



State of New Hampshire
 DEPARTMENT OF NATURAL & CULTURAL RESOURCES
 DIVISION OF FORESTS & LANDS

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 nhdf.l.dncr.nh.gov

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JH

April 4, 2025

Her Excellency, Governor Kelly A. Ayotte
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Natural and Cultural Resources (DNCR), Division of Forests and Lands, Natural Heritage Bureau (NHB), to enter into a **Sole Source** contract with NatureServe (VC #170502), Arlington, VA for an amount not to exceed \$353,550 to develop a new online environmental review tool to replace the existing aging DataCheck Tool with the option to extend for up to two additional four year terms, at the sole option of the State, subject to the same terms and conditions effective upon Governor and Executive Council approval through June 30, 2028 . 67% Federal Funds, 33% Other funds.

Funding is contingent upon Governor and Executive Council approval of an accept and expend of \$236,000 and the budget and expend of \$92,550 included on this agenda. Fiscal Committee approved FIS 25-036 to accept and expend \$236,000 at the January 30, 2025 meeting.

Funds will be available in the following accounts for Fiscal Years 2025 and are anticipated to be available in Fiscal Year 2026, 2027 and 2028, upon the continued appropriation of funds with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

03-035-035-351010-21030000, Natural Heritage – Agency Inc

103-502507-Contracts for Ops Services	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY2027</u>	<u>FY 2028</u>
	\$25,000	\$16,400	\$61,800	\$14,350

03-035-035-351010-NEWXXXX-103-502674, ARPA NHB DataCheck Tool

	<u>FY 2025</u>			
	\$236,000			
Total:	\$261,000	\$16,400	\$61,800	\$14,350
Grand Total:				\$353,550

EXPLANATION

This contract is **Sole Source** because NatureServe is identified as the vendor of choice due to their highly customizable, off-the-shelf web application framework that is currently implemented in 14 states. An existing Memorandum of Understanding (MOU) between the Department of Environmental Services (DES) and NHB was approved by Governor and Council on August 30, 2024, item #128 for DES to provide \$236,000 of ARPA funding for this project.

Pursuant to RSA 217-A, the Native Plant Protection Act and RSA 212-A, the Endangered Species Conservation Act the

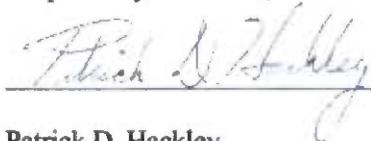
NHB and NH Fish and Game Nongame Program are statutorily required to identify, track and protect threatened and endangered species. The NatureServe Data Check Tool, through DES and NHB allows the public to screen for known locations of rare species and exemplary natural communities. DES receives outputs from this tool which helps identify potential project impacts regarding threatened and endangered species for projects requiring DES permits.

NatureServe is a non-profit conservation organization that provides scientific information and tools needed to help guide effective conservation action. NatureServe has already done the work in designing and producing conservation information management and decision support software applications and the required extensive workshops and other interactions with information technology professional, scientists and planners to develop this framework for this product. As a non-profit organization, NatureServe does not intend to make commercial gains from the re-use of the product developed under this contract. Their motivation for developing software is mission-based and is intended to serve their international network of state natural heritage programs and conservation data centers. They have proposed to develop a solution for the existing DataCheck Tool that builds on prior investments made by NatureServe and members of our natural heritage program network to create an environmental review tool platform. NatureServe's network members realize a lower total cost of ownership for the information technology products developed through such a shared investment strategy.

The successful development and maintenance of the new DataCheck Tool must be based on a thorough understanding of the complex nature and interpretation of Natural Heritage data, services to partners, internal business needs and internal workflow. NatureServe can provide the new online environmental review tool (DataCheck Tool) incomparably, for several reasons all centered on their detailed, deep and longstanding understanding of NHB's work. NatureServe provides support to all 50 states' natural heritage programs, and natural heritage programs in all Canadian provinces.

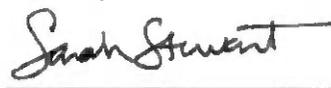
In New Hampshire, our federal-to-local government, non-governmental organizations, land conservation partners, and private industry partners rely on the DataCheck Tool for environmental review services. As the Natural Heritage network hub organization, NatureServe has an equally deep understanding of the services that NHB provides to our partners and clients with Natural Heritage data.

Respectfully submitted,



Patrick D. Hackley
Director

Concurred,



Sarah L. Stewart
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi

Denis Goulet
Commissioner

January 2, 2025

Sarah L. Stewart, Commissioner
Department of Natural and Cultural Resources
State of New Hampshire
172 Pembroke Road
Concord, NH 03301

Dear Commissioner Stewart:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with NatureServe, as described below and referenced as DoIT No. 2024-101.

The purpose of this request is to assess potential impacts to threatened, endangered and other rare species and exemplary natural communities for proposed projects with a newly developed Software as a Service tool called Environmental Review Tool.

The Total Price Limitation shall be \$353,550, effective upon Governor and Executive Council approval through June 30, 2028.

A copy of this letter must accompany Department of Natural and Cultural Resources' submission to the Governor and Executive Council for approval.

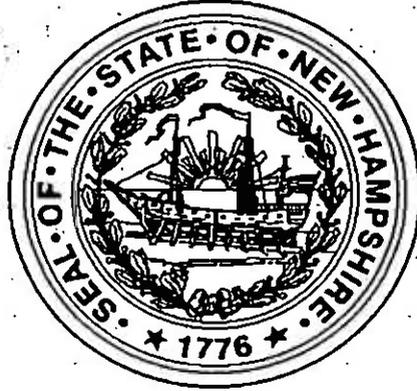
Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", with a horizontal line extending to the right.

Denis Goulet

DG/jd
DoIT #2024-101

cc: Nicole Warren, IT Manager



STATE OF NEW HAMPSHIRE

DEPARTMENT OF NATURAL AND CULTURAL
RESOURCES

DataCheck Tool

DNCR- DoIT #2024-101

STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
TABLE OF CONTENTS

Contents

AGREEMENT	4
EXHIBIT A - SPECIAL PROVISIONS	9
EXHIBIT B – STATEMENT OF WORK (SOW) BUSINESS AND TECHNICAL REQUIREMENTS AND DELIVERABLES	13
1. STATEMENT OF WORK	13
2. BUSINESS / TECHNICAL REQUIREMENTS	16
3. ACTIVITY, DELIVERABLE, AND MILESTONE	24
4. DELIVERABLE REVIEW AND ACCEPTANCE	25
5. CHANGE ORDER	26
6. IMPLEMENTATION SERVICES	26
7. PROJECT MANAGEMENT	27
8. WORK PLAN	29
9. ACCEPTANCE & TESTING SERVICES	29
10. MAINTENANCE, OPERATIONS AND SUPPORT	30
11. DATA PROTECTION	31
12. SOFTWARE AGREEMENT	33
13. ADMINISTRATIVE SERVICES	33
14. TRAINING	33
15. MERCHANT CARD SERVICES	34
16. TERMS AND DEFINITIONS	35
17. CONTRACTOR’S CERTIFICATES	35
EXHIBIT C – PRICE AND PAYMENT SCHEDULE	36
1. CONTRACT PRICE	36
2. TRAVEL EXPENSES	36
3. SHIPPING FEES	36
4. INVOICING	36
5. INVOICE ADDRESS	36
6. PAYMENT ADDRESS	37
7. OVERPAYMENTS TO THE CONTRACTOR	37
8. CREDITS	37
9. PROJECT HOLDBACK	37
10. PAYMENT SCHEDULE	37
EXHIBIT D – SOFTWARE LICENSE AGREEMENT	40

STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
TABLE OF CONTENTS

EXHIBIT E – ADMINISTRATIVE SERVICES	43
1. DISPUTE RESOLUTION	43
2. ACCESS AND COOPERATION	43
3. RECORD RETENTION	43
4. ACCOUNTING	44
5. AUDIT	44
6. MISCELLANEOUS WORK REQUIREMENTS	44
EXHIBIT F – TERMS AND DEFINITIONS	46
EXHIBIT G – ATTACHMENTS AND CONTRACTOR CERTIFICATES	50
1. ATTACHMENTS	50
2. CONTRACTOR CERTIFICATES	50

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STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
P37

FORM NUMBER P-37 (version 2/23/2023)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing

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 Natural and Cultural Resources		1.2 State Agency Address 172 Pembroke Road Concord, NH 03301	
1.3 Contractor Name NatureServe Vendor Code 170502		1.4 Contractor Address 2550 South Clark Street, Suite 930A Arlington, VA 22202	
1.5 Contractor Phone Number (703) 908-1800 x8943	1.6 Account Unit and Class 2103000 103 502507	1.7 Completion Date June 30, 2028	1.8 Price Limitation \$353,550.00
1.9 Contracting Officer for State Agency Sarah L. Stewart, Commissioner		1.10 State Agency Telephone Number 603-271-2411	
1.11 Contractor Signature  Date: 11/15/2024		1.12 Name and Title of Contractor Signatory Anne Bowser - Chief Executive Officer, NatureServe	
1.13 State Agency Signature  Date: 1/24/2025		1.14 Name and Title of State Agency Signatory Sarah L. Stewart, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  Nathan W. Kenison-Marvin Assistant Attorney General On: April 8, 2025			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
P37

2. 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 B 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("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.

3.3 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. 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 by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source 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 C which is incorporated herein by reference.

5.2 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. 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.

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 The State's liability under this Agreement shall be limited to monetary damages not to exceed the total fees paid. The Contractor agrees that it has an adequate remedy at law for any breach of this Agreement by the State and hereby waives any right to specific performance or other equitable remedies against the State.

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 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 employment opportunity laws and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

6.3 No payments or transfers of value by Contractor or its representatives in connection with this Agreement have or shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

6.4. The Contractor 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 this Agreement and

STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
P37

all rules, regulations and orders pertaining to 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 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

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 ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily 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) calendar days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) calendar 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 give the Contractor a written notice specifying the Event of Default and 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 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) calendar days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) calendar 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. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

10. PROPERTY OWNERSHIP/DISCLOSURE.

10.1 As used in this Agreement, the word "Property" shall mean all data, 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.

10.2 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.

10.3 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure requires prior written approval of the State.

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.

12.1 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.3 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State.

12.4 The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
P37

13. INDEMNIFICATION. The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the State's sovereign immunity, 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 continuously 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 amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all Property subject to subparagraph 10.2 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 any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

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. The Contractor shall furnish the Contracting Officer identified in block 1.9, or any 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. A State's failure to enforce its rights with respect to any single or continuing breach of this Agreement shall not act as a waiver of the right of the State to later enforce any such rights or to enforce any other or any subsequent breach.

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 unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CHOICE OF LAW AND FORUM.

19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. 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.

19.2 Any actions arising out of this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration, but must, instead, be brought and maintained in the Merrimack County Superior Court of New Hampshire which shall have exclusive jurisdiction thereof.

20. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and any other portion of this Agreement including any attachments thereto, the terms of the P-37 (as modified in EXHIBIT A) shall control.

21. THIRD PARTIES. This Agreement is being entered into for the sole benefit of the parties hereto, and nothing herein, express or implied, is intended to or will confer any legal or equitable right, benefit, or remedy of any nature upon any other person.

22. 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.

STATE OF NEW HAMPSHIRE
Department of Natural and Cultural Resources
DoIT #2024-101 - DataCheck Tool
P37

23. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

24. FURTHER ASSURANCES. The Contractor, along with its agents and affiliates, shall, at its own cost and expense, execute any additional documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

25. 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.

26. 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 with respect to the subject matter hereof.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT A – SPECIAL PROVISIONS
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES

EXHIBIT A - SPECIAL PROVISIONS

The terms outlined in the P-37 General Provisions are modified as set forth below:

Provision 3, Effective Date/Completion of Services, is updated with the following addition:

- 3.4** The Term may be extended up to four (4) years(s) two (2) times, (“Extended Term”) at the sole option of the State, subject to the Parties prior written Agreement on applicable fees for each extended Term under the same terms and conditions, subject to approval of the Governor and Executive Council.

Provision 9, Termination, Section 9.2 is deleted and replaced with the following:

- 9.2** In the event of the termination pursuant to subparagraph 9.1, the contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. The State will pay for cost of all Services and Deliverables for which Acceptance has been given by the State, provided through the date of termination but will not be liable for any costs for incomplete Services or winding down the Contract activities. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.
- 9.3** Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require Contractor to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated. After receipt of a notice of termination, and except as otherwise directed by the State, Contractor shall:
- a.** Stop work under the Contract on the date, and to the extent specified, in the notice;
 - b.** Promptly, but in no event longer than ten (10) days after termination, terminate its orders and subcontracts related to the work which has been terminated, and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the State to the extent required, which approval or ratification shall be final for the purpose of this Section;
 - c.** Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Contractor and in which the State has an interest;
 - d.** Take no action to intentionally erase any State data until directed by the State;
 - e.** Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State;
 - f.** Implement an orderly return of State data in a CSV or another mutually agreeable format at a time agreed to by the parties;
 - g.** Securely dispose/destroy of all requested data in all of its forms, such as disk, CD / DVD, backup tape and paper, when requested by the State. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST)-Special Publication (SP) 800-88 approved methods. Certificates of destruction shall be provided to the State; and
 - h.** Provide written Certification to the State that Contractor has surrendered to the State all said property and after 180 days has erased all State data.
- 9.4** If the Contract has expired, or terminated prior to the Completion Date, for any reason, the Contractor shall provide, for a period up to ninety (90) days after the expiration or termination, all transition services requested by the State, at no additional cost, to allow for the expired or terminated portion of

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT A – SPECIAL PROVISIONS
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Services to the State or its designees (“Transition Services”).

9.5 This covenant in paragraph 9 shall survive the termination of this Contract.

Provision 10, Data/Access/Confidentiality/Preservation, is updated with the following addition:

10.2

Section 10.2 is deleted and replaced with the following:

- a. Contractor grants to the State an irrevocable, worldwide, royalty-free, non-transferable, non-exclusive right and license to freely use, modify, and reproduce the property as defined herein. Except as specifically granted by this agreement, ownership rights, title, and interest in any third-party property provided under this agreement shall remain with the third-party owner and will be subject to the terms of applicable third-party licensing agreements.

- b. All ownership and rights to any property, products, data, works or any other materials not produced under this Agreement shall remain with the original party. Nothing in this Agreement implies or compels the transfer of ownership for previously developed property, products, data, works or any materials by one party to the other party, regardless of whether it is used in the creation of property or the deliverables.

10.4 In performing its obligations under this Agreement, Contractor may gain access to Confidential Information. The Contractor shall not use the Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Agreement, except as directly connected to and necessary for the performance of the Agreement. Contractor shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively “release”), all Confidential Information.

10.4.1 In the event of the unauthorized release of Confidential Information, Contractor shall immediately notify the State’s Chief Information Security Officer, and the State may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

10.5 Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which:

- c. shall have otherwise become publicly available other than as a result of disclosure by the receiving Party in breach hereof;
- d. was disclosed to the receiving Party on a non-confidential basis from a source other than the disclosing Party, which the receiving Party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing Party;
- e. is developed by the receiving Party independently of, or was known by the receiving Party prior to, any disclosure of such information made by the disclosing Party; or
- f. is disclosed with the written consent of the disclosing Party.

10.6 A receiving Party also may disclose the disclosing Party’s Confidential Information to the extent required by law or an order of a court of competent jurisdiction. Any disclosure of the Confidential Information shall require the prior written approval of the State. Contractor shall immediately notify the State if any request, subpoena or other legal process is served upon Contractor regarding the

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT A – SPECIAL PROVISIONS
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES

- Confidential Information, and Contractor shall cooperate with the State in any effort the State undertakes to contest the request, subpoena or other legal process, at no additional cost to the State.
- 10.7** Contractor Confidential Information. Contractor shall clearly identify in writing all information it claims to be confidential or proprietary upon providing such information to the State. For the purposes of complying with its legal obligations, the State is under no obligation to accept the Contractor's designation of material as confidential. Contractor acknowledges that the State is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A. In the event the State receives a request for the information identified by Contractor as confidential, the State shall notify Contractor and specify the date the State will be releasing the requested information. At the request of the State, Contractor shall cooperate and assist the State with the collection and review of Contractor's information, at no additional expense to the State. Any effort to prohibit or enjoin the release of the information shall be Contractor's sole responsibility and at Contractor's sole expense. If Contractor fails to obtain a court order enjoining the disclosure, the State shall release the information on the date specified in the State's notice to Contractor, without any liability to the State.
- 10.8** This covenant in paragraph 10 shall survive the termination of this Contract.

