC regulations.

F. **Notwithstanding any inconsistency with any of the above provisions, the Contractor agrees to provide the following services at no additional cost to the CSA:**
   a. Enhanced Data Warehouse
   b. Fraud Reporting Package
   c. Fraud Navigator
   d. Dashboard

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e. Cash reporting and blocking based on the MCC code
f. Cash reporting and blocking based on the specific Terminal ID
g. Reporting of all out-of state transactions based on the 'current day'
h. Reporting of all transactions that exceed $1,000 on a single transaction
i. Reporting of all "Small transactions followed by a large purchase"
j. Access to FIS Fraud Navigator to allow State staff to monitor and work all of these items
k. Dashboard access for State staff to work on the above items
l. All existing fraud reports that were outlined in the proposal will still be included
m. The Dashboard alerting queue will also be included, which will alert the State of real-time fraud activity.
n. Ad-Hoc reporting functionality
o. Retention of current card production process
p. Design of new EBT card and conversion to new EBT card stock

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Exhibit A- Tables

ARTICLE XXVIII – Pricing Charts

Table 14.6-1. NCS Conversion/Core Services Start-Up Cost Breakout

Personal Services	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Subcontracted Services	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Hardware/ Equipment	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Software	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Network Related	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Facility-Related	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Materials and Supplies	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Travel	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.
Other- Please Specify:	$0	$0	$0	$0	$0	$0	No Cost. All inclusive.

Table 14.7-1. Pricing for NCS EBT Core Price per Case Month – Cash

<100,000	$0.51
100,000-200,000	$0.47
200,001-300,000	$0.47
300,001-400,000	$0.45
400,001-500,000	$0.45
500,001-600,000	$0.44
600,001-700,000	$0.44
700,001-800,000	$0.39
800,001-1,000,000	$0.39
1,000,001-1,100,000	$0.39
1,100,001-1,200,000	$0.39
1,200,001-1,300,000	$0.39
1,300,001-1,400,000	$0.39
1,400,001-1,500,000	$0.39
1,500,001-1,750,000	$0.39
1,750,001-2,000,000	$0.39
2,000,001>	$0.39

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Table 14.8-1. NCS EBT Core Price per Case-Month – SNAP

<100,000	$0.57
100,000-200,000	$0.56
200,001-300,000	$0.55
300,001-400,000	$0.52
400,001-500,000	$0.50
500,001-600,000	$0.48
600,001-700,000	$0.46
700,001-800,000	$0.45
800,001-1,000,000	$0.45
1,000,001-1,100,000	$0.45
1,100,001-1,200,000	$0.45
1,200,001-1,300,000	$0.45
1,300,001-1,400,000	$0.45
1,400,001-1,500,000	$0.44
1,500,001-1,750,000	$0.44
1,750,001 – 2,000,000	$0.44
2,000,001 – 2,500,000	$0.44
2,500,001>	$0.44

Table 14.9-1. NCS EBT Rate Escalators

Year 2	0%
Year 3	0%
Year 4	0%
Year 5	0%
Year 6	0%
Year 7	0%
1st Optional Extension	0%
2nd Optional Extension	0%

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Table 14.10-1. NCS EBT Start-Up Pricing for Core Optional Services

CT	$0.00	0%
MA	$0.00	0%
NH	$0.00	0%
NY	$0.00	0%
RI	$0.00	0%
VT	$0.00	0%

Table 14.10-2. NCS Conversion/Core Optional Services Start-Up Cost Breakout

Personal Services	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Subcontracted Services	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Hardware/ Equipment	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Software	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Network Related	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Facility-Related	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Materials and Supplies	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Travel	$0	$0	$0	$0	$0	$0	No cost. All inclusive.
Other- Please Specify:	$0	$0	$0	$0	$0	$0	No cost. All inclusive.