Provision 12, Assignment/Delegation/Subcontracts, is updated with the following addition:

- 12.5** In the event that Contractor should change ownership for any reason whatsoever that results in a change of control of the Contractor, the State shall have the option of:
- a. continuing under the Agreement with Contractor, its successors or assigns for the full remaining Term of the Agreement or for such period of time as determined necessary by the State;
 - b. immediately terminate the Agreement without liability to or further compensation owed to Contractor, its successors or assigns.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT A – SPECIAL PROVISIONS
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

Provision 14, INSURANCE is updated with the following:

14.1.2 is updated with the following addition:

Contractors Umbrella Policy shall be considered sufficient to fulfill this requirement.

The following Provisions are added and made part of the P37:

27. FORCE MAJEURE

27.1 Neither Contractor nor the State shall be responsible for delays or failures in performance resulting from events beyond the control of such Party and without fault or negligence of such Party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

27.2 Except in the event of the foregoing, Force Majeure events shall not include the Contractor's inability to hire or provide personnel needed for the Contractor's performance under the Contract.

28. EXHIBITS/ATTACHMENTS

The Exhibits and Attachments referred to in and attached to the Contract are incorporated by reference as if fully included in the text of the Contract.

29. NON-EXCLUSIVE CONTRACT

The State reserves the right, at its discretion, to retain other vendors to provide any of the Services or Deliverables identified under this Agreement. Contractor shall make best efforts to coordinate work with all other State vendors performing Services which relate to the work or Deliverables set forth in the Agreement. The State intends to use, whenever possible, existing Software and hardware contracts to acquire supporting Software and hardware.

30. ORDER OF PRECEDENCE

In the event of conflict or ambiguity among any of the text within this agreement, the following Order of Precedence shall govern:

- i. State of New Hampshire, Department of Natural and Cultural Resources > Contract Agreement as amended by Exhibit A.
- ii. State of New Hampshire, Department of Natural and Cultural Resources DNCR- DoIT #2024-101 Contract Exhibits in order of precedence:
 - a. Exhibits B and C;
 - b. Exhibit D (or D-1);
 - c. Exhibit E;
 - d. Exhibit F;
 - e. Exhibit G.
- iii. Additional Contractor Provided Documents (Exhibit H).

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

EXHIBIT B – STATEMENT OF WORK (SOW) BUSINESS AND TECHNICAL REQUIREMENTS AND DELIVERABLES

The Statement of Work, Business and Technical Requirements, and Deliverables are set forth below:

1. STATEMENT OF WORK

**New Hampshire Environmental Review Tool
Introduction and Product Overview**

NatureServe has developed an Environmental Review Tool (ERT) Software as a Service (SaaS) that can be modified to fit the needs of individual users. The New Hampshire Natural Heritage Bureau (NHNHB) is requesting NatureServe to develop an ERT that it will use to assess potential project impacts to threatened, endangered, and other rare species, exemplary natural communities and ecological systems. The proposed ERT intends to replace the current DataCheck Tool.

NatureServe's ERT is a hosted web application that will be customized to serve as the online environmental review, and conservation planning tool for New Hampshire. The ERT web application offers organizations a configurable solution to securely share data combined with advanced reporting tools, at a fraction of the cost of building a new custom system. The ERT core product is a web application framework that provides a web mapping interface, built on Esri's ArcGIS Server JavaScript API, combined with a Drupal Content Management System. ERT's core functions allow:

- Access to natural resource and other spatial layers via a secure web map.
- The submission of projects for environmental review screening.
- The automated review (via a geoprocessing service) of submitted projects and production of PDF reports, including embedded maps.
- Internal review of projects, via the web map for ERT clients that opt for this workflow.

NatureServe approaches development and configuration of an ERT as a collaborative process. NHNHB staff will see and have input on the tool's development throughout the project life cycle.

SCOPE OF SERVICES

Develop and Deploy NH DataCheck Tool

NatureServe will develop and configure for NHNHB the New Hampshire DataCheck tool with the following standard and advanced **Core ERT** capabilities. **Significant Custom** functionalities are noted where relevant.

Develop and Deploy Development Site

- Deploy a publicly accessible web application, configured with custom site theme
- Configure full screen web map built on the JavaScript ArcGIS Server platform
- The tool will be configured to be mobile-responsive, i.e. users will be able to access and use the core site functionality via a mobile browser
- Configure site security including limiting access to content and functionality by user roles
- Configure administrative functions, including:
 - User role management
 - Site content management
 - Visualization layer management
 - Ability to view and filter submitted projects
 - Report text management
 - Email template management

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES

- Monthly website usage reports

Configure a Project Review Tool

- Advanced customized project submission details configured to support inputs for NHNHB Environmental Review Report including project types and project type activities as specified by NHNHB
 - Applicants will be able to submit all project details included in current DataCheck tool, including photos and landowner approval
 - Each project will be assigned a unique NHB ID Number
- Advanced project review analysis configured to intersect the buffered project boundary with agency layers to be included in the analysis
 - We expect the workflow to be supported by existing ERT analysis constructs, which include complex and conditional rulesets, large spatial analysis layers, and trigger definitions
 - Data updates will be quarterly

Environmental Review Report and Review Workflow

- Customized NHNHB-branded Environmental Review result report that contains configurable template(s) that include map image(s), tabular details, and conflict/no-conflict language supplied by NHNHB, and the following elements:
 - NHB ID Number
 - Results tables, exportable in .csv format
 - Generate project boundary shapefile
 - Email notification to end user(s) when the agencies have completed their reviews
- Significant Custom Functionality: Configure advanced custom project review workflows for the NHNHB Environmental Review Report to support agency review of automated results before final response:
 - Single, unified Review workflow to be used collaboratively by the NHNHB and NH Fish and Game. Agency users with a “Reviewer” role can see a list of relevant projects needing review. Each agency reviewer can edit and add comments separately. All edits will be included in the final output.
 - NHDES (state permitting agency) staff will need to view and comment on project submissions and EO data (e.g. species blind).
 - Reviewer users can add and remove species from the review response.
 - Reviewer users can add project-specific comments that will be included in the final response letter to the project submitter.
 - Reviewer users can include a manually generated map image in the review response.

Production Launch

- This item captures all work necessary to harden the site for production launch. Prior to launch, we will conduct an analysis of resources needed to provide the most efficient and performant site possible which may result in additional hosting and maintenance needs.
- The site will launch with the most recent client-provided data.

Online Payment Module

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

NatureServe will develop and configure a payment module so that project submitters will be able to submit payment through the tool.

Module build, integration and testing

- Build payment gateway with State approved bank using Drupal Commerce
- Submitters will provide payment using a pay-per-project workflow
- The application will *not* store or transmit Personally Identifiable Information (PII)

Materials Required from NHNHB

To deliver the customized DataCheck Tool, NatureServe will require timely provision of requested materials and configuration details from NHNHB including:

- Spatial data prepared according to specifications provided by NatureServe
 - An initial data set that includes a sufficient sample of map layers to allow for full development and testing of the project review geoprocess.
 - A final data set comprised of all map layers required for project completion.
- Description of user access levels with associated map layers and functions
- Project Types
- Project review specifications (e.g., resource layers to intersect, project buffer to apply, organized rules for determining result and report structure)
- Conservation planning report specifications (e.g., resource layers to intersect, project buffer to apply, report structure)
- NHNHB branding source materials, e.g. logo image file
- ESRI ArcGIS Enterprise Standard License
 - Third-party software license keys

Revisions

During the product development and review period, if NHNHB identifies new features or enhancements that are outside the scope of work, NatureServe will provide NHNHB with estimated scope changes (time and cost) that can be initiated via a contract amendment. Additional scope may impact the Production Site Launch date.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

2. BUSINESS / TECHNICAL REQUIREMENTS

Please utilize the following instructions to complete Table B-2.1 Business Requirements and Table B-2.2 Technical Requirements.

Vendor Response Column:

Place "Yes" if the Solution can fully support ALL the functionality described in the row, without special customization. "Yes" can only be used if the delivery method is Standard (see delivery method instructions below).

Otherwise, enter "No". "No" can only be used with delivery method Future, Custom, or Not Available/Not Proposing (see delivery method instructions below).

Criticality Column:

(M) Indicates a requirement that is "Mandatory". The State considers it to be of such great importance that it must be met. If the Vendor believes that there is something about their Solution that either obviates the need for this requirement or makes it of less importance this must be explained within the comments. (P) Indicates a requirement which is "Preferred". This requirement is considered by the State to be of great usefulness. (O) Indicates a requirement which is "Optional". This requirement is considered by the State to be one which useful or potentially useful but not a central feature of the Project.

Delivery Method Column:

Complete the delivery method using a Standard, Future, Custom, or Not Available/Not Proposing (as defined below) that indicates how the requirement will be delivered.

Standard - Feature/Function is included in the current release of the proposed Solution.

Future - Feature/Function will be available in a future release. (Provide anticipated delivery date, version, and service release in the comment area.)

Custom - Feature/Function can be provided with custom modifications. (Provide estimated hours and average billing rate or flat cost for the modification in the comment area.)

Not Available/Not Proposing - Feature/Function has not been proposed by the Vendor. (Provide brief description of why this functionality was not proposed.)

Comments Column:

For all Delivery Method responses vendor must provide a brief explanation of how the requirement will be met. Free form text can be entered into this column.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

B-2.1 Business Requirements

Table B-2.1 Business Requirements

BUSINESS REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Critical ity	Vendor Response	Delivery Method	Comments
<i>General</i>					
B1.1	Vendor Solution must replace existing online environmental review tool called the DataCheck Tool.	M	Yes	Standard	See Statement of Work for included functionality
B1.2	Vendor Solution will have the ability for a user to submit a project by a spatially defined area of interest and related project descriptive details.	M	Yes	Standard	Standard functionality included in the ERT SaaS solution
B1.3	Vendor Solution must support agency workflow needs related to project review, from submission to review completion, to satisfy agency process.	M	Yes	Standard	See Statement of Work for included functionality
B1.4	Vendor Solution should allow projects to be submitted, then generate editable report (e.g. csv), then allow tool administrators to edit text and data fields and then that version will go to review status and then generate report.	M	Yes	Standard	See Statement of Work for included functionality
B1.5	Vendor Solution will support multiple versions of submitted projects such that a project can be in a draft state before submitting for final review; may include support for updating project details (descriptions, uploaded documents, contact information) and/or refinements of project boundary.	M	Yes	Standard	See Statement of Work for included functionality
B1.6	Vendor Solution workflow will allow for the analysis and reporting process involves complex and/or conditional rulesets; may include numerous or very large spatial analysis layers and/or complicated trigger definitions with dependencies upon other triggers.	M	Yes	Standard	See Statement of Work for included functionality
B1.7	Vendor Solution workflow will allow for more than one agency would be involved in the project review process.	M	Yes	Standard	See Statement of Work for included functionality

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

B1.8	Vendor Solution will allow other agency members special access to the tool with NHB staff able to assign roles (e.g. one role for certain staff at Fish and Game would be to perform specific project review workflow, e.g. for certain staff at Dept. of Env. Services to review project submissions and element occurrence data (e.g. species blind)).	M	Yes	Standard	See Statement of Work for included functionality
B1.9	Vendor Solution will accept online payments in a pay-per-Project payment model.	M	Yes	Standard	See Statement of Work for included functionality
B1.10	Vendor Solution will provide a conservation planning report option.	P	Not Proposing	N/A	Functionality will not fall within available budget
Reports					
B2.1	Vendor Solution will have a project specific confirmation number ("NHB ID number) is provided for all approved online payments.	M	Yes	Standard	See Statement of Work for included functionality
B2.2	Vendor Solution will have one report per project containing NHB ID number, a single map image and layout of report sections related to recommendations, triggered analysis results, i.e., outcomes, actions, findings, etc., additional letterhead, logo, and/or watermark images, and result tables (e.g. species summary from Biotics, see current NHB DataCheck letter as example).	M	Yes	Standard	See Statement of Work for included functionality
B2.3	The report must be generated as a PDF which applicants can access via the online tool. Applicants must receive an email notification containing instructions regarding how they can access their report.	M	Yes	Standard	Standard functionality included in the ERT SaaS solution
B2.4	Reporting should have the ability to export in CSV, XLS or Access.	M	Yes	Standard	CSV only
Security and Online requirements					
B3.1	The Payment Solution must be a PCI compliant website.	M	Yes	Standard	Solution will be using a hosted page from a state approved bank.
B3.2	Vendor must provide ongoing hosting and technical support services.	M	Yes	Standard	See Service Level Agreement (SLA)
B3.3	Vendor Solution must be mobile-responsive and compatible with iOS, Android, and Windows.	M	Yes	Standard	Standard functionality included in the ERT SaaS solution

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

B3.4	Vendor Solution must be responsive to any size screen when viewed on mobile, laptops, desktops or tablets.	M	Yes	Standard	Standard functionality included in the ERT SaaS solution
Support Services					
B4.1	Vendor will assist with developing end-user help documentation.	M	Yes	Standard	See Statement of Work for included functionality
B4.2	Vendor will provide at least one training to NHB, F&G and DES agency staff to use the new DataCheck Tool.	M	Yes	Standard	See Statement of Work for included functionality

B-2.2 Technical Requirements

Table B-2.2 Technical Requirements

TECHNICAL REQUIREMENTS					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
Security Compliance Requirements					
T1.1	Comply with controls required by NIST Special Publication 800-171 R2, Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations to achieve the Baseline SP 800-171 Rev. 2, Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations CSRC (nist.gov)	M	Yes	Standard	We can achieve all these controls
T1.2	Comply With Moderate level controls as defined by NIST Special Publication 800-53 Revision 5, Security and Privacy Controls for Information Systems and Organizations - BaseLine Plus SP 800-53 Rev. 5, Security and Privacy Controls for Information Systems and Organizations CSRC (nist.gov)	P	Yes	Custom	There are over 1100 controls in Rev 5. This large number is generally because each control is at a very fine grained level. We naturally meet very many of these just on standard practice

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

StateRAMP Authorization					
T2.1	StateRAMP Ready/Authorized Certification Home - StateRAMP				In line with ISO27001's overall goal of introducing standardization to procedures designed to identify and mitigate risk, we have continued to fine tune and automate our internal processes. With the publication of ISO/IEC 27001:2022 and its overhaul of the controls, we have restarted our path to certification based on these modernizations, with a view to completing certification readiness by end of our FY25 (June 2025).
T2.2	If StateRAMP Ready, you agree to attain StateRAMP Authorized within 12 months of the effective date of a resulting contract.	M			
T2.3	If StateRAMP Active, you agree to attain StateRAMP Authorized within 24 months of the effective date of a resulting contract.	M			
T2.4	If StateRAMP In Process, you agree to attain StateRAMP Authorized within 24 months of the effective date of a resulting contract.	M			
T2.5	If StateRAMP Pending (Under review with StateRAMP PMO awaiting a determination for a verified status), you agree to attain StateRAMP Authorized within 24 months of the effective date of a resulting contract or prior to contract renewal.	M			