Table 14.10-3. NCS EBT – Core Optional Requirements

4.2.3.1 – SNAP contractor managed adjustment process.	Adjustment Process including cardholder notices, telephone inquiries and system updates. Price must be an incremental price per case- month to participating CSA exclusive of reimbursable postage.	n/a	$0.003 per SNAP case

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4.2.3.1 – Cash contractor managed adjustment process.	Adjustment Process including cardholder notices (per notice), telephone inquiries and system updates. Price must be an incremental price per case-month to participating CSA exclusive of reimbursable postage.	n/a	$0.003 per Cash case
4.2.3.2 - Card Authentication Value	One-Time Charge	$0.00	Included at no charge
4.2.3.3 - ATM Balance Inquiry	Cost per transaction	n/a	$0.00
4.2.3.4 - ATM/POB Usage Transaction Fees ATM Withdrawals provided by CSA to cardholder up to pre- determined quantity See c) below under Notes	Fee per ATM/POB withdrawal (not subject to escalation/increases)	n/a	$0.40 per ATM withdrawal. No charge for surcharged transactions
4.2.3.4 - ATM/POB Usage Transaction Fees (in Excess of CSA determined Quantity per Month) – Paid by Cardholder See c) below under Notes	Fee per ATM/POB withdrawal (not subject to escalation/increases)	n/a	$0.45 per ATM withdrawal in Excess of CSA quantity. No charge for surcharged transactions. Fee is $0.05 higher than fee charged to CSA because of higher administrative costs for transactions greater than two.
4.5.9 - Retention of Current Card Production Process	One-Time Charge	$0.00	No charge
4.5.15 - Local District, Group Home or Congregate Care PIN Selection via Hardware Device- CSA	Monthly price per device inclusive of lease, maintenance, shipping and installation	n/a	$10.00 per device per month
5.2.1 - Direct Deposit Services	Price per deposit	n/a	$0.05 per deposit
5.2.2 - Direct Deposit Enrollment Management Services	Price per month for each case enrolled in direct deposit for which a deposit is made	n/a	$0.08 per month for each case enrolled in direct deposit
5.2.3 - Alternate Direct Deposit Proposals: Electronic Payment Cards	Monthly account fee paid by Cardholder	n/a	$0.00

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5.2.17. - Branded Debit Card Services – fees to Cardholder	Price per ATM withdrawal (exclusive of surcharge) paid by Cardholder	n/a	$0.00 For the first two ATM withdrawals at MoneyPass and Comerica Bank ATMs. $1.35 for each subsequent ATM and each out of network ATM withdrawal. One of the unused 2 free in network withdrawals each month will rollover to the following month and expire at the end of the month.
5.2.17. Branded Debit Card Services – fees to Cardholder	Price per account balance inquiry paid by Cardholder	n/a	$0 - for the first five balance inquires calls per month at the ARU, $0.35 for each subsequent ARU call in a month $0 - No Fee at website $0 for the first text inquiry each month, $0.10 for each subsequent text inquiry in a month $0.50 for each balance inquiry at an ATM
5.2.17. - Branded Debit Card Services – fees to Cardholder	Price per card paid by Cardholder	n/a	No fee for initial card
5.2.17. - Branded Debit Card Services – fees to Cardholder	Price per replacement card paid by Cardholder	n/a	No fee for expired cards; no fee for 1st replacement per year; $5.00 for subsequent replacements. Optional Expedited card delivered by overnight service- $15.00 each
5.2.25 - Electronic Funds Transfer for Contractor Payments	Price per successfully completed transfer	n/a	$0.05 per item
5.2.26 - Electronic Funds Transfer for Contractor Payments	Price per successfully completed transfer	n/a	$0.05 per item
5.3 - Data Warehouse Functionality and additional Ad-Hoc reporting functionality	One-time charge	$0.00	No charge
5.3 - Data Warehouse Functionality and additional Ad-Hoc reporting functionality	Recurring monthly price	n/a	$0.00

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7.2.1 - Disaster Vault Card and PIN Inventory.	Price per 10,000 cards, excluding postage	n/a	$3,000 per 10,000 cards
7.2.2 - Drop-Ship Delivery for States Utilizing Contractor Issued Disaster Vault Cards.	Price per 10,000 cards,	n/a	$550 per 10,000 cards
9.1.2.1 - Hand-held Wireless POS Device	Monthly price per device inclusive of lease, maintenance, shipping, installation, and all transaction processing fees.	n/a	$53.00 per device per month
9.1.2.1 - Card Reading Wedge	Monthly price per device inclusive of lease, maintenance, shipping and installation	N/A	$3.00 per device per month
9.1.2.2 – Funds Transfer Support for Certain Facilities – Set-Up Charge	One-Time cost per facility	$95,000 one-time cost	N/A
9.1.2.2 - Support for Certain Facilities - On-Going Charge	Recurring monthly price per facility	N/A	$250 per month per facility
9.3.1 - Interpreter Options	Monthly price per language	$5,000 one-time per language for ARU change.	$2,000 per month per language
9.3.2 - ARU PIN Restriction	One-time charge	$15,000 per State	N/A
9.3.3 - ARU Card Replacement	One-time charge	$0.00 No charge	N/A
9.3.4 - Cardholder Training Brochure	Price per thousand	N/A	$100.00 per thousand
9.3.4 - Cardholder Video (English and Spanish)	Initial One-time charge	$50,000 one-time charge per State	N/A
9.3.4 - Cardholder Video-Additional Language	Initial One-time charge per language	$10,000 one-time charge per language per State	N/A
9.3.4 Cardholder Video (for English, Spanish or other languages)	Unit price per video	N/A	$8.00 per video
9.3.4.1 - One-Time Translation Fee Per Language for Cardholder Printed Materials	Initial one-time charge per language	$1,000.00 per language	N/A
9.3.4.2 - Cardholder Training Brochure	Price per hundred thousand	N/A	$7,600 per 100,000
9.3.4.3 - State/Local District Training Materials	Initial One-time charge including updates	$2,000 per State	N/A

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9.3.4.3 - State/Local District Training Materials	Unit price per hard copy	N/A	$2.65 per hard copy
9.3.4.3 - State/Local District Training Materials	Unit price per CD	N/A	$8.00 per CD
9.4 - Mass Mailing (excludes pass-through postage. Postage will be reimbursable and is not subject to any markup)	Per 1,000 pieces with one page inserted	N/A	$328 per 1,000
9.4 Mass Mailing (excludes pass-through postage. Postage will be reimbursable and is not subject to any markup)	Per 1,000 pieces for each additional page	N/A	$53 per 1,000 pieces for each additional page
10.1 – Cash Access Network	Incremental price per case month (cash only).	N/A	$0.01 per cash only case. Includes Quest and NYCE networks.
14.3.1 – Public Payphone Charges	Base payphone charge per call (subject to change in accordance with FCC regs)	N/A	$0.494

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Table 14.10-4. EPC Cardholder Account Services

In-Network ATM Withdrawals	Two Free ATM Withdrawals at all MoneyPass and Comerica Bank ATMs Nationwide. $1.35 for each subsequent withdrawal. One unused in-network ATM withdrawal each month will roll over to the following month and will expire at the end of the month.
Out of Network ATM Withdrawals	$1.35 per transaction
International ATM withdrawals	$1.35 per transaction plus any applicable currency conversion fee.
In-Network ATM Surcharges	Unlimited free ATM surcharge fees at all MoneyPass and Comerica Bank ATMs Nationwide.
Out of network ATM Surcharges	Charge by the ATM owner. Xerox does not set this fee
Customer Service Calls (live CSR)	Unlimited free calls to live Xerox CSRs.
Customer Service Calls (IVR)	$0.00 for the first five calls per month. $0.35 for subsequent call per month
Web Inquiries	Unlimited free web-based inquiries on Xerox's secure website – www.goprogram.com
ATM Balance Inquiries	$0.50 per transaction
POS Signature Transactions	Unlimited free approved POS signature transactions – including online purchases, telephone purchases, at all retailers and merchants accepting MasterCard.
POS PIN Transactions	Unlimited free approved POS PIN transactions – including purchases with cash back purchases at all retailers and merchants accepting MasterCard.
Foreign Currency Conversion Fee	3% of transaction
Bank Teller Withdrawal	$2.00 per withdrawal
Account Maintenance	$0.00
Proactive Deposit Notification Alert	$0.00
Low Balance Alert	$0.00
High Balance Alert	$0.00
Mobile Balance Alert	$0.00 for the first text inquiry each month. $0.10 for each subsequent inquiry text in the month.
Card Replacement Fee	One free per year; $4.00 thereafter
Expedited Card Replacement Fee	$15.00
Overdraft Fee	$0.00
Account Closing Fee	$0.00
Funds Transfer from card to bank account	$1.50 per transfer
Pay Perks (Financial literacy program)	$0.00
MasterCard Marketplace	$0.00