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

T2.6	If Not StateRAMP Progressing, Not StateRAMP Ready, or Not StateRAMP Authorized the vendor shall initiate and provide a StateRAMP Security Snapshot with their response. You agree to attain StateRAMP Authorized within 24 months of the effective date of a resulting contract.	M			
T2.7	Continuous Monitoring – For any resulting award(s) and subsequent contract(s), the awarded contractor(s) will grant access to continuous monitoring and reporting upon receiving award for StateRAMP Security Snapshot, Ready status and Authorization status through the life of the contract. The State reserves the right to request and review all Third-Party Assessment Organization (3PAO) audits, risk assessments, vulnerability assessments, and penetration tests of the contractor's environment. The contractor shall respond to all flaws discovered by providing a mutually agreed upon timeframe to resolve the issue and/or implement a compensating control.	M			
Other Certifications in lieu of StateRAMP					
T3.1	FedRAMP Authorized https://www.fedramp.gov/ How to Become FedRAMP Authorized FedRAMP.gov	P			
T3.2	HITRUST (HITRUST is common for Health Care related products and services.) HITRUST Alliance Information Risk Management and Compliance	P			
Hosted Platform					
T4.1	The following Hosting Platforms are FedRAMP/StateRAMP Authorized and are pre-approved to host any SaaS or other Software Product. If your platform is included in the list below identify the platform in the Vendor Comments. <ul style="list-style-type: none"> • AWS US East/West • AWS GOV CLOUD • AZURE Commercial Cloud • AZURE Government (Includes Dynamics 365) • GOOGLE Services (Cloud Platform Products and Underlying Infrastructure) • ORACLE Government Cloud – Common Controls • ORACLE Federal Managed Cloud Services 	P	Yes	Standard	AWS
Individual Agency Compliance Requirements (examples listed below)					
T5.1	PCI Compliant	M	Yes	Standard	We use PCI compliant vendors to fulfil functions requiring PII

B-2.3. Service Level Agreement (SLA)

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

State Requirements		
Req #	Requirement Description	Criticality
SLA -1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M
SLA -2	The vendor shall maintain the hardware and Software in accordance with the specifications, terms, and requirements of the Contract, including providing upgrades and fixes as required.	M
SLA -3	The vendor shall repair or replace the hardware or software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M
SLA -4	All hardware and software components of the Vendor hosting infrastructure shall be fully supported by their respective manufacturers at all times. All critical patches for operating systems, databases, web services, etc., shall be applied within sixty (60) days of release by their respective manufacturers. (RA-5)	M
SLA -5	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff between the hours of 8:30am to 5:00pm- Monday through Friday EST.	M
SLA -6	<p>The Vendor shall conform to the specific deficiency class as described below or as agreed to by the parties:</p> <ul style="list-style-type: none"> • Class A Deficiency - Software - Critical, does not allow System to operate, no work around, demands immediate action; Written Documentation - missing significant portions of information or unintelligible to State; Non Software - Services were inadequate and require re-performance of the Service. • Class B Deficiency - Software - important, does not stop operation and/or there is a work around and user can perform tasks; Written Documentation - portions of information are missing but not enough to make the document unintelligible; Non Software - Services were deficient, require reworking, but do not require re-performance of the Service. • Class C Deficiency - Software - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; Written Documentation - minimal changes required and of minor editing nature; Non Software - Services require only minor reworking and do not require re-performance of the Service. 	M
SLA -7	<p>As part of the maintenance agreement, ongoing support issues shall be responded to according to the following:</p> <ul style="list-style-type: none"> • Class A Deficiency- The Vendor shall have available to the State on-call telephone assistance, with issue tracking available to the State, eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Vendor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request; • Class B & C Deficiency- The State shall notify the Vendor of such Deficiencies during regular business hours and the Vendor shall respond back within twenty-four (24) hours of notification of planned corrective action. The Vendor shall repair or replace Software and provide maintenance of the 	M

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

	Software in accordance with the Specifications, Terms and Requirements of the Contract.	
SLA -8	The hosting server for the State shall be available twenty-four (24) hours a day, 7 days a week except for during scheduled maintenance.	M
SLA -9	A regularly scheduled maintenance window shall be identified (such as weekly, monthly, or quarterly) at which time all relevant server patches and application upgrades shall be applied.	M
SLA -10	If The Vendor is unable to meet the uptime requirement, The Vendor shall credit State's account in an amount based upon the following formula: (Total Contract Item Price/365) x Number of Days Contract Item Not Provided. The State must request this credit in writing.	M
SLA -11	The Vendor shall use a change management policy for notification and tracking of change requests as well as critical outages.	M
SLA -12	A critical outage will be designated when a business function cannot be met by a nonperforming application and there is no work around to the problem.	M
SLA -13	The Vendor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly on the following: Server up-time; All change requests implemented, including operating system patches; All critical outages reported including actual issue and resolution; Number of deficiencies reported by class with initial response time as well as time to close.	M
SLA -14	The Vendor will give two-business days prior notification to the State Project Manager of all changes/updates and provide the State with training due to the upgrades and changes.	M
SLA -15	The Vendor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.	M
SLA -16	For all maintenance Services calls, The Vendor shall ensure the following information will be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue identified by;	P
SLA -17	The Vendor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.	P

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

3. ACTIVITY, DELIVERABLE, AND MILESTONE

Table B-3 DELIVERABLES

This table includes two fixed dates under System Deployment around which the other Delivery Dates are based. The relative Delivery Dates included here (e.g. any date that is “before” or “after” a milestone) are considered best estimates based on the current known scope and development cycle constraints. These relative Delivery Dates remain relevant even if changes occur to the fixed dates.

This table can be modified during the Contract period if all parties agree to the change.

Activity Deliverable or Milestone		Deliverable Type	Delivery Date
Planning and Project Management			
1	Project Kickoff Meeting	Non-Software	Within 30 days after contract signed
2	Project Management Plan	Written	60 days after Project Kickoff, 30 days after any major changes
3	Work Plan	Written	60 days after Project Kickoff
4	Project Status Reports	Written	Quarterly after contract signed
5	Product Backlog	Written	Monthly after Development Site Launch
6	Product Review with Client	Non-Software	Monthly (at least) after Development Site Launch
7	Infrastructure Plan, including Desktop and Network Configuration Requirements	Written	30 days before Production Site Launch
8	Security Plan	Written	30 days before Production Site Launch
9	Testing Plan	Written	30 days before Development Site Launch
Installation			
11	Software Licenses provided	Written	30 Days before Production Site Launch
12	Provide Software Installed, Configured, and Operational to Satisfy State Requirements	Software	Production Site Launch
Testing			
13	Conduct Integration Testing	Non-Software	Every release after Development Site Launch
14	Conduct User Acceptance Testing	Non-Software	Weekly after Development Site Launch
15	Perform Production Tests	Non-Software	Production Site Launch

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

System Deployment			
16	Development Site Launch for Client User Accepted Testing	Software	6 months before Final Client Acceptance
17	Development Site Releases with new functionality 11/15/2024	Software	Monthly
18	Final Client Acceptance for Production Site Launch	Non-Software	15 days before Production Site Launch
19	Production Site Launch	Software	30 days before Cutover Date
20	Cutover to New Software (replaces existing DataCheck Tool)	Non-Software	January 15, 2026
21	Final Production Release within Contract	Software	August 1, 2026
22	Provide Tools for Backup and Recovery of all Applications and Data	Software	Production Site Launch
23	Conduct training	Non-Software	Monthly after Development Site Launch
24	Provide Help Documentation	Written	30 days after requested
Operations			
25	Ongoing Hosting Support	Non-Software	Production Site Launch
26	Ongoing Support & Maintenance	Software	Production Site Launch
27	Conduct Project Retrospective	Non-Software	Quarterly after Project Kickoff

4. DELIVERABLE REVIEW AND ACCEPTANCE

4.1 Non-Software and Written Deliverables Review and Acceptance

The Contractor shall provide a written Certification that a non-software, written deliverable (such as the Test Plan) is final, complete, and ready for Review. After receiving such Certification from the Contractor, the State will Review the Deliverable to determine whether it meets the requirements outlined in this Exhibit. The State will notify the Contractor in writing of its Acceptance or rejection of the Deliverable, or its partial or conditional Acceptance of the Deliverable, within five (5) business days of the State’s receipt of the Contractor’s written Certification; provided that if the State determines that the State needs more than five (5) days, then the State shall be entitled to an extension of up to an additional ten (10) business days. If the State rejects the Deliverable or any portion of the Deliverable, or if any Acceptance by the State is conditioned upon completion of any related matter, then the State shall notify the Contractor of the nature and class of the Deficiency, or the terms of the conditional Acceptance, and the Contractor shall correct the Deficiency or resolve the condition to Acceptance within the period identified in the Work Plan. If no period for the Contractor’s correction of the Deliverable or resolution of condition is identified, the Contractor shall correct the Deficiency in the Deliverable or resolve the condition within five (5) business days or such longer period as the State (in its sole discretion) may agree. Upon receipt of the corrected Deliverable, the State shall have five (5) business days to review the Deliverable and notify the Contractor of its Acceptance, Acceptance in part, conditional Acceptance, or rejection thereof, with the option to extend the Review Period up to five (5) additional business days, or mutually agreed upon timeframe. If the Contractor fails to correct the Deficiency within the allotted period, the State may, at its option, continue reviewing the Deliverable and require the Contractor to continue until the Deficiency is corrected, or immediately

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

terminate the Contract, declare the Contractor in default, and or pursue its remedies at law and in equity.

4.2 Software Deliverables Review and Acceptance

System/Software Testing and Acceptance shall be performed as set forth in the Test Plan and more particularly described in Acceptance and Testing Services described herein.

4.3 Number of Deliverables

Unless the State otherwise specifically agrees in writing, in no event shall the Contractor certify for testing and deliver to the State more than three (3) Deliverables for review or testing at one time. As the State accepts a Deliverable, an additional Deliverable may be presented for review but at no time can the Deliverables exceed three (3) at a time without the authorization of the State.

4.4 Conditional and Unconditional Acceptance

By accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

5. CHANGE ORDER

The State may make changes, revisions or request enhancements to the Scope of Work at any time by written Change Order. The State originated changes, revisions or enhancements shall be approved by the Department of Information Technology. Within five (5) business days of Contractor's receipt of a Change Order, Contractor shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, and the Work Plan.

Contractor may propose a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, and the Work Plan. The State shall acknowledge receipt of Contractor's requested Change Order within five (5) business days. The State Agency, as well as the Department of Information Technology, must review and approve all Change Orders in writing. The State shall be deemed to have rejected the Change Order if the Parties are unable to reach an agreement in writing within 30 days of receipt of the Change Order.

Change orders resulting in an increase of Price Limitation, an extension of time for Contract completion or a significant change to the scope of the Contract may require approval by the Governor and Council.

A Change Order which is accepted and executed by both Parties, and if applicable approved by Governor and Council, shall amend the terms of this Agreement.

6. IMPLEMENTATION SERVICES

The Contractor shall employ an industry-standard Implementation strategy with a timeline set forth in accordance with the Work Plan.

The Contractor shall manage Project execution and provide the tools needed to create and manage the Project's Work Plan and tasks, manage and schedule Project staff, track and manage issues, manage changing requirements, maintain communication within the Project Team, and Report status.

The Contractor and the State shall adopt a Change Management approach to identify and plan key strategies, communication initiatives, and training plans.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

7. PROJECT MANAGEMENT

The Contractor shall provide project tracking tools and templates to record and manage Issues, Risks, Change Requests, Requirements, and other documents used in the management and tracking of the project. The State believes that effective communication and Reporting are essential to Project success. The Contractor shall employ effective communication and Reporting strategies to ensure Project success. The Contractor Key Project Staff shall participate in meetings as requested by the State, in accordance with the requirements and terms of this Contract.

The Project requires the coordinated efforts of a Project Team consisting of both Contractor and State personnel. Contractor shall provide all necessary resources to perform its obligations under the Contract. Contractor is responsible for providing all appropriate resources and personnel to manage this Project to a successful completion.

The Contractor shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the contract who have been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Contractor shall promote and maintain an awareness of the importance of securing the State's information among the Contractor's employees and agents.

The State may, at its sole expense, conduct reference and background screening of the Contractor's Project Manager and Key Project Staff. The State shall maintain the confidentiality of background screening results in accordance with the Contract Agreement.

The Contractor shall be responsible for knowledge transfer between all Contractor project teams for all deliverables defined in this Project Agreement.

7.1 The Contractor Key Project Staff

7.1.1. The Contractor's Contract Manager

Contractor shall assign a Contract Manager who will be responsible for all Contract authorization and administration, including but not limited to processing Contract documentation, obtaining executive approvals, tracking costs and payments, and representing the parties in all Contract administrative activities. Contractor's Contract Manager is:

Courtney Ravert
(703) 908-1800 ext.1872
Courtney_Ravert@naturereserve.org

7.1.2. The Contractor's Project Manager

Contractor shall assign a Project Manager who is qualified to perform or supervise the Contractor's obligations under this Agreement. Contractor's Project Manager is:

Elyzabeth Earnley
(703) 908-1800
Elyzabeth_Earnley@naturereserve.org

Contractor's selection of the Project Manager shall be subject to the prior written approval of the State. The State's approval process may include, without limitation, at the State's discretion, review of the proposed Project Manager's resume, qualifications, references, and background checks, and an interview. The State may require removal or reassignment of Project Manager who, in the sole judgment of the State, is found unacceptable or is not performing to the State's satisfaction.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

Project Manager must be qualified to perform the obligations required of the position under the Contract, shall have full authority to make binding decisions under the Contract, and shall function as Contractor's representative for all administrative and management matters. Project Manager must be available to promptly respond during normal Business Hours within four (4) hour(s) of inquiries from the State and be at the site as needed. Project Manager must work diligently and use his/ her best efforts on the Project.

7.1.3. Change of Project Manager

Contractor may not replace the Project Manager or change its assignment of Project Manager without providing the State written notice and obtaining the prior approval of the State of the replacement Project Manager. State approvals for replacement of Project Manager shall not be unreasonably withheld. The replacement Project Manager is subject to the same requirements and Review as set forth above. Contractor shall assign a replacement Project Manager within ten (10) business days of the departure of the prior Project Manager, and Contractor shall continue during the ten (10) business day period to provide competent project management Services through a qualified interim Project Manager.

7.1.4. The Contractors Additional Key Project Staff

The State considers the following individuals to be Key Project Staff for this Project:

Elyzabeth Earnley
Project Manager

Michele Bottiaux
Senior Software Engineer

The State reserves the right to require removal or reassignment of Key Project Staff who are found unacceptable to the State. Contractor shall not change Key Project Staff commitments without providing the State written notice and obtaining the prior written approval of the State. State approvals for replacement of Key Project Staff will not be unreasonably withheld. The replacement Key Project Staff shall have comparable or greater skills than Key Project Staff being replaced.

7.1.5. Termination for Lack of Project Management and Key Project Staff

Notwithstanding any other provision of the Contract to the contrary, the State shall have the option to terminate the Contract, declare Contractor in default and to pursue its remedies at law and in equity, if Contractor fails to assign a Project Manager and/or Key Project Staff meeting the requirements and terms of the Contract or if the State is dissatisfied with Contractor's replacement of the Project Manager and/or Key Project Staff.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

7.2 The State Key Project Staff

7.2.1. The State Contract Manager

The State shall assign a Contract Manager who shall function as the State’s representative with regard to Contract administration. The State Contract Manager is:

Sabrina Stanwood, Administrator Natural Heritage Bureau
603-892-8824
Sabrina.Stanwood@dncr.nh.gov

7.2.2. The State Project Manager

The State shall assign a Project Manager. The State’s Project Manager is:

Amy Lamb, Data Manager, Natural Heritage Bureau
603-271-2823
Amy.E.Lamb@dncr.nh.gov

The State Project Manager’s duties shall include the following:

- a. Leading the Project;
- b. Engaging and managing all Contractors working on the Project;
- c. Managing significant issues and risks;
- d. Reviewing and accepting Contract Deliverables;
- e. Invoice sign-offs;
- f. Review and approval of Change Orders;
- g. Managing stakeholders’ concerns.

8. WORK PLAN

The Contractor’s Project Manager and the State Project manager shall finalize the Work Plan within fourteen (14) days of the Effective Date and further refine the tasks required to implement the Project. Continued development and management of the Work Plan is a joint effort on the part of the Contractor and State Project Managers. The plan shall identify the tasks, Deliverables, major milestones, task dependencies, and a payment Schedule required to implement the Project. It shall also address intra-task dependencies, resource allocations (both State and The Contractor’s team members), refine the Project’s scope, and establish the Project’s Schedule. The preliminary Work Plan created by the Contractor and the State is set forth below in Attachment 1.a Exhibit G.