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Table 14.10-5. Card Production Pricing for NCS EBT Card Issuance

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
1-1,000	N/A	$ 1.02	$ 1.05	$ 11.55	$ 2.77	$ 14.32	$ 0.59
1,001 – 5,000	N/A	$ 0.99	$ 1.03	$ 11.52	$ 2.75	$ 14.27	$ 0.59
5,001 – 10,000	N/A	$ 0.99	$ 1.03	$ 11.52	$ 2.75	$ 14.27	$. 0.59
10,001 – 15,000	N/A	$ 0.94	$ 0.97	$ 11.47	$ 2.69	$ 14.16	$ 0.59
15,001 – 20,000	N/A	$ 0.94	$ 0.97	$ 11.47	$ 2.69	$ 14.16	$ 0.59
20,001 – 50,000	N/A	$ 0.82	$ 0.85	$ 11.35	$ 2.57	$ 13.92	$ 0.59
50,001 – 100,000	N/A	$ 0.81	$ 0.84	$ 11.34	$ 2.56	$ 13.90	$ 0.59
100,001 – 150,000	N/A	$ 0.79	$ 0.83	$ 11.32	$ 2.55	$ 13.87	$ 0.59
150,001 +	N/A	$ 0.78	$ 0.82	$ 11.31	$ 2.54	$ 13.85	$ 0.59

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Exhibit A- Tables

Table 14.10-6 EBT Conversion to New Card Stock Services

Conversion to New EBT Card Stock 4.5.2	One-Time Charge	$0.00 one-time charge for conversion, per card rates will be billed at the per card rates in table 4.5.12 EBT card stock production plus postage and cardholder materials if applicable.
Card Design 4.5.12	One-Time Charge	$0.00

Table 14.10-7. EBT Card Stock Production Services – Both Blank Card Stock

[illegible]	[illegible]
1-1,000	$ 0.23
1,001 – 5,000	$ 0.20
5,001 – 10,000	$ 0.20
10,001 – 15,000	$ 0.15
15,001 – 20,000	$ 0.15
20,001 – 50,000	$ 0.12
50,001 – 100,000	$ 0.10
100,001 – 150,000	$ 0.09
150,001 +	$ 0.09

Table 14.10-8. EBT Card Stock Production Services – Customized Cards

[illegible]	[illegible]
1-300	$0.11
301-500	$0.11
501-1,000	$0.11
1,001-2,000	$0.11
2,001-3,500	$0.11
3,501-5,500	$0.11
5,501-6,500	$0.11
6,501-9,000	$0.11
9,001-9,500	$0.11
9,501 – 11,000	$0.11
11,001 – 13,000	$0.11

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[redacted]	
13,001 – 15,000	$0.11
15,001 – 17,000	$0.11
17,001 +	$0.11