9. ACCEPTANCE & TESTING SERVICES

NatureServe internally reviews all functionality for performance, adherence to client requirements and quality of code before shipping any functionality to client-accessible environments such as the development site.

NHNHB staff will have regular access to the development site, allowing them to test functionality and provide feedback as it is developed. NatureServe will provide NHNHB staff with a list of functionalities to test ahead of project status meetings. Feedback on the functionality tested will be reviewed in project status meetings. NatureServe and NHNHB staff will mutually agree on functionality changes and review changes when available on the development site. Upon completion of initial iterations of the major functionality described in the scope of work, NatureServe will work with NHNHB staff to identify a suitable group of stakeholders to conduct User Acceptance Training (UAT). NHNHB staff should plan on UAT lasting approximately one month from invite to the final submission of feedback. The project manager for

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

NatureServe will work with NHHB staff to elaborate surveys and documentation to aid in gathering and analyzing feedback from the UAT group.

10. MAINTENANCE, OPERATIONS AND SUPPORT

10.1 System Maintenance

The Contractor shall maintain and support the System in all material respects as described in the Contract, through the Contract Completion Date. The Contractor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.

10.2 System Support

The Contractor must perform on-site or remote technical support in accordance with the Contract, including without limitation the requirements, terms, and conditions contained herein.

As part of the Software maintenance agreement, ongoing Software maintenance and support levels, including all new Software releases, shall be responded to according to the following:

Class A Deficiencies – The Contractor shall have available to the State on-call telephone assistance, with issue tracking available to the State, eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Contractor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request;

Class B & C Deficiencies –The State shall notify the Contractor of such Deficiencies during regular Business Hours and the Contractor shall respond back within twenty-four (24) hours of notification of planned corrective action.

10.3 Support Obligations

The Contractor shall repair or replace Software and provide maintenance of the Software in accordance with the Specifications and terms and requirements of the Contract.

The Contractor shall maintain a record of the activities related to Warranty repair or maintenance activities performed for the State.

For all maintenance Services calls, the Contractor shall ensure the following information will be collected and maintained:

- i. nature of the Deficiency;
- ii. current status of the Deficiency;
- iii. action plans, dates, and times;
- iv. expected and actual completion time;
- v. Deficiency resolution information;
- vi. resolved by;
- vii. identifying number i.e. work order number; and
- viii. issue identified by.

The Contractor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information:

- i. mean time between Reported Deficiencies with the Software;
- ii. diagnosis of the root cause of the problem; and
- iii. identification of repeat calls or repeat Software problems.

If the Contractor fails to correct a Deficiency within the allotted period of time stated above, the Contractor shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies as defined in the P-37 General Provisions, Provision 8, as well as

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES**

to return the Contractor's product and receive a refund for all amounts paid to the Contractor, including but not limited to, applicable License fees, within ninety (90) days of notification to the Contractor of the State's refund request.

10.4 Contract Warranties and Representations

10.4.1. System

The Contractor warrants that any Systems provided under this Agreement will operate and conform to the Specifications, terms, and requirements of this Agreement.

10.4.2. Software

The Contractor warrants that any Software provided as part of this Agreement, including but not limited to the individual modules or functions furnished under the Contract, is properly functioning within the System, compliant with the requirements of the Contract, and will operate in accordance with the Specifications and terms of the Contract.

For any breach of the above Software warranty, in addition to all its other remedies at law and in equity, at the State's option the Contractor shall:

- a. provide the correction of program errors that cause breach of the warranty, or if Contractor cannot substantially correct such breach in a commercially reasonable manner, the State may end its program license if any and recover the fees paid to Contractor for the program license and any unused, prepaid technical support fees the State has paid for the program license; or
- b. the re-performance of the deficient Services, or
- c. if Contractor cannot substantially correct a breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to Contractor for the deficient Services.

10.4.3. Compatibility

Contractor warrants that all System components, including but not limited to the components provided, any replacement or upgraded System Software components provided by Contractor to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

10.4.4. Services

Contractor warrants that all Services to be provided under this Agreement will be provided expediently, in a professional manner, in accordance with industry standards and that Services will comply with performance standards, Specifications, and terms of the Contract.

11. DATA PROTECTION

Protection of personal privacy and data shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of State information and comply with the following conditions:

- a. The Contractor shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of Personal Data and non-public information. Such security measures shall be in accordance with recognized industry

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES

practice and not less stringent than the measures the Contractor applies to its own Personal Data and non-public data of similar kind.

- b. All data obtained by the Contractor in the performance of this contract and all Personal Data shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, the Contractor is responsible for encryption of the Personal Data.
- c. Unless otherwise stipulated, the Contractor shall encrypt all non-public data at rest and in transit. The State shall identify data it deems as non-public data to the Contractor. The level of protection and encryption for all non-public data shall be identified and made a part of this contract.
- d. At no time shall any data or processes – that either belong to or are intended for the use of the State or its officers, agents or employees – be copied, disclosed or retained by the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the State.
- e. The Contractor shall not use any information collected in connection with the service issued from this Contract for any purpose other than fulfilling the service.

11.1 Data Location

The Contractor shall provide its Services to the State and its end users solely from data centers within the Continental United States. All storage, processing and transmission of State data shall be restricted to information technology systems within the Continental United States. The Contractor shall not allow its personnel or sub-contractors to store State data on portable devices, including personal computers, except as specified and allowed by the contract, and then only on devices that are used and kept at its data centers within the Continental United States. The Contractor shall permit its personnel and Contractors to access State data remotely only to provide technical support and as specified or required by the contract.

11.2 Security Incident or Data Breach

The Contractor shall inform the State of any security incident or Data Breach in accordance with NH RSA Chapter 359-C:20: Notice of Security Breach.

Incident Response: the Contractor may need to communicate with outside parties regarding a security incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing security incidents with the State should be handled on an urgent as-needed basis, as part of the Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the contract.

Security Incident Reporting Requirements: the Contractor shall report a security incident to the State identified contact immediately if it reasonably believes there has been a security incident.

Breach Reporting Requirements: If the Contractor has actual knowledge of a confirmed data breach that affects the security of any State content that is subject to applicable data breach notification law, the Contractor shall (1) immediately notify the appropriate State identified contact and (2) take commercially reasonable and consistent with industry best practices measures to address the data breach in a timely manner.

11.3 Breach Responsibilities

- 11.3.1. This section only applies when a Data Breach occurs with respect to State data within the possession or control of the Contractor and/or the third party designee hosting the data as agreed upon by the Contractor and the State.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

- 11.3.2.** The Contractor, unless stipulated otherwise, shall immediately notify the appropriate State identified contact by telephone in accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a security incident.
- 11.3.3.** The Contractor, unless stipulated otherwise, shall promptly notify the appropriate State identified contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it confirms that there is, or reasonably believes that there has been a Data Breach the Contractor shall:
- a. cooperate with the State as reasonably requested by the State to investigate and resolve the Data Breach;
 - b. promptly implement necessary remedial measures, if necessary; and
 - c. document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
- 11.3.4.** Unless otherwise stipulated, if a Data Breach is a direct result of the Contractor’s breach of its contract obligation or the third party hosting company to encrypt Personal Data or otherwise prevent its release, the Contractor and/or the third party hosting company shall bear the costs associated with:
- a. the investigation and resolution of the Data Breach;
 - b. notifications to individuals, regulators or others required by State law;
 - c. a credit monitoring service required by State (or federal) law;
 - d. a website or a toll-free number and call center for affected individuals required by State law — all not to exceed the average per record per person cost calculated for Data Breaches in the United States (currently \$201 per record/person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute at the time of the Data Breach; and
 - e. complete all corrective actions as reasonably determined by the Contractor based on root cause; all [(a) through (e)] subject to this Contract’s limitation of liability.

12. SOFTWARE AGREEMENT

The Contractor shall provide the State with access to the Software Licenses and Documentation set forth in the Contract, and particularly described Exhibit D: Software Agreement.

13. ADMINISTRATIVE SERVICES

The Contract shall provide the State with the Administrative Services set forth in the Contract, and particularly described in Exhibit E: Administrative Services.

14. TRAINING

The Contractor shall provide the following Training Services:

NHNHB, New Hampshire Fish & Game, and New Hampshire Department of Environmental Services staff, and any other stakeholders invited by NHNHB will have regular access to the development site. The development site will allow these groups to access functionality and gain understanding of critical user, reviewer, and administrator workflows as they are developed and released.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHNICAL REQUIREMENTS AND DELIVERABLES**

NatureServe will develop help documentation on an as-needed basis, to ensure that NHNHB staff understand how to use the DataCheck Tool and to support their work in training end users.

15. MERCHANT CARD SERVICES

The Contractor shall provide the following Merchant Card Services:

PCI DSS Payment Application Data Security Standard (PA DSS)

Whereas the Contractor access to the production environment which transmits, processes or stores cardholder data and therefore is considered a “service provider” under Requirement 12.8 of the PCI DSS Requirements and Security Assessment Procedures of the latest edition.

The Contractor agrees to the following provisions:

- a. Contractor shall comply with all credit card brand rules, as applicable, in regard to their environment. The Contractor will work with the State if any non-compliance issues occur to ensure proper remediation of any non-compliance issues.
- b. Payment Card Industry Security Standards Council (PCI SSC) – Payment Application Data Security Standard (PA DSS) - As the Contractor’s product is part of the processing, transmitting or storing of Cardholder Data it is hereby agreed that:
 - i. Contractor agrees to participate in the Payment Card Security Standards Council (PCI) Payment Application Data Security Standards program (PA DSS);
 - ii. Contractor agrees to provide evidence of compliance, PA DSS Attestation of Validation prior to Contract approval and upon request;
 - iii. Contractor is required to provide a PA-DSS Implementation Guide with instructions on secure product implementation, secure configuration specifics, and to clearly delineate Contractor responsibilities for meeting PCI DSS requirements. It should detail how to enable security settings within the network; and
 - iv. Contractor shall immediately notify the NH DoIT Chief Information Security Officer and the Merchant Card Administrator if it learns its application is no longer PA DSS compliant and shall immediately provide the DOIT Chief Information Security Officer of the steps being taken to remediate the non-compliance status. In no event should Contractor’s notification to the DoIT be later than seven (7) calendar days after Contractor learns it is no longer PA DSS compliant.
- c. PCI DSS Requirement 12.8 of the latest edition, Service Provider – If the Contractor provides Services on the production environment used in the processing, transmission and/or storage of Cardholder Data, it is hereby agreed that:
 - i. Contractor agrees that it is responsible for the security of all Cardholder Data that it obtains or possesses, including but not limited to the functions relating to storing, processing, and transmitting the Cardholder Data;
 - ii. Contractor attests that, as of the Effective Date of this contract, it has complied with all applicable requirements to be considered PCI DSS compliant, and has performed the necessary steps to validate its compliance with PCI DSS; and
 - iii. Contractor agrees to supply the current status of Contractor’s PCI DSS compliance, and evidence of its most recent validation of compliance upon execution of this contract to DNCR.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT B – STATEMENT OF WORK
BUSINESS / TECHINCAL REQUIREMENTS AND DELIVERABLES

Contractor must supply to DNCR an Attestation of compliance at least annually and upon request.

- iv. Contractor shall immediately notify NH DoIT Chief Information Security Officer and the Merchant Card Administrator if it learns that it is no longer PCI DSS compliant and shall immediately provide DNCR the steps being taken to remediate the non-compliance status. In no event shall Contractor's notification to NH DoIT Chief Information Security Officer be later than seven (7) calendar days after Contractor learns it is no longer PCI DSS compliant.
 - v. Contractor acknowledges that any indemnification provided for under the Contract referenced above applies to the failure of the Contractor to be and to remain PCI DSS compliant.
 - vi. Contractor shall agree to work with DNCR in order to clarify how responsibilities for PCI DSS requirements may be shared, by completing a CPI DSS Responsibility Matrix.
- d. Contractor shall disclose any Nested Third Party Service Provider (TPSP) that is a part of the Cardholder Environment. Contractor shall document the Nested TPSP's allocation of liability, responsibility and costs relating to actions of outsourced contractors and/or notifying the Contractor regarding incidents. DNCR shall require an Attestation of Compliance on an annual basis and upon request from the Nested Third Party Service Provider.

16. TERMS AND DEFINITIONS

Terms and Definitions applicable to this Contract are identified in Exhibit F: Terms and Definitions.

17. CONTRACTOR'S CERTIFICATES

Required Contractor Certificates are attached in Exhibit G.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT C – PRICE AND PAYMENT SCHEDULE**

EXHIBIT C – PRICE AND PAYMENT SCHEDULE

The terms outlined in the Payment Schedule is set forth below:

1. CONTRACT PRICE

Notwithstanding any provision in the Contract to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments made by the State exceed the amount indicated in P-37 General Provisions - Block 1.8: Price Limitation. The payment by the State of the total Contract price shall be the only, and the complete reimbursement to the Contractor for all fees and expenses, of whatever nature, incurred by the Contractor in the performance hereof.

2. TRAVEL EXPENSES

The State will not be responsible for any travel or out of pocket expenses incurred in the performance of the Services performed under this Contract. The Contractor must assume all travel and related expenses incurred by Contractor in performance of its obligations. All labor rates in this Agreement will be considered “Fully Loaded”, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and any additional out of pocket expenses.

3. SHIPPING FEES

The State will not pay for any shipping or delivery fees unless specifically itemized in this Agreement.

4. INVOICING

The Contractor shall submit correct invoices to the State for all amounts to be paid by the State. All invoices submitted shall be subject to the State’s prior written approval, which shall not be unreasonably withheld. The Contractor shall only submit invoices for Services or Deliverables as permitted by the Contract and identified in the Payment Schedule below. Invoices must be in a format as determined by the State and contain detailed information, including without limitation: itemization of each Deliverable and identification of the Deliverable for which payment is sought, and the Acceptance date triggering such payment; date of delivery and/or installation; monthly maintenance charges; any other Project costs or retention amounts if applicable.

Upon Acceptance of a Deliverable, and a properly documented and undisputed invoice, the State will pay the correct and undisputed invoice within thirty (30) days of invoice receipt. Invoices will not be backdated and shall be promptly dispatched.

5. INVOICE ADDRESS

Invoices may be sent to:

Dept. of Natural and Cultural Resources
Natural Heritage Bureau
Attn: Sabrina Stanwood
172 Pembroke Road
Concord, NH 03301
Sabrina.Stanwood@dncr.nh.gov

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT C – PRICE AND PAYMENT SCHEDULE**

6. PAYMENT ADDRESS

Payments shall be made via ACH. Use the following link to enroll with the State Treasury for ACH payments: <https://www.nh.gov/treasury/state-vendors/index.htm>

7. OVERPAYMENTS TO THE CONTRACTOR

The Contractor shall promptly, but no later than fifteen (15) business days, return to the State the full amount of any overpayment or erroneous payment upon discovery or notice from the State.

8. CREDITS

The State may apply credits due to the State arising out of this Contract, against the Contractor's invoices with appropriate information attached.

9. PROJECT HOLDBACK

The State shall withhold ten percent (10%) of the price for each Deliverable, except Software License fees, as set forth in the Payment Table, until successful conclusion of the Warranty Period.

10. PAYMENT SCHEDULE

10.1 Contract Type

This is a Fixed Firm Price Contract. The total Contract value is indicated in P-37 General Provisions - Block 1.8: Price Limitation for the period between the Effective Date through date indicated in P-37 General Provisions - Block 1.7: Completion Date. The Contractor shall be responsible for performing its obligations in accordance with the Contract. This Contract will allow the Contractor to invoice the State for the following activities, Deliverables, or milestones appearing in the price and payment tables below:

Terms of Use and Client Responsibilities - Service Fee and Payment Terms

Annual software as a service (SaaS) fee payments are due on commencement of the Hosted Service and at the beginning of each annual service term thereafter. Hosted Service payments are non-refundable, and no credits are issued in the event that the Client terminates their service during the annual term.

10.1.1 Compensation

NatureServe shall be compensated based on a firm fixed-price schedule. Compensation for the project will be billed roughly quarterly in the amounts set forth in Table 10.1.2 *Deliverables Pricing* below. NatureServe will invoice an initiation payment of 20% of the project total, followed by 6 invoices equal to 10% of the project total and one invoice equal to 20% upon the production launch of the NH DataCheck Tool. The price of each component of the NH DataCheck Tool is shown in Cost Summary.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT C – PRICE AND PAYMENT SCHEDULE**

10.1.2 Deliverables Pricing Table

Item	Description	Amount	Payment Due Date
1	Initiation Payment	\$47,200	30 Days after Contract Initiation
2	Quarterly Progress Payment	\$26,600	March 1, 2025
3	Development Site Launch	\$23,600	June 2025*
4	Quarterly Progress Payment	\$23,600	September 1, 2025
5	Production Site Launch	\$47,200	November 2025*
6	Quarterly Progress Payment	\$23,600	March 1, 2026
7	Quarterly Progress Payment	\$23,600	June 1, 2026
8	Final Production Release within Contract Period	\$23,600	August 1, 2026
Total Compensation for NH DataCheck Tool		\$239,000.00	

***Dates with an asterisk** are estimates and will be confirmed during the contract period.

Assumptions

- The firm fixed-price contract is based on the stated project delivery schedule and assumes NHNHB will provide feedback and materials within the stated deadlines.
- Delays introduced by the Client that exceed the schedule and which result in changes in scope will trigger contract amendments to schedule and price. Examples may include, but are not limited to:
 - Delays in NHNHB provision of map services, branding materials, web page content, or other required site elements
 - Delays in NHNHB delivery of timely feedback during the review cycles
- Delivered system components will undergo testing and up to two review cycles; once accepted by NHNHB, subsequent change requests will result in scope changes.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT C – PRICE AND PAYMENT SCHEDULE**

10.1.3 PRICING SUMMARY

IMPLEMENTATION PRICING SUMMARY					
NH DataCheck Tool	YEAR 1 G&C approved date – through June 30, 2025	YEAR 2 7/1/25 – 6/30/26	YEAR 3 7/1/26 – 6/30/27	YEAR 4 7/1/ 27 – 6/30/28	Total
DataCheck Tool Development (Go live on Jan. 15, 2026)	47,200.00				47,200.00
Quarterly Progress Payment	26,600.00	70,800.00			97,400.00
Development/Production Site Launch (includes Online Payment Module)	23,600.00	47,200.00	23,600.00		94,400.00
Maintenance - Incl. 4 Data Refreshes per year		28,600.00	29,550.00	30,450.00	88,600.00
AWS Hosting		8,400.00	8,650.00	8,900.00	25,950.00
Grand Total	\$97,400.00	\$155,000.00	\$61,800.00	\$39,350.00	\$353,550.00

10.1.4 Future Contractor Rates Worksheet

The State may request additional Services from the Contractor. The State and Contractor agree to the following rates in the event the contract is extended as described in P-37 General Provisions, Section 3 Effective Date/Completion of Services.

FUTURE CONTRACTOR RATES PRICING WORKSHEET					
VENDOR ROLE	SFY2026	SFY2027	SFY2028	SFY2029	SFY2030
Project Manager1	\$148	\$153	\$159	\$164	\$170
Project Manager2	\$184	\$191	\$197	\$204	\$212
Technologist1	\$124	\$129	\$133	\$138	\$143
Technologist2	\$148	\$153	\$159	\$164	\$170
Technologist3	\$172	\$178	\$185	\$191	\$198
Technologist4	\$208	\$216	\$223	\$231	\$239
Technologist5	\$244	\$253	\$262	\$271	\$281

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT D – SOFTWARE LICENSE AGREEMENT

EXHIBIT D – SOFTWARE LICENSE AGREEMENT

The terms outlined in the Software License Agreement are set forth below:

1. License Grant.

During the Subscription Term, the State will receive a nonexclusive, non-assignable, royalty free, worldwide right to access and use the Software solely for the State’s internal business operations subject to the terms of the Contract and up to the number of licenses documented in the Contract.

The Parties acknowledge that this Contract is a services agreement and Contractor will not be delivering copies of the Software to Customer as part of the Contract.

2. Software Title. Title, right, and interest (including all ownership and intellectual property rights) in the Software provided under this agreement, and its associated documentation, shall remain with the Contractor.

3. Software and Documentation Copies. Contractor shall provide the State with one (1) electronic version (Microsoft Word and PDF format) of the Software’s associated Documentation. The State shall have the right to copy the Software and its associated Documentation within its possession for its internal business needs. To the extent that the State does not have possession of the Software, Contractor shall provide a copy of the Software and associated Documentation upon request. The State agrees to include copyright and proprietary notices provided to the State by the Contractor on such copies.

4. Restrictions. Except as otherwise permitted under the Contract, the State agrees not to:

- a. Remove or modify any program markings or any notice of Contractor’s proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party’s business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

5. Viruses. Contractor shall provide Software that is free of viruses, destructive programming, and mechanisms designed to disrupt the performance of the Software in accordance with the Specifications. As a part of its internal development process, Contractor will use reasonable efforts to test the Software for viruses.

6. Audit. Upon forty-five (45) days written notice, Contractor may audit the State’s use of the programs at Contractor’s sole expense. The State agrees to cooperate with Contractor’s audit and provide reasonable assistance and access to information. The State agrees that Contractor shall not be responsible for any of the State’s reasonable costs incurred in cooperating with the audit. Notwithstanding the foregoing, Contractor’s audit rights are subject to applicable State and federal laws and regulations.

7. Software Non-Infringement. Contractor warrants that it has good title to, or the right to allow the State to use all Services, equipment, and Software, including any and all component parts thereof such as third-party software or programs that may be embedded in the Software (“Contracted Resources”) provided under this Contract, and that such Services, equipment, and Software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT D – SOFTWARE LICENSE AGREEMENT**

The warranty of non-infringement shall be an on-going and perpetual obligation that shall survive termination of the Contract. In the event that someone makes a claim against the State that any Contracted Resources infringe their intellectual property rights, Contractor shall defend and indemnify the State against the claim provided that the State:

- a. Promptly notifies Contractor in writing, not later than 30 days after the State receives actual written notice of such claim;
- b. Gives Contractor control of the defense and any settlement negotiations; and
- c. Gives Contractor the information, authority, and assistance reasonably needed to defend against or settle the claim.

Notwithstanding the foregoing, the State's counsel may participate in any claim to the extent the State seeks to assert any immunities or defenses applicable to the State.

If Contractor believes or it is determined that any of the Contracted Resources may have violated someone else's intellectual property rights, Contractor may choose to either modify the Contracted Resources to be non-infringing or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, Contractor may end the license, and require return of the applicable Contracted Resources and refund all fees the State has paid Contractor under the Contract.

8. **Control of All Component Elements.** Contractor acknowledges and agrees that it is responsible for maintaining all licenses or permissions to use any third-party software, equipment, or services that are component parts of any deliverable provided under this agreement for the entire term of the contract. Nothing within this provision shall be construed to require Contractor to maintain licenses and permissions for Software acquired by the State directly or through third-parties which may be integrated with the Contractor's deliverables.

9. **Custom Software.** Should any custom source code be developed, Contractor shall provide the State with a copy of the source code, which shall be subject to the License rights. The State shall receive a worldwide, perpetual, irrevocable, non-exclusive paid-up right and license to use, copy, modify and prepare derivative works of any custom developed software.

10. **Software Escrow.** Contractor agrees to provide to the State the currently existing source code and any other tools and requirements necessary to create executable or interpretive programs. This information may be provided to the State either directly, with any such protections as required by the Contractor or through a mutually agreed upon Escrow Agreement. Contractor shall be responsible for all costs associated with the Escrow Agreement and the State shall not assume any liability to the Company or Escrow Agent as a result of the Agreement.

Contractor agrees that the State shall be entitled to utilize the source code in its possession and/or demand a release of the source code from the Escrow Agent upon the occurrence of any of the following events ("Release Events"):

- (a) Contractor has made an assignment for the benefit of creditors;
- (b) Contractor institutes or becomes subject to a liquidation or bankruptcy proceeding of any kind;
- (c) A receiver or similar officer has been appointed to take charge of all or part of Contractor's assets;

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT D – SOFTWARE LICENSE AGREEMENT

- (d) Contractor terminates its maintenance and operations support services for the State for the Software or has ceased supporting and maintaining the Software for the State whether due to its ceasing to conduct business generally or otherwise, except in cases where the termination or cessation is a result of the non-payment or other fault of the State;
- (e) Contractor defaults under the Contract; or
- (f) Contractor ceases its on-going business operations or that portion of its business operations relating to the licensing and maintenance of the Software.

Upon the occurrence of a Release Event, Contractor hereby grants the State the right to use, copy, modify, display, distribute, and prepare derivative works of the source code, and to authorize others to do the same on behalf of the State (Contractors, agents, etc.), solely for the purpose of completing the performance of Contractor's obligations under the Contract, including, but not limited to, providing maintenance and support for the Software and subject to the rights granted in this Contract.

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**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT E – ADMINISTRATIVE SERVICES**

EXHIBIT E – ADMINISTRATIVE SERVICES

1. DISPUTE RESOLUTION

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the Party believing itself aggrieved (the “Invoking Party”) shall call for progressive management involvement in the dispute negotiation by written notice to the other Party. Such notice shall be without prejudice to the Invoking Party’s right to any other remedy permitted under the Contract.

The Parties shall use reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the Parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

Table E-1.			
DISPUTE RESOLUTION RESPONSIBILITY AND SCHEDULE TABLE			
LEVEL	CONTRACTOR POINT OF CONTACT	STATE POINT OF CONTACT	CUMULATIVE ALLOTTED TIME
Primary	Elyzabeth Earnley, ERT Product Manager	Sabrina Stanwood	5 Days
First	Jeremy Daugherty, Deputy Director of Technology and Partnerships	Patrick Hackley	10 Days
Second	Lori Scott, Executive Director	Sarah Stewart, Commissioner	15 Days

The allotted time for the first level negotiations shall begin on the date the Invoking Party’s notice is received by the other Party. Subsequent allotted time is days from the date that the original Invoking Party’s notice is received by the other Party.

2. ACCESS AND COOPERATION

Subject to the terms of this Agreement and applicable laws, regulations, and policies, the State will provide the Contractor with access to all program files, libraries, personal computer-based Systems, Software packages, Network Systems, security Systems, and hardware as required to complete the contracted Services.

3. RECORD RETENTION

Contractor and its Subcontractors shall maintain all Project records including but not limited to books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs invoiced in the performance of their respective obligations under the Contract. Contractor and its Subcontractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT E – ADMINISTRATIVE SERVICES

one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeal period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the State and federal officials so authorized by law, rule, regulation or Contract, as applicable. Access to these items shall be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the State. Delivery of and access to such records shall be at no cost to the State during the three (3) year period following termination of the Contract and one (1) year Term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. Contractor shall include the record retention and Review requirements of this section in any of its subcontracts.

4. ACCOUNTING

Contractor shall maintain an accounting System in accordance with Generally Accepted Accounting Principles (GAAP). The costs applicable to the Contract shall be ascertainable from the accounting System.

5. AUDIT

The Contractor shall allow the State to audit conformance to the contract terms. The State may perform this audit or contract with a third party at its discretion and at the State's expense.

6. MISCELLANEOUS WORK REQUIREMENTS

6.1 Access to State Systems

In consideration for receiving access to and use of the computer facilities, network, licensed or developed software, software maintained or operated by any of the State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), Contractor understands and agrees to abide by all policy and procedures documented in the New Hampshire Statewide Information Security Manual (available on request) or derivatives and the following rules:

6.1.1. Computer Use

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall Contractor access or attempt to access any information without having the express authority to do so.
- c. That at no time shall Contractor access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or agreements relating to system entry/access.
- d. That all software licensed, developed, or being evaluated by the State cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times Contractor must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other agreement executed by the State. Only equipment or software

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT E – ADMINISTRATIVE SERVICES

owned, licensed, or being evaluated by the State, can be used by Contractor Personal software (including but not limited to palmtop sync software) shall not be installed on any equipment.

- e. That if Contractor is found to be in violation of any of the above-stated rules, the Contractor may face default and termination under the Agreement and the individual may face removal from the State Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.
- f. That computer use shall follow the State standard policy (Statewide Computer Use Policy is available upon request)

6.1.2. Email Use

Email and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as “internal email systems” or “State-funded email systems.” Contractor understands and agrees that use of email shall follow State standard policy (Statewide Computer Use Policy is available upon request).

6.1.3. Internet/Intranet Use

The Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (Statewide Computer Use Policy is available upon request).

6.2 State Website Copyright

All right, title and interest in the State WWW site, including copyright to all Data and information, shall remain with the State. The State shall also retain all right, title and interest in any user interfaces and computer instructions embedded within the WWW pages. All WWW pages and any other Data or information shall, where applicable, display the State’s copyright.

6.3 Workspace Requirement

The State will work with Contractor to determine requirements for providing necessary workspace and office equipment for Contractor’s staff.

6.4 Workplace Hours – N/A

Unless otherwise agreed to by the State, the Contractor’s personnel shall work forty (40) hour weeks between the hours of 8 am and 5 pm (Eastern Time), excluding State of New Hampshire holidays. Changes to this Schedule may be made upon agreement with the State Project Manager.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT F – TERMS AND DEFINITIONS**

EXHIBIT F – TERMS AND DEFINITIONS

The following general contracting terms and definitions apply except as specifically noted elsewhere in this Contract.

TERM	DEFINITION
Acceptance	Notice from the State that a Deliverable has satisfied Acceptance Test or Review.
Confidential Information	<p>Information required to be kept Confidential and restricted from unauthorized disclosure under the Contract. “Confidential Information” or “Confidential Data” means all private/restricted confidential information disclosed by one party to the other.</p> <p>Confidential Information includes any and all information owned or managed by the State of NH of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes but is not limited to Personal Health Information (PHI), Personally Identifiable Information (PII), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.</p>
Data	State records, files, forms, electronic information and other documents or information, in either electronic or paper form, that will be used /converted by the Contractor during the contract term.
DataCheck Tool	An online data screening tool where the public can screen for known locations of rare species and exemplary natural communities.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT F – TERMS AND DEFINITIONS**

Data Breach	Data Breach means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Data Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
Deficiency (-ies)/Defects	A failure, shortcoming or error in a Deliverable resulting in a Deliverable, the Software, or the System, not conforming to its Specifications.
Deliverable	Any written, software, or non-software item (letter, report, manual, book, code, or other) provided by the Contractor to the State or under the terms of a Contract requirement.
Documentation	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
Enhancements	Updates, additions, modifications to, and new releases for the Software or System, and all changes to the Documentation as a result of improvement in quality, value, or extent.
Hosted Services	Applications, IT infrastructure components or functions that organizations access from external service providers, typically through an internet connection.
Hosted System	The combination of hardware, software and networking components used by the Application Service Provider to deliver the Hosted Services.
Identification and Authentication	Supports obtaining information about those parties attempting to log on to a system or application for security purposes and the validation of those users.
Implementation	The process for making the System fully Operational for processing the Data.
Non-Public Information	Information, other than Personal Information, that is not subject to distribution to the public as public information. It is deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance or administrative rule from access by the general public as public information.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT F – TERMS AND DEFINITIONS**

Operational	Operational means that the System is ready for use and fully functional, all Data has been loaded; the System is available for use by the State in its daily operations, and the State has issued Acceptance.
Personal Information	“Personal Information” (or “PI”) or “Personally Identifiable Information” (PII) means information which can be used to distinguish or trace an individual’s identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.
Project	The planned undertaking regarding the entire subject matter of an RFP and Contract and the activities of the parties related hereto.
Proposal	A written plan put forth by a Vendor for consideration in response to a solicitation by the State.
Security Incident	“Security Incident” shall have the same meaning “Computer Security Incident” in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
Services	The work or labor to be performed by the Contractor on the Project as described in a contract.
Software	All Custom, SAAS and COTS Software provided by the Contractor under the Contract.
Software Deliverables	All Custom, SAAS and COTS Software and Enhancements.
Software License	Licenses provided to the State under this Contract.
Software-as-a-Service (SaaS)	The capability provided to the State to use the Contractor’s applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin-client interface such as a Web browser (e.g., Web-based email) or a program interface. The State does not manage or control the underlying cloud infrastructure including network, servers, Operating Systems, storage or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.
Solution	A proposed set of Software and Services addressing the requirements and terms of the RFP or sole source project.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT F – TERMS AND DEFINITIONS