Table 14.10-9. Over-The-Counter (OTC) Card Production Equipment

[redacted]			
Item Description	Pricing Format	One-Time Charge or Start-up Cost	Price Offer
Create Software to Link Card printing and/or embossing equipment to card production process.	One Time Cost.	$0.00	No charge
Lease of Embossing Equipment (similar to or the same as Datacard 295)	Price per year for the life of the contract.	n/a	$1,320.00 per unit per year for similar or same as Datacard 295
Purchase of Embossing Maintenance Contract	Price per year for the life of the contract.	n/a	$1,200.00 per unit per year
Purchase of Embossing Equipment (similar to or the same as Datacard 295)	One Time Cost.	n/a	$5,000.00 per unit for similar or the same as Datacard 295
Purchase of Card Printer (similar to the Datacard SD260)	One Time Cost.	n/a	$1,950 per unit for Datacard CD800
Lease of Card Printer (similar to the Datacard SD260)	Price per year for the life of the contract.	n/a	$369.25 per unit per year for Datacard CD800
Purchase of Card Printer Maintenance Contract	Price per year for the life of the contract.	n/a	$437 per unit per year for Datacard CD800 maintenance contract
[redacted]			
Item Description	Pricing Format	One-Time Charge or Start-up Cost	Price Per Card
Internal and External Network Capabilities	Per location and per card	$20,000 per location one time	$1.75 per card

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Item Description	Pricing Format	One-Time Charge or Start-up Cost	Price Per Card
Internal and External Network Capabilities	Per location and per card	$12,000 per location one time	$1.00 per card

Item Description	Pricing Format	One-Time Charge or Start-up Cost	Price Per Card
Internal and External Network Capabilities	Per location and per card	$0.00	$0.19 per card

Table 14.10-10. EBT Card Production Services Incremental Pricing for All Forms of Issued Cards (excluding Vault and Emergency)

Description	Pricing Format	Price Offer
4 Color Printing	Incremental Cost per Card	$ 0.06
Embossing	Incremental Cost per Card	$ 0.04
Holographic Overlay	Incremental Cost per Card	$ 0.04
Embedded Hologram	Incremental Cost per Card	$ 0.06

Table 14.10-11. EBT Card Type Production Services

Monthly HCS Card Volume Tier	Price Cost [illegible]	Price Emergency [illegible]
1-1,000	$ 0.11	$ 0.11
1,001 – 5,000	$ 0.11	$ 0.11
5,001 – 10,000	$ 0.11	$ 0.11
10,001 – 15,000	$ 0.11	$ 0.11
15,001 – 20,000	$ 0.11	$ 0.11
20,001 – 50,000	$ 0.11	$ 0.11
50,001 – 100,000	$ 0.11	$ 0.11
100,001 – 150,000	$ 0.11	$ 0.11
150,001 +	$ 0.11	$ 0.11

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Table 14.10-12. Card Sleeves – EBT Card Production Services

[redacted]	[redacted]	[redacted]
1 – 10,000	Price per Sleeve	$ 0.053
10,001 – 50,000	Price per Sleeve	$ 0.050
50,001 – 100,000	Price per Sleeve	$ 0.047
100,001 – 250,000	Price per Sleeve	$ 0.047
250,001 – 500,000	Price per Sleeve	$ 0.041
500,001 – 750,000	Price per Sleeve	$ 0.041
750,001 – 1,000,000	Price per Sleeve	$ 0.041

Table 14.10-12. Card Sleeves – EBT Card Production Services

[redacted]	[redacted]	[redacted]
1 – 10,000	Price per Sleeve	$ 0.053
10,001 – 50,000	Price per Sleeve	$ 0.050
50,001 – 100,000	Price per Sleeve	$ 0.047
100,001 – 250,000	Price per Sleeve	$ 0.047
250,001 – 500,000	Price per Sleeve	$ 0.041
500,001 – 750,000	Price per Sleeve	$ 0.041
750,001 – 1,000,000	Price per Sleeve	$ 0.041

Table 14.10-14. EBT Mailed PIN Production Services

[redacted]	[redacted]	[redacted]
1-1,000	$ 0.66	$ 0.234
1,001 – 2,000	$ 0.66	$ 0.234
2,001 – 2,500	$ 0.66	$ 0.234
2,501 – 3,000	$ 0.65	$ 0.222
3,001 – 3,500	$ 0.63	$ 0.211
3,501 – 4,000	$ 0.60	$ 0.176
4,100 – 5,000	$ 0.58	$ 0.152
5,100 – 6,000	$ 0.56	$ 0.140
6,100 – 7,000	$ 0.56	$ 0.140