Specifications	Written details that set forth the requirements which include, without limitation, the RFP, the Proposal, the Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth herein.
State Data	All Data created or in any way originating with the State, and all Data that is the output of computer processing of or other electronic manipulation of any Data that was created by or in any way originated with the State, whether such Data or output is stored on the State’s hardware, the Contractor’s hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Contractor.
State Fiscal Year (SFY)	The New Hampshire State Fiscal Year (SFY) runs from July 1 of the preceding calendar year through June 30 of the applicable calendar year.
Subcontractor	A person, partnership, or company not in the employment of, or owned by, the Contractor which is performing Services under this Contract under a separate Contract with or on behalf of the Contractor.
System	All Software, specified hardware, interfaces and extensions, integrated and functioning together in accordance with the Specifications.
Term	Period of the Contract from the Effective Date through the Completion Date identified in the P-37 General Provisions or termination.
Verification	Supports the confirmation of authority to enter a computer system application or network.
Warranty	The conditions under, and period during, which the Contractor will repair, replace, or other compensate for, the defective item without cost to the buyer or user. It also delineates the rights and obligations of both parties in case of a claim or dispute.
Warranty Period	A period of coverage during which the Contractor is responsible for providing a guarantee for products and Services delivered as defined in the Contract.
Work Plan	Documentation that details the activities for the Project created in accordance with the Contract. The plan and delineation of tasks, activities and events to be performed and Deliverables to be produced under the Project as specified in Appendix B: <i>Business/Technical Requirements and Deliverables</i> . The Work Plan shall include a detailed description of the Schedule, tasks/activities, Deliverables, critical events, task dependencies, and the resources that would lead and/or participate on each task.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT G – ATTACHMENTS AND CONTRACTOR CERTIFICATES**

EXHIBIT G – ATTACHMENTS AND CONTRACTOR CERTIFICATES

1. ATTACHMENTS

- a. Contractor's Workplan

2. CONTRACTOR CERTIFICATES

- a. Certification Regarding Lobbying
- b. Certification Regarding Debarment and Suspension
- c. Contractor's Certificate of Good Standing
- d. Contractor's Certificate of Vote/Authority
- e. Contractor's Certificate of Insurance

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NH DataCheck (ERT) Preliminary Work Plan

Project Title	New Hampshire DataCheck tool
Project Manager	Elyzabeth Eamley
Date	9/10/2024
Version	0

Business Problem or Opportunity

NatureServe will develop an ERT to replace the existing DataCheck tool, which is being retired. It will assess potential project impacts, and in particular, impacts to threatened, endangered, and other rare species.

Objectives

- Replace current functionality provided by the existing DataCheck tool
- The NH Natural Heritage Bureau and New Hampshire Fish and Game can collaborate asynchronously on environmental reviews, saving time and overhead
- Provide Environmental Review consistency and efficiency
- Allow project submitters to submit payment through the tool, avoiding a cumbersome manual process

Scope

See SOW

Key Deliverables

Refer to Table B-3 Deliverables

	Deliverable	Category	Type	Date	Status
1	Project Kickoff Meeting	Planning and Project Management	Non-Software	30 days after contract signed	
2	Project Management Plan	Planning and Project Management	Written	60 days after Project Kickoff; 30 days after any major changes	
3	Work Plan	Planning and Project Management	Written	60 days after Project Kickoff	
4	Project Status Reports	Planning and Project Management	Written	Quarterly after contract signed	

5	Product Backlog	Planning and Project Management	Written	Monthly after Development Site Launch	
6	Product Review with Client	Planning and Project Management	Non-Software	Monthly (at least) after Development Site Launch	
7	Infrastructure Plan, including Desktop and Network Configuration Requirements	Planning and Project Management	Written	30 days before Production Site Launch	
8	Security Plan	Planning and Project Management	Written	30 days before Production Site Launch	
9	Testing Plan	Planning and Project Management	Written	30 days before Development Site Launch	
10	Software Licenses provided	Installation	Written	30 Days before Production Site Launch	
11	Provide Software Installed, Configured, and Operational to Satisfy State Requirements	Installation	Software	Production Site Launch	
12	Conduct Integration Testing	Testing	Non-Software	Every release after Development Site Launch	
13	Conduct User Acceptance Testing	Testing	Non-Software	Weekly after Development Site Launch	
14	Perform Production Tests	Testing	Non-Software	Production Site Launch	
15	Development Site Launch for Client Testing	System Deployment	Software	6 months before Final Client Acceptance	
16	Development Site Releases with new functionality	System Deployment	Software	Monthly	

17	Final Client Acceptance for Production Site Launch	System Deployment	Non-Software	15 days before Production Site Launch	
18	Production Site Launch	System Deployment	Software	30 days before Cutover Date	
19	Cutover to New Software (replaces existing DataCheck Tool)	System Deployment	Non-Software	January 15, 2026	
20	Final Production Release within Contract	System Deployment	Software	August 1, 2026	
21	Provide Tools for Backup and Recovery of all Applications and Data	System Deployment	Software	Production Site Launch	
22	Conduct training	System Deployment	Non-Software	Monthly after Development Site Launch	
23	Provide Help Documentation	System Deployment	Written	30 days after requested	
24	Ongoing Hosting Support	Operations	Non-Software	Production Site Launch	
25	Ongoing Support & Maintenance	Operations	Software	Production Site Launch	
26	Conduct Project Retrospective	Operations	Non-Software	Quarterly after Project Kickoff	

Timeline

Start Date TBD

End Date September 1, 2026

Development Cycle

NatureServe approaches development and configuration of an ERT as a collaborative process. NHHNB staff will see and have input on the tool's development throughout the project life cycle.

Once the Development Site has launched, new functionality will be released monthly until the Production Site Launch. Each release will have a review meeting where NH stakeholders can see new functionality and provide feedback to the NatureServe team.

The following meetings will be scheduled once development has begun.

Meeting schedule:

Meeting name	Purpose	Attendees	Frequency
Development Site launch	To demonstrate available functionality and get	All team	One time

	stakeholder feedback		
Release review	To demonstrate available functionality and get stakeholder feedback	All team	Every month
Touchpoint	To evaluate project progress and identify any new risks or tasks	Mandatory: Sabrina Elizabeth Optional: Amy Michele	Every two weeks

Project Backlog

To be filled in once project begins

Functionality	Available on Dev Site?	Accepted by client?
Example: User can create new account and login to DataCheck tool		

Tasks and Activities

To be filled in as tasks are identified during team touchpoints

Task	Responsible person	End Date	Status
Task 1			
Task 2			

Risks and Mitigation

To be filled in as risks and mitigations are identified during team touchpoints

Risk	Impact	Mitigation strategy
Risk 1		
Risk 2		

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTRAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT G – ATTACHMENTS AND CONTRACTOR CERTIFICATES**

CERTIFICATION REGARDING LOBBYING

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

a. 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 State or Federal 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, the making of any Federal grant, the making of any federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal amendment, or modification of any Federal contract grant, loan, or cooperative agreement.

b. 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 State or Federal 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, the undersigned shall complete and submit the "Disclosure of Lobbying Activities" form in accordance with its instructions.

c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients 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 and entering into this transaction imposed by 31 U.S.C. § 1352. 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.

I acknowledge, understand, and accept these terms and conditions:

Contractor Signature: *Anne Lannon* Date: 01.24.2025

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DoIT # 2024-101 -DataCheck TOOL
EXHIBIT G – ATTACHMENTS AND CONTRACTOR CERTIFICATES

CERTIFICATE REGARDING DEBARMENT, SUSPENSION, AND OTHERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters –

Primary Covered Transactions.

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and all its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal 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 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;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification and
 - d. 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.
2. 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 agreement.

I acknowledge, understand, and accept these terms and conditions:

Contractor Signature: *Anne Lamer* Date: 01.24.2025

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that NATURESERVE is a Virginia Nonprofit Corporation registered to transact business in New Hampshire on May 02, 2022. 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: **900565**

Certificate Number: **0007150056**



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 April A.D. 2025.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State

Corporate Resolution

I, Lori Scott, hereby certify that I am duly elected Clerk/Secretary/Officer
(Name)
of NatureServe. I hereby certify the following is a true of a vote taken at a
(Name of Corporation)
meeting of the Board of Directors/shareholders, duly called and held on June 27, 2024,
at which a quorum of the directors/shareholders were present and voting.

Voted: That Anne Bowser (may list more than one person) is duly
(Name and Title)
authorized to enter into contracts or agreements on behalf of NatureServe
(Name of Corporation)
with the State of New Hampshire and any of its agencies and departments and further is
authorized to execute any documents which may in his/her judgement to be desirable or
necessary to affect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force
and effect as the date of the contract to which this certificate is attached. This authority shall
remain valid for thirty (30) days from the date of this Corporate Resolution. I further certify
that it is understood the State of New Hampshire will rely on this certificate as evidence the
person(s) listed above currently occupy the positions(s) indicated and that they have full
authority to bind the corporation. To the extent that there are limits on the authority of any listed
individual to bind the corporation in contracts with the State of New Hampshire, all such
limitations are expressly stated herein.

DATED: 01/24/2025

ATTEST: Lori Scott
Executive Chief Officer
(Signature & Title)



NATUINC-01

LELLET

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/2/2024

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 Alliant Insurance Services, Inc. 4530 Walney Rd Ste 200 Chantilly, VA 20151-2285	CONTACT NAME: Anna Hill		
	PHONE (A/C, No, Ext):	FAX (A/C, No):	
E-MAIL ADDRESS: ahill@alliant.com			
INSURED NatureServe 2550 South Clark #930 Arlington, VA 22202	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Federal Insurance Company		20281
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:	X		3605-56-33 EUC	7/1/2024	7/1/2025	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
A	<input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			3605-56-33 EUC	7/1/2024	7/1/2025	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			9365-00-61	7/1/2024	7/1/2025	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ Aggregate \$ 5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Coel Living Trust and The Colorado Group, Inc. is included as an additional insured with respect to the General Liability as required by written contract.

CERTIFICATE HOLDER Coel Living Trust c/o The Colorado Group, Inc. 3434 47th Street, Suite 220 Boulder, CO 80301	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
--	---



CERTIFICATE OF LIABILITY INSURANCE

13C8

DATE (MM/DD/YYYY)
05/24/2024

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 AON RISK SERVICES SOUTH INC 3550 LENOX ROAD NORTHEAST SUITE 1700 ATLANTA GA 30326	CONTACT NAME: Aon Risk Services, Inc of Florida	
	PHONE (A/C, No, Ext): 833-506-1544	FAX (A/C, No):
EMAIL ADDRESS: work.comp@trinet.com		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Indemnity Insurance Company of North America		43575
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
 TriNet Group, Inc.
 Natureserve
 1 Park Place, Suite 600
 Dublin, CA 94568-7963

COVERAGES **CERTIFICATE NUMBER:** 15781847 **REVISION NUMBER:**

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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPYOP AGG \$ \$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						EACH OCCURRENCE \$ AGGREGATE \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEC RETENTION \$						PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	WLR_C57280428	07/01/2024	07/01/2025	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Workers Compensation coverage is limited to worksite employees of Natureserve through a co-employment agreement with TriNet HR XI, Inc.
 Waiver of subrogation in favor of PT Office Owner, L.L.C. as required by written contract.

CERTIFICATE HOLDER PT Office Owner, L.L.C. c/o Vanderbilt Office Properties 2550 South Clark Street Arlington, VA 22202	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 <i>Aon Risk Services South Inc</i>

Workers' Compensation and Employers' Liability Policy

Named Insured TriNet Group, Inc. Natureserve 1 Park Place, Suite 600 Dublin, CA 94568-7983	Endorsement Number
	Policy Number Symbol: WLR Number: CS7280426
Policy Period 07/01/2024 TO 07/01/2025	Effective Date of Endorsement 07/01/2024

Issued By (Name of Insurance Company)
Indemnity Insurance Company of North America

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy. This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

PT Office Owner, L.L.C.
c/o Vanderbilt Office Properties
2550 South Clark Street
Arlington, VA 22202

For the states of CA, UT, TX, refer to state specific endorsements. This endorsement is not applicable in KY, NH, and NJ. The endorsement does not apply to policies in Missouri where the employer is in the construction group of code classifications. According to Section 287.150(6) of the Missouri statutes, a contractual provision purporting to waive subrogation rights against public policy and void where one party to the contract is an employer in the construction group of code classifications.

For Kansas, use of this endorsement is limited by the Kansas Fairness in Private Construction Contract Act(K.S.A. 16-1801 through 16-1807 and any amendments thereto) and the Kansas Fairness in Public Construction Contract Act(K.S.A 16-1901 through 16-1908 and any amendments thereto). According to the Acts a provision in a contract for private or public construction purporting to waive subrogation rights for losses or claims covered or paid by liability or workers compensation insurance shall be against public policy and shall be void and unenforceable except that, subject to the Acts, a contract may require waiver of subrogation for losses or claims paid by a consolidated or wrap-up insurance program.



Authorized Agent

NatureServe

**Financial Statements
Including Uniform Guidance Reports
and Independent Auditor's Report**

June 30, 2023 and 2022

NatureServe

**Financial Statements
June 30, 2023 and 2022**

Contents

Independent Auditor's Report	1-4
<i>Financial Statements</i>	
Statements of Financial Position	5
Statements of Activities	6-7
Statements of Functional Expenses	8-9
Statements of Cash Flows	10
Notes to the Financial Statements	11-30
<i>Supplementary Schedule and Reports Required by the Uniform Guidance</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	33-35
Schedule of Expenditures of Federal Awards	36-37
Notes to the Schedule of Expenditures of Federal Awards	38
Schedule of Findings and Questioned Costs	39-40
Corrective Action Plan	41
Schedule of Prior Audit Findings	42

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
NatureServe

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NatureServe ("the Organization"), which comprise the statement of financial position as of June 30, 2023; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization for the year ended June 30 2022, were audited by other auditors whose report, dated February 10, 2023, expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization adopted Accounting Standards Update (ASU) 2016-02, Accounting Standards Codification (ASC) 842, *Leases*, and all subsequent ASUs that modified ASC 842. The Organization has applied the modified retrospective method to adopt this standard during the year ended June 30, 2023, and adjusted the presentation in the financial statements as permitted by ASC 842. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
January 25, 2024

NatureServe

**Statements of Financial Position
June 30, 2023 and 2022**

	2023	2022
Assets		
Cash and cash equivalents	\$ 1,034,687	\$ 163,208
Investments	3,091,533	4,679,075
Federal government grants receivable	522,036	298,886
Federal contracts receivable	443,596	106,246
Grants and contributions receivable, net	529,664	291,837
Non-federal contracts receivable	862,316	1,102,658
Accounts receivable	21,598	3,038
Prepaid expenses	90,218	78,647
Property and equipment, net	106,482	137,772
Right-of-use asset – operating lease	2,098,444	-
Deposits	57,410	57,410
	\$ 8,857,984	\$ 6,918,777
Total assets		
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 925,417	\$ 913,627
Refundable advances	592,789	236,929
Deferred revenue	500,023	1,259,000
Line of credit	800,000	500,000
Deferred rent	-	374,999
Lease liability – operating lease	2,260,236	-
Deposits	4,061	5,000
	5,082,526	3,289,555
Total liabilities		
Net Assets		
Without donor restrictions:		
Undesignated	(536,075)	(1,437,902)
Board-designated quasi-endowment funds	2,542,469	1,972,284
	2,006,394	534,382
Total without donor restrictions		
With donor restrictions:		
Purpose restricted	50,000	330,628
Time restricted for future periods	1,170,000	57,421
Endowments	549,064	2,706,791
	1,769,064	3,094,840
Total with donor restrictions		
	3,775,458	3,629,222
Total net assets		
	\$ 8,857,984	\$ 6,918,777
Total liabilities and net assets		

See accompanying notes

NatureServe

Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Federal government grants	\$ 2,308,055	\$ -	\$ 2,308,055
Federal contracts	999,740	-	999,740
Grants and contributions	2,502,223	1,650,000	4,152,223
In-kind contributions	2,051,936	-	2,051,936
Non-federal contracts	297,611	-	297,611
Software support and services	1,780,907	-	1,780,907
Rental revenue	40,482	-	40,482
Member dues	63,000	-	63,000
Data requests, products, and services	213,398	-	213,398
Investment return, net	421,185	(50,727)	370,458
Transfer of donor-restricted funds released by donors to Board- designated quasi-endowment funds	2,107,000	(2,107,000)	-
Net assets released from restrictions	818,049	(818,049)	-
Total revenue and support	13,603,586	(1,325,776)	12,277,810
Expenses			
Program services	9,193,532	-	9,193,532
Supporting services:			
General and administrative	2,423,103	-	2,423,103
Fundraising	514,939	-	514,939
Total supporting services	2,938,042	-	2,938,042
Total expenses	12,131,574	-	12,131,574
Change in Net Assets	1,472,012	(1,325,776)	146,236
Net Assets, beginning of year	534,382	3,094,840	3,629,222
Net Assets, end of year	\$ 2,006,394	\$ 1,769,064	\$ 3,775,458

See accompanying notes.