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Table 14.10-15. EBT Mailed PIN Production Services

[redacted]	[redacted]
New York	$0.00
Massachusetts	$0.00
Connecticut	$0.00
New Hampshire	$0.00
Vermont	$0.00
Rhode Island	$0.00

[redacted]	[redacted]
New York	$250,000.00
Massachusetts	$250,000.00
Connecticut	$250,000.00
New Hampshire	$250,000.00
Vermont	$250,000.00
Rhode Island	$250,000.00

Table 14.10-16. NCS WIC CPCM (Household)

[redacted]	[redacted]
Less than 60,000	$0.95
60,001 to 70,000	$0.85
70,001 to 80,000	$0.65
80,001 – 90,000	$0.65
90,0001 – 100,000	$0.65
90,001 to 100,000	$0.65
100,001 to 110,000	$0.65
110,001 to 120,000	$0.65
120,001 to 130,000	$0.52
130,001 to 140,000	$0.52
140,001 to 150,000	$0.48
150,001 to 160,000	$0.48
160,001 to 170,000	$0.45
170,001 to 180,000	$0.45
180,001 to 190,000	$0.45
190,001 to 200,000	$0.45

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[redacted]	[redacted]
200,001 to 210,000	$0.45
210,001 to 220,000	$0.45
220,001 to 230,000	$0.45
230,001 to 240,000	$0.45
240,001 to 250,000	$0.45
250,001 to 260,000	$0.45
260,001 to 270,000	$0.45
270,001 to 280,000	$0.45
280,001 to 290,000	$0.45
290,001 to 300,000	$0.45
300,001 to 310,000	$0.45
310,001 to 320,000	$0.45
320,001 to 330,000	$0.45
330,001 to 340,000	$0.45
340,001 to 350,000	$0.45
350,001 to 400,000	$0.45
401,000 to 450,000	$0.45
450,001 to 500,000	$0.44
Over 500,000	$0.44

Table 14.10-17. NCS WIC Per-Unit Hardware Prices

[redacted]	[redacted]
WIC POS Terminal with Integrated PIN Pad	
Purchase price per WIC EBT-only POS terminal with Integrated PIN pad, printer and scanner.	$572.00
Monthly maintenance fee, including supplies, per WIC EBT-only POS terminal with integrated PIN pad, printer and scanner.	$1.70
Monthly lease price, including maintenance and supplies, per WIC POS terminal with integrated PIN pad, printer and scanner.	$15.00
WIC POS Terminal with Hand Held PIN Pad	
Purchase price per WIC EBT-only POS terminal with hand-held PIN pad, printer and scanner.	$621.00
Monthly maintenance fee, including supplies, per WIC EBT-only POS terminal with hand-held PIN pad, printer and scanner.	$1.70
Monthly lease price, including maintenance and supplies, per WIC EBT-only POS terminal with hand-held PIN pad, printer and scanner.	$15.00
Magnetic Stripe Card Reader Device	
Purchase Price per magnetic stripe card reader.	$40.00
Monthly maintenance fee, including supplies, per magnetic stripe card reader.	$1.00
Monthly lease price, including maintenance and supplies, per magnetic stripe card reader.	$2.00
PIN Selection/Change Terminal	
Purchase price per PIN selection/change terminal.	$165.00
Monthly maintenance fee per PIN selection/change terminal, including supplies.	$1.00
Monthly lease price, including maintenance and supplies, per PIN selection/change terminal.	$12.00
WIC-Specific Card Design	
Card Design Fee for WIC-Specific Card.	$0.00

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Exhibit A- Tables

Table 14.11-1. NCS Additional Pricing

[redacted]	[redacted]	[redacted]
Wide Area Network Charges Included in Conversion/ Start-Up Price on Schedule 14.5 (Amended 12/28/12).	One-time charge included in 14.5(Amended 12/28/12)	$0.00
Wide Area Network Charges Included in Core Pricing on Schedules 14.7 and 14.8 (Amended 12/28/12).	Recurring monthly charge included in 14.7 and 14.8 (Amended 12/28/12)	$0.00
Cost of Money – Inadequate County Settlement Funds	Percentage plus or minus then- current prime rate	3%

Table 14.12-1. EBT Change Request Rates

[redacted]	[redacted]	[redacted]
Technical Director	$840	$1,190
Technical Manager	$760	$1,110
Technical Project Leader	$720	$1,070
Database Analyst	$560	$910
Training Specialist	$480	$830
Sr. Systems Analyst	$720	$1,070
System Analyst/ Programmer	$560	$910
Other (please list)	n/a	n/a
[redacted]	[redacted]	[redacted]
Administrative/ Mark- Up Rate*	4%	N/A

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Exhibit A- Tables

Table 14.14-1. Electronic Funds Transfer (EFT) Child Support Payments, New Hampshire State Specific Pricing

The State of New Hampshire Implementation cost	The offeror must provide a full breakdown of how this implementation cost was determined.	**One-time Fee of $500,000 Break out: Software $350,000 Hardware $150,000 Chargeable only when upgrades are required to be performed	N/A	N/A
Postage	The state will reimburse the contractor for 100% of the postage for activities related to all mailing costs in performing requirements.	100% reimbursed	100% reimbursed	100% reimbursed
Postage Equipment	The contractor will be responsible for this cost	N/A	$190 per postage machine per month	N/A
Debit Card Services	Refer to main body of RFP pricing and description in section 5.2 of the RFP	$0.25 per debit card disbursement		
EFT Services	Refer to main body of RFP pricing and description in section 5.2.3 of the RFP	$0.25 per EFT disbursement		
Check Issuance – Fixed price per check for every check issued correctly		$0.30		
SDU Operational Costs including; Printing and mailing of coupons, Data Entry, Payment Processing activities, Imaging, and all other functions to meet the operational requirements. This pricing is based upon the number of Child Support Cases	Price per Child Support Case	$2.20 per case		

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SDU Operational Costs including; Printing and mailing of coupons, Data Entry, Payment Processing activities, Imaging, and all other functions to meet the operational requirements. This pricing is based upon payment transaction	Price is per payment transaction	$1.68		
New Hampshire SDU Facility Costs		N/A	$1.57 per square foot	

**SDU Implementation Cost represents the costs for hardware and software refreshes that would be required by any agreement at the end of a term and before starting another. Technology refresh includes replacement of outdated hardware and upgrades to hardware and software to keep the solution functioning at required levels. Items that are impacted include scanners, servers, switches, routers, firewalls, storage, desktops, operating system software, scanning software, and payment processing software upgrades. Implementation fee will not be charged to the state until a refresh has been completed.

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Method and Conditions Precedent to Payment

The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

Payment for said services shall be made pursuant to Exhibit A, Article IV, Payment Provisions

The invoice must be submitted to:
Financial Manager
Division of Family Assistance
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

Contractor Initials PR

Date 7/24/14

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

1. **Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

2. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

4. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose, or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

5. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

5.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;

5.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

Contractor Initials: PLW
Date: 7/24/14

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

6. **Maintenance of Records**: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

6.1. **Fiscal Records:** books, records, documents and other data evidencing the accuracy of Contractor invoices.

7. **Audit**: Contractor shall submit an annual audit to the Department within 60 days after the close of the Contractor's fiscal year.

7.1. On an annual basis, the Contractor shall , at its own expense, the Department of Health and Human Services a "SOC 1" Type 2 report in accordance with American Institute of Certified Public Accountants, Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization

7.2. **Audit and Review**: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

7.3. **Audit Liabilities**: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

8. **Confidentiality of Records**: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

Contractor Initials: PRW
Date: 7/24/14

9. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

9.1. The Contractor will provide its corporate annual report to the Department.

10. Credits: All Contractor's standard EBT documents and, as agreed, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

10.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

11. Prior Approval and Copyright Ownership: All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

12. Operation of Facilities: Compliance with Laws and Regulations: In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

13. Subcontractors: DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

13.1. When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

13.1.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function.