NatureServe

**Statement of Activities
For the Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Federal government grants	\$ 1,676,841	\$ -	\$ 1,676,841
Federal contracts	1,080,882	-	1,080,882
Non-federal government grants	76,707	-	76,707
Grants and contributions	2,000,882	204,164	2,205,046
In-kind contributions	1,712,405	-	1,712,405
Non-federal contracts	315,007	-	315,007
Software support and services	1,654,240	-	1,654,240
Rental revenue	198,306	-	198,306
Member dues	57,000	-	57,000
Data requests, products, and services	84,261	-	84,261
Investment return, net	(233,379)	(350,775)	(584,154)
Other revenue	31,011	-	31,011
Net assets released from restrictions	598,845	(598,845)	-
Total revenue and support	<u>9,253,008</u>	<u>(745,456)</u>	<u>8,507,552</u>
Expenses			
Program services	8,128,196	-	8,128,196
Supporting services:			
General and administrative	2,716,097	-	2,716,097
Fundraising	421,873	-	421,873
Total supporting services	<u>3,137,970</u>	<u>-</u>	<u>3,137,970</u>
Total expenses	<u>11,266,166</u>	<u>-</u>	<u>11,266,166</u>
Change in Net Assets	(2,013,158)	(745,456)	(2,758,614)
Net Assets, beginning of year	<u>2,547,540</u>	<u>3,840,296</u>	<u>6,387,836</u>
Net Assets, end of year	<u>\$ 534,382</u>	<u>\$ 3,094,840</u>	<u>\$ 3,629,222</u>

See accompanying notes.

NatureServe

Statement of Functional Expenses
For the Year Ended June 30, 2023

	Supporting Services				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 5,118,714	\$ 1,692,267	\$ 456,974	\$ 2,149,241	\$ 7,267,955
Rent	145,532	34,801	12,655	47,456	192,988
Subagreements	737,584	1,665	7,069	8,734	746,318
Internet, computer, and data expenses	562,415	50,189	-	50,189	612,604
Depreciation and amortization	-	31,290	-	31,290	31,290
Travel	145,210	19,359	10,854	30,213	175,423
In-kind expenses	2,049,953	1,984	-	1,984	2,051,937
Meetings and conferences	6,670	19,465	-	19,465	26,135
Professional fees	347,426	270,657	24,922	295,579	643,005
Equipment, rental, repairs, and maintenance	449	12,393	-	12,393	12,842
Telephone	24,260	-	-	-	24,260
Insurance	-	41,258	-	41,258	41,258
Dues and subscriptions	44,270	13,643	-	13,643	57,913
Printing	2,364	16,386	1,270	17,656	20,020
Office expenses	1,040	28,742	346	29,088	30,128
Payroll fees	-	90,276	-	90,276	90,276
Interest	4	36,652	-	36,652	36,656
Postage and delivery	6,271	3,696	849	4,545	10,816
Taxes, licenses, and permits	-	26,454	-	26,454	26,454
Bank fees	-	28,496	-	28,496	28,496
Miscellaneous	1,370	1,754	-	1,754	3,124
Advertising – recruiting	-	1,676	-	1,676	1,676
Total Expenses	\$ 9,193,532	\$ 2,423,103	\$ 514,939	\$ 2,938,042	\$ 12,131,574

See accompanying notes.

NatureServe

Statement of Functional Expenses
For the Year Ended June 30, 2022

	Supporting Services				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 4,784,117	\$ 1,688,089	\$ 178,737	\$ 1,866,826	\$ 6,650,943
In-kind licensing fees	1,712,405	-	-	-	1,712,405
Professional fees	190,476	175,767	202,715	378,482	568,958
Subagreements	420,344	-	-	-	420,344
Rent	370,330	164,976	25,837	190,813	561,143
Internet, computer, and data expenses	181,024	385,189	3,615	388,804	569,828
Travel	398,078	5,705	4,710	10,415	408,493
Depreciation and amortization	-	39,375	-	39,375	39,375
Insurance	-	35,584	-	35,584	35,584
Payroll fees	-	94,013	-	94,013	94,013
Telephone	3,327	15,853	-	15,853	19,180
Office expense	9,185	8,479	53	8,532	17,717
Dues and subscriptions	27,447	11,927	4,382	16,309	43,756
Printing	9,315	8,136	544	8,680	17,995
Meetings and conferences	18,633	13,044	-	13,044	31,677
Equipment, rental, repairs, and maintenance	-	11,220	-	11,220	11,220
Advertising – recruiting	-	2,897	-	2,897	2,897
Miscellaneous	2,189	2,291	-	2,291	4,480
Bank fees	766	10,462	174	10,636	11,402
Taxes, licenses, and permits	-	22,057	-	22,057	22,057
Interest expenses	-	20,233	-	20,233	20,233
Postage and delivery	560	800	1,106	1,906	2,466
Total Expenses	\$ 8,128,196	\$ 2,716,097	\$ 421,873	\$ 3,137,970	\$ 11,266,166

See accompanying notes.

NatureServe

Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 146,236	\$ (2,758,614)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized (gain) loss on investments	(254,030)	695,891
Change in present value discount on multi-year grants and contributions receivable	7,157	-
Depreciation and amortization	31,290	39,375
Amortization on right-of-use asset - operating lease	261,844	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Federal government grants receivable	(223,150)	204,793
Federal contracts receivable	(337,350)	-
Grants and contributions receivable	(244,984)	-
Non-federal contracts receivable	240,342	-
Accounts receivable	(18,560)	-
Prepaid expenses	(11,571)	42,789
Right-of-use asset - operating lease	(2,360,288)	-
Deposits	-	34,933
Increase (decrease) in:		
Accounts payable and accrued expenses	11,790	12,758
Refundable advances	355,860	21,219
Deferred revenue	(758,977)	-
Deferred rent	(374,999)	(132,507)
Lease liability - operating lease	2,260,236	-
Deposits	(939)	(19,167)
Net cash used in operating activities	<u>(1,270,093)</u>	<u>(1,858,530)</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,861,762)	(300,771)
Proceeds from sales of investments	1,745,225	2,102,615
Short-term investments, net	1,958,109	-
Purchases of property and equipment	-	(34,686)
Net cash provided by investing activities	<u>1,841,572</u>	<u>1,767,158</u>
Cash Flows from Financing Activities		
Proceeds from line of credit	800,000	200,000
Principal payments on line of credit	(500,000)	(100,000)
Net cash provided by financing activities	<u>300,000</u>	<u>100,000</u>
Net Increase in Cash and Cash Equivalents	871,479	8,628
Cash and Cash Equivalents, beginning of year	163,208	154,580
Cash and Cash Equivalents, end of year	<u>\$ 1,034,687</u>	<u>\$ 163,208</u>
Supplementary Disclosure of Cash Flow Information		
Cash paid for interest	\$ 34,349	\$ 19,951
Cash paid for taxes	<u>\$ 12,628</u>	<u>\$ 14,376</u>

See accompanying notes.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

1. Nature of Operations

NatureServe (“the Organization”), a nonprofit organization incorporated in Virginia, leverages the power of science, data, and technology to guide biodiversity conservation and stewardship. In partnership with the Network of Natural Heritage Programs and Conservation Data Centers, the Organization works to manage and distribute authoritative information critical to the conservation of the world’s biological diversity. The Organization provides the scientific knowledge that supports informed decisions. Together with the Organization’s network of over 60 programs, the Organization collects decision-quality data about imperiled species and entire ecosystems, transforms that data into knowledge products and visualizations, and provides meaning through expert analyses and support to guide decision-making, implement action, and enhance conservation outcomes.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions include both undesignated and Board-designated amounts. The Organization’s Board of Directors has segregated amounts received without donor restrictions from various donors into a Board-designated quasi-endowment fund, and has implemented an investment policy that includes an annual discretionary transfer of amounts to undesignated net assets to support operations. Undesignated deficit amounts are supplemented by Board-designated quasi-endowment fund amounts. Total net assets without donor restrictions remain positive at June 30, 2023 and 2022.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. The Organization reports grants and contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NatureServe

**Notes to Financial Statements
June 30, 2023 and 2022**

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, including money market funds not held for long-term investment purposes, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held for investment.

Investments

Investments are recorded at fair value based on quoted market prices. All interest and dividends, and realized and unrealized gains and losses, net of investment fees, are reported as a component of net investment return in the accompanying statements of activities. Money market and short-term investment funds, held as a portion of the Organization's investment portfolio, are not considered to be cash equivalents for purposes of cash flows.

Government Grants Receivable

Government grants receivable consist of amounts to be reimbursed to the Organization for expenses incurred under agreements with government agencies. All receivable amounts are due in one year, and recorded at net realizable value. The Organization uses the allowance method to account for amounts that are considered to be uncollectible, based on prior years' experience and management's current estimates of potentially uncollectible accounts. At June 30, 2023 and 2022, no allowance for doubtful government grants receivable is recorded, as management believes that all amounts are fully collectible.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization. Grants and contributions receivable are reflected at either net realizable value, or at net present value based on projected cash flows. Amounts promised in more than one year are discounted using a risk-free treasury rate of 3.81% at June 30, 2023. All receivable amounts are due in less than one year at June 30, 2022. The Organization uses the allowance method to determine uncollectible receivables.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable (continued)

The Organization's policy is to write-off uncollectible receivables when management determines they will not be collected based on experience, as well as management's analysis of specific receivables, including such factors as prior collection history, type of receivable, and nature of fundraising activity. At June 30, 2023 and 2022, no allowance was recorded as management believes that all grants and contributions receivable are fully collectible.

Contracts Receivable

The Organization's contracts receivable are all due in less than one year and are recorded at net realizable value. The Organization writes off contracts receivable when they become uncollectible. When necessary, an allowance for uncollectible contracts receivable is determined based on management's best estimate of the outstanding uncollectible amounts. No allowance for doubtful contracts receivable is recorded, as management believes that all receivables are fully collectible at June 30, 2023 and 2022.

Accounts Receivable

Accounts receivable are all due in less than one year, and are recorded at net realizable value as of June 30, 2023 and 2022. No allowance for doubtful amounts is recorded as management believes that all receivables are fully collectible.

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$5,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to 10 years. Leasehold improvements are recorded at cost and amortized on a straight-line basis over the shorter of the remaining lease term or the useful life of the improvement. Repairs and maintenance costs are expensed as incurred.

Operating Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets, which represent the Organization's right to use an underlying asset for the lease term, and lease obligations represent the Organization's obligation to make lease payments arising from the lease.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Operating Leases (continued)

Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The ROU assets also include any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Additionally, the Organization has agreements with federal and other government agencies. The agreements contain substantial conditions that must be met prior to recognition of revenue. The donor-imposed conditions primarily consist of qualifying expenditures that must be incurred by the Organization before the governmental agencies will reimburse those expenditures. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Amounts from conditional contributions that have been received prior to grant expense are recorded as refundable advances in the accompanying statements of financial position, until the conditions have been met. At June 30, 2023 and 2022, refundable advances totaled \$592,789 and \$236,929, respectively.

In-kind contributions consist of donated professional services from an enterprise license agreement for topographical mapping and other programmatic professional services. These services are recorded at fair value at the time of the donation. During the years ended June 30, 2023 and 2022, the fair value of in-kind contributions totaled \$2,051,936 and \$1,712,405, respectively, and are reflected in the accompanying statements of activities.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

The Organization receives revenue under contractual agreements with both government and non-government sources for program related activities. These agreements are fulfilled through performance obligations and milestones that the Organization must meet in order to earn revenue, and are treated as exchange transactions. The agreements are based on a set transaction price (set by the contracting entity) and not a function of direct and indirect costs incurred by the Organization. Amounts received in advance of fulfilling the performance obligations are included in deferred revenue in the accompanying statements of financial position until earned.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

Revenue from software support and services represent revenue from cloud-based service arrangements that allow for the use of a hosted software product or service over a contractually determined period of time without taking possession of software. Revenue from software support and services is accounted for as subscriptions with billings recorded as unearned revenue, and recognized as revenue ratably over the coverage period beginning on the date the service is made available to customers. Revenue from services arrangements that are provided on a consumption basis is recognized commensurate with the customer utilization of such resources. Amounts received in advance of fulfilling the service arrangements are included in deferred revenue in the accompanying statements of financial position until earned in the amounts of \$301,668 and \$1,108,571 at June 30, 2023 and 2022, respectively.

Revenue from data requests, products, and services include revenue earned from data and map products maintained by the NatureServe Network, as well as services available to clients to assist them in obtaining and interpreting the biological and ecological data needed to meet regulatory, planning, or natural resource management objects. Revenue is recognized at the time services are rendered. Amounts received in advance are recorded as deferred revenue in the accompanying statements of financial position until earned. There was no deferred revenue at June 30, 2023 and 2022.

Member dues are recognized ratably over the applicable membership period, which primarily runs on a fiscal year basis. Dues received that are paid in advance that are applicable to the following year are recorded as deferred revenue in the accompanying statements of financial position. At June 30, 2023 and 2022, deferred member dues totaled \$198,355 and \$150,429, respectively.

Rental revenue is recognized from subtenants leasing office space from the Organization. Revenue from these subleases is recognized when the services are provided and performance obligations are met.

Foreign Currency Transactions

The Organization conducts transactions as part of its programmatic and operational activities in various countries from time-to-time, and accordingly, transacts in the local currency of these countries. These foreign currency transactions are translated into U.S. dollars at the appropriate exchange rates when each transaction is executed.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions (continued)

Any resulting gains or losses are reflected in the accompanying statements of activities as foreign currency exchange gains or losses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Expenses

The Organization expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2023 and 2022 were \$1,676 and \$2,897, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Accounting Standards Codification (ASC) 842, *Leases*. The update requires a lessee to recognize an ROU asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective for the Organization's fiscal year ended June 30, 2023. The Organization adopted ASC 842 during the year ended June 30, 2023, and adjusted the presentation in the financial statements as permitted by ASC 842. A modified retrospective transition approach is required for lessees for finance and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncement

In 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), *Measurement of Credit Losses on Financial Instruments*. This ASU addresses measurement and reporting of credit losses related to accounts receivable, notes receivable, leases receivable, and held-to-maturity debt securities. The ASU mandates the current expected credit loss (CECL) model, which measures and reports expected losses over the contractual life of an asset. The measurement of expected life credit losses will be based on relevant information, not just past events (including historical experience and current conditions), but also the “reasonable and supportable” forecasts that affect collectability of the reported amount. This guidance is effective for the Organization beginning in fiscal year 2024. Management is evaluating the potential impact of this update on the Organization’s financial statements.

Reclassifications

Certain amounts in the fiscal year 2022 financial statements have been reclassified to conform to the fiscal year 2023 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 25, 2024, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover its general expenditures. Management periodically reviews the Organization’s liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operating needs are invested in liquid investment securities. The Organization also has an available line of credit in the amount of \$2,000,000, from which it can draw upon to cover its expenditures.