13.1.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate

13.1.3. Monitor the subcontractor's performance on an ongoing basis

13.1.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed

13.1.5. DHHS shall review and approve all subcontractors.

13.2. The Contractor must provide surcharge free ATM transactions to EBT cash recipients at ATMs owned and operated by the Contractor. This requirement extends to subcontractors if the subcontractor9s) receives more than 5% of the State's contract billing value,

13.3. If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

Contractor Initials: PRoe
Date: 7/24/14

SPECIAL PROVISIONS DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials: PRW

Date: 7/21/14

REVISIONS TO GENERAL PROVISIONS AND STANDARD EXHIBITS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

   4. CONDITIONAL NATURE OF AGREEMENT.
   Notwithstanding any provision of this Agreement to the contrary, all obligations of the State Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination, provided that the State shall not withhold compensation for Services already provide prior to the effective date of termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

2. Subparagraph 5.2 of the General Provisions of this contract, Contract Price/Price Limitation Payment, is replaced as follows:

   5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no payment liability to the Contractor other than the contract price, provided that the State shall not withhold compensation for Services already provided prior to the effective date of termination.

3. Subparagraph 6.1 of the General Provisions of this contract, Compliance by Contractor with Laws and Regulations/Equal Employment Opportunity, is replaced as follows:

   6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

4. Subparagraph 6.3 of the General Provisions of this contract, Compliance by Contractor with Laws and Regulations/Equal Employment Opportunity, is replaced as follows:

   6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all applicable provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

5. Subparagraph 7.2 of the General Provisions of this contract, Personnel, is replaced as follows:

   7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, neither Party shall hire, nor permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee

or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

6. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;

   10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

   10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

   10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

   10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

   10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

7. Subparagraph 14 of the General Provisions of this contract, Insurance, is replaced as follows:

   14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

   14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in combined single limit amounts of not less than $1,000,000 per occurrence and $2,000,000 general aggregate;

   14.1.2 If applicable, fire and extended coverage insurance covering all of the Contractor's business personal property equipment subject to subparagraph 9.2 herein while such equipment is in the Contractor's care, custody, and control, in an amount not less than 80% of the whole replacement value of the property. 14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

   14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a standard ACORD form type certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, a standard ACORD form type certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Contractor shall provide standard notice of cancellation or certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation of the policy.

8. Subparagraph 15.2 of the General Provisions of this contract, Workers' Compensation, is replaced as follows:

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. Such evidence of insurance may be in the form of a standard ACORD form type certificate of insurance. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

New Hampshire Department of Health and Human Services
Exhibit D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name: Xerox State + Local Solutions, Inc.

7/24/14
Date

Name: Paul R. Webber III
Title: Asst. Secretary

New Hampshire Department of Health and Human Services
Exhibit E

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name: Xerox State + Local Solutions, Inc.

7/24/14
Date

Paul R. Webber
Name: Paul R. Webber III
Title: Asst. Secretary

New Hampshire Department of Health and Human Services
Exhibit F

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Contractor Initials PRWE
Date 7/24/14

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7/24/14
Date

Contractor Name: Xerox State + Local Solutions, Inc.

Paul R. Webber IV
Name: Paul R. Webber IV
Title: Asst. Secretary

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CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name: Xerox State + Local Solutions, Inc.

7/24/14
Date

Name: Paul R. Webber
Title: Paul R. Webber III
Asst. Secretary

Contractor Initials PRW
Date 7/24/14

New Hampshire Department of Health and Human Services
Exhibit H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Xerox State + Local Solutions, Inc.

7/24/14
Date

Paul R. Webber
Name: Paul R. Webber
Title: Asst. Secretary

New Hampshire Department of Health and Human Services
Exhibit I

DOES NOT APPLY TO THIS CONTRACT

New Hampshire Department of Health and Human Services
Exhibit J

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Xerox State + Local Solutions, Inc.

7/24/14
Date

Name: Paul R. Webber
Title: Asst. Secretary

New Hampshire Department of Health and Human Services
Exhibit J

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 09-366-5359

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   ___✓___ NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____