NatureServe

Notes to Financial Statements
June 30, 2023 and 2022

3. Liquidity and Availability (continued)

Excluded from liquidity are amounts set aside in the Organization's Board-designated quasi-endowment funds and its donor-restricted endowment funds.

Financial assets that are available for general expenditures within one year of the statements of financial position date comprise the following at June 30:

	2023	2022
Cash and cash equivalents	\$ 1,034,687	\$ 163,208
Investments	3,091,533	4,679,075
Federal government grants receivable	522,036	298,886
Federal contracts receivable	443,596	106,246
Grants and contributions receivable – due in less than one year	341,821	291,837
Non-federal contracts receivable	862,316	1,102,658
Accounts receivable	21,598	3,038
 Total financial assets	 6,317,587	 6,644,948
Less: Board-designated quasi-endowment funds	(2,542,469)	(1,972,284)
Less: donor-restricted endowment funds	(549,064)	(2,706,791)
 Total available for general expenditures	 \$ 3,226,054	 \$ 1,965,873

4. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and some of these values exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments, to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

5. Investments and Fair Value Measurements

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 362,498	\$ -	\$ -	362,498
Fixed income funds:				
Intermediate core bond	366,502	-	-	366,502
Ultrashort bond	249,169	-	-	249,169
Bank loan	217,947	-	-	217,947
High yield bond	60,968	-	-	60,968
Public equity funds:				
U.S. equity	1,245,294	-	-	1,245,294
Foreign large growth	87,727	-	-	87,727
Foreign large blend	261,145	-	-	261,145
Foreign large value	92,832	-	-	92,832
Global real estate	22,070	-	-	22,070
Tactical allocation	125,381	-	-	125,381
Total investments	\$ 3,091,533	\$ -	\$ -	3,091,533

NatureServe

Notes to Financial Statements
June 30, 2023 and 2022

5. Investments and Fair Value Measurements (continued)

The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Public equity funds	\$ 2,470,560	\$ -	\$ -	\$ 2,470,560
Fixed income funds	1,438,302	-	-	1,438,302
Mixed allocation mutual	201,697	-	-	201,697
Money market funds	568,516	-	-	568,516
Total investments	\$ 4,679,075	\$ -	\$ -	\$ 4,679,075

Net investment return consists of the following for the years ended June 30:

	2023	2022
Interest and dividends	\$ 139,182	\$ 148,123
Realized gain	243,546	28,487
Unrealized gain (loss)	10,484	(724,378)
Less: investment fees	(22,754)	(36,386)
Total investment return, net	\$ 370,458	\$ (584,154)

6. Grants and Contributions Receivable

Grants and contributions receivable are promised as follows at June 30:

	2023	2022
Due in less than one year	\$ 341,821	\$ 291,837
Due in one to five years	195,000	-
Total grants and contributions receivable	536,821	291,837
Less: present value discount on multi-year grants and contributions receivable	(7,157)	-
Grants and contributions receivable, net	\$ 529,664	\$ 291,837

NatureServe

**Notes to Financial Statements
June 30, 2023 and 2022**

7. Property and Equipment

Property and equipment consists of the following at June 30:

	2023	2022
Software	\$ 758,850	\$ 758,850
Equipment	446,428	446,428
Furniture and fixtures	116,998	116,998
Leasehold improvements	57,227	57,227
Total property and equipment	1,379,503	1,379,503
Less: accumulated depreciation and amortization	(1,273,021)	(1,241,731)
Property and equipment, net	\$ 106,482	\$ 137,772

8. Line of Credit

The Organization maintains a line of credit with a financial institution, which is secured by all of the Organization's assets (cash, receivables, and equipment), and has a maximum borrowing potential of \$2,000,000. The line bears interest at the bank's prime lending rate, which was 8.25% and 7.5% as of June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, the outstanding balance on the line of credit was \$800,000 and \$500,000, respectively.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	2023	2022
Purpose restricted	\$ 50,000	\$ 330,628
Time restricted	1,170,000	57,421
Donor-restricted endowment funds:		
Endowment corpus	549,064	1,990,655
Unappropriated earnings on endowment funds	-	716,136
Total net assets with donor restrictions	\$ 1,769,064	\$ 3,094,840

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

10. Commitments and Contingencies

Government Grants

Funds received from government agencies are subject to audit under the provisions of the agreements. The ultimate determination of amounts received under the agreements is based upon the allowance of costs reported to and accepted by the oversight agency. Until the grant is closed out, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability exists.

Service Organization

The Organization contracts with TriNet as its professional employer organization. TriNet is the employer of record for tax, benefits, and insurance purposes for the Organization's employees. This co-employment relationship allows the Organization to maintain direct control of the day-to-day activities of employees, while TriNet assumes the administrative functions of human resources and absorbs many employer-related liabilities.

Operating Leases and Subleases

The Organization leases office space for its operations under an operating lease agreement in Arlington, Virginia. The lease commenced in May 2019, and is scheduled to expire in July 2030. The lease terms included rent abatement incentives, and require monthly rental payments over the term of the lease with scheduled annual increases of 2.5%. Through June 30, 2022, the difference between actual rental payments and straight-line basis rent was recorded as deferred rent liability in the accompanying statements of financial position under ASC 840.

The Organization also leased office space under two operating lease agreements in Boulder, Colorado. One lease expired in September 2022, and was not renewed. The other operating lease commenced in November 2020, and is scheduled to expire in January 2024. The lease terms included rent abatement incentives, and require monthly rental payments over the term of the lease with scheduled annual increases of 4%. Future minimum lease payments for the year ending June 30, 2024 total \$18,844.

NatureServe

**Notes to Financial Statements
June 30, 2023 and 2022**

10. Commitments and Contingencies (continued)

Operating Leases and Subleases (continued)

Rent expense for the years ended June 30, 2023 and 2022 totaled \$192,988 and \$561,143, respectively.

The Organization subleases its office space in Colorado to two tenants under short-term operating lease arrangements. One tenant's sublease commenced in February 2023, and is scheduled to expire in January 2024. The sublease requires monthly rental payments, including an escalated rental payment for the second half of the lease term. The other tenant's sublease commenced in April 2023, and is scheduled to expire in January 2024. This sublease requires fixed monthly payments. Future cash flows to be received from the subleases for the year ending June 30, 2024 total \$19,175.

Supplemental qualitative information related to the office leases is as follows:

Lease cost:	
Operating lease cost	\$ 331,839
Sublease income	(40,482)
	<hr/>
Total lease cost	\$ 291,357
	<hr/>
Cash paid for amounts included in the measurement of lease liability – operating cash flows	\$ 320,563
ROU asset obtained in exchange for lease obligations	\$ 2,360,287
Weighted-average remaining lease term (in years)	7.08
Weighted-average discount rate	2.92%

NatureServe

Notes to Financial Statements
June 30, 2023 and 2022

10. Commitments and Contingencies (continued)

Operating Leases and Subleases (continued)

Maturities of the lease liability under the Organization's office leases are as follows for the years ending June 30:

2024	\$ 328,577
2025	336,791
2026	345,211
2027	353,841
2028	362,687
Thereafter	<u>785,215</u>
Total minimum lease payments	2,512,322
Less: discount to present value at 2.92%	<u>(252,086)</u>
Present value of operating lease liability	<u>\$ 2,260,236</u>

11. Endowments

The Organization's funds were established for the purpose of protecting and growing the assets of the Organization for the future. The Organization's endowment has been funded by donor-restricted contributions that are required to be retained permanently by explicit donor stipulation, and also funds designated by the Board of Directors as Board-designated quasi-endowment funds. Investment return generated from the endowment funds can be used for general and programmatic operations of the Organization. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Commonwealth of Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

11. Endowments (continued)

Interpretation of Relevant Law (continued)

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) the duration and preservation of the fund; (2) the purposes of the Organization and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Organization; and (7) the investment policies of the Organization.

Return Objectives, Risk Parameters, and Strategies

The Organization's investment policy provides for a strategy of long-term growth of the funds. Under this policy, funds are invested with the goal of maximizing total returns, avoiding unnecessary risk, and generating income to support the spending policy. The Organization employs a diversified asset allocation that currently places greater emphasis on growth and with a higher tolerance for limited liquidity. The Organization uses professional fund managers for advice in managing the funds.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The payout rate from the Organization's endowment funds should provide a stable, predictable level of spending for the endowed purposes, and should achieve a proper balance between present and future needs. The amount available for payout each fiscal year will be up to a maximum of 5% of the average market value of the endowment on December 31st of the current fiscal year, and the end of each quarter of the three years immediately preceding that date. The amount available for payout in each fiscal year shall not exceed the actual value of any income, dividend, interest, and capital appreciation, both realized and unrealized, in excess of the administrative fee.

In the event the endowment sustains unrealized losses resulting from decreases in market value, the Organization may continue to pay out income from dividends, interest, and realized gains earned each quarter. A decision to pay out additional funds beyond dividends and interest up to 5% in periods of market decline may be made by the Board of Directors if the decision is prudent, in the long-term interest of the Organization, and rationale is properly documented.

NatureServe

Notes to Financial Statements
June 30, 2023 and 2022

11. Endowments (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA require the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets without donor restrictions. There were no fund deficiencies at June 30, 2023 and 2022.

Composition of Endowment Net Assets

Endowment net assets composition was as follows at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment funds	\$ 2,542,469	\$ -	\$ 2,542,469
Donor-restricted endowment funds:			
Endowment corpus	-	549,064	549,064
Unappropriated earnings on endowment funds	-	-	-
Total endowment net assets	\$ 2,542,469	\$ 549,064	\$ 3,091,533

Endowment net assets composition was as follows at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment funds	\$ 1,972,284	\$ -	\$ 1,972,284
Donor-restricted endowment funds:			
Endowment corpus	-	1,990,655	1,990,655
Unappropriated earnings on endowment funds	-	716,136	716,136
Total endowment net assets	\$ 1,972,284	\$ 2,706,791	\$ 4,679,075

NatureServe

Notes to Financial Statements
June 30, 2023 and 2022

11. Endowments (continued)

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,972,284	\$ 2,706,791	\$ 4,679,075
Investment return, net:			
Interest and dividends, and investment fees	31,463	85,074	116,537
Realized gain	243,461	84	243,545
Unrealized gain (loss)	172,115	(135,885)	36,230
Total investment return, net	<u>447,039</u>	<u>(50,727)</u>	<u>396,312</u>
Transfer of donor-restricted funds released by donors to Board-designated quasi-endowment funds	2,107,000	(2,107,000)	-
Appropriation of endowment assets for expenditure	<u>(1,983,854)</u>	<u>-</u>	<u>(1,983,854)</u>
Endowment net assets, end of year	<u>\$ 2,542,469</u>	<u>\$ 549,064</u>	<u>\$ 3,091,533</u>

NatureServe

Notes to Financial Statements
June 30, 2023 and 2022

11. Endowments (continued)

Changes in Endowment Net Assets (continued)

Changes in endowment net assets were as follows for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,994,200	\$ 3,197,164	\$ 7,191,364
Investment return, net:			
Interest and dividends, and investment fees	4,075	107,662	111,737
Realized gain	368,966	28,223	397,189
Unrealized loss	(606,420)	(486,660)	(1,093,080)
Total investment return, net	(233,379)	(350,775)	(584,154)
Appropriation of endowment assets for expenditure	(1,788,537)	(139,598)	(1,928,135)
Endowment net assets, end of year	\$ 1,972,284	\$ 2,706,791	\$ 4,679,075

12. Retirement Plan

The Organization maintains a safe harbor 401(k) retirement plan, in which all full-time employees are immediately eligible to participate. The Organization matches up to 6% of the participant's eligible compensation. The Organization recorded contributions to the plan of \$318,053 and \$265,395 for the years ended June 30, 2023 and 2022, respectively.

NatureServe

Notes to Financial Statements June 30, 2023 and 2022

13. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, the Organization's expenses are allocated utilizing the direct cost allocation method. Expenses that are allocated include salaries, benefits, payroll taxes, and other operating expenses, which are allocated on the basis of estimates of time and effort.

14. Income Taxes

The Organization is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. For the years ended June 30, 2023 and 2022, there was no significant unrelated business income and, accordingly, no federal or state income taxes have been recorded. Management has evaluated the Organization's tax positions and concluded that the Organization's financial statements do not include any uncertain tax positions that require either recognition or disclosure in the accompanying financial statements.

**SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED
BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
NatureServe

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of NatureServe ("the Organization"), which comprise the statement of financial position as of June 30, 2023; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated January 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Financial Reporting (continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vienna, Virginia
January 25, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Directors of
NatureServe

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited NatureServe's ("the Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Vienna, Virginia
January 25, 2024

NatureServe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity	Agency or Pass- Through Grant Number	Assistance Listing Number	Subrecipient Awards	Total Federal Expenditures
Department of Defense:					
Research and Development Cluster					
Washington Headquarters Services	N/A	HQ00342020011	12.632	\$ -	\$ 208,963
Total Awards from Research and Development Cluster				-	208,963
Total Awards from Department of Defense				-	208,963
Department of Interior:					
Rare Plant Conservation on BLM Lands	N/A	L20AC00539	15.246	-	289,040
BLM Data Life Cycle Improvements	N/A	L20AC00537	15.246	-	447,401
CA Desert BLM Data Flow and Modeling	N/A	L21AC10399	15.246	-	185,659
Research Support for BLM Management of Pollinator Species	National Fish and Wildlife Foundation	0126.21.073611	15.246	-	102,310
<i>Subtotal 15.246 Threatened and Endangered Species</i>				-	1,024,410
Increasing Efficiency & Effectiveness of Special Status Species	N/A	L20AC00540	15.247	-	331,688
<i>Subtotal 15.247 Wildlife Resource Management</i>				-	331,688
Expanding Ecological Integrity Assessments and Climate Change Resilience of Natural Landscape Blocks in NCA Parks	N/A	P20AC00666	15.945	-	72,228
Cooperative Research and Training Programs	N/A	P21AC10503	15.945	-	9,046
<i>Subtotal 15.945 National Park Service</i>				-	81,274
Total Awards from National Park Service				-	81,274

(continued on next page)

NatureServe

Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity	Agency or Pass- Through Grant Number	Assistance Listing Number	Subrecipient Awards	Total Federal Expenditures
Department of Interior (continued):					
Fish and Wildlife Service:					
Support of listing and critical habitat designation for 45 species	N/A	F19AC00900	15.670	-	354,757
Development of a Regional Species of Greatest Conservation Need List of Plants for the Southeastern U.S.	Atlanta Botanical Gardens	F21AC03282-00	15.670	-	36,555
Natures Network-MoBI	Wildlife Management Institute	F20AC00356	15.670	-	46,166
<i>Subtotal 15.670 Adaptive Science</i>				-	437,478
Conservation Opportunity Area Tool 5-Year Developing and Enhancing Tools to Obtain and Distribute	Pennsylvania Game Commission	4000022682	15.634	-	113,099
Information about Nebraska's Species of Greatest Conservation Need	Nebraska Game and Parks Commission	F22AP00883-00	15.634	-	5,149
<i>Subtotal 15.634 State Wildlife Grants</i>				-	118,248
Total Awards from Fish and Wildlife Service				-	555,726
Developing a next-generation Climate Change Vulnerability Index	N/A	G23AC00143	15.820	-	41,621
Adaptation Strategies for Species and Ecosystems in the Southcentral U.S.	University of Oklahoma	G21AC10801	15.820	-	64,373
<i>Subtotal 15.820 U.S. Geological Survey</i>				-	105,994
Total Awards from Department of Interior				-	2,099,092
Total Expenditures of Federal Awards				\$ -	\$ 2,308,055

See accompanying notes to the schedule of expenditures of federal awards.

NatureServe

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Organization under the programs of the federal government for the year ended June 30, 2023. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization records its expenditures of federal awards using the indirect cost and fringe benefit rate per the nonprofit rate agreement with the federal government, which was approved in accordance with the authority of the Uniform Guidance. In this manner, the Organization has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NatureServe

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes No

Identification of the major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster Title</u>
15.246	Threatened and Endangered Species

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

NatureServe

**Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2023**

Section II – Findings – Financial Statement Audit

There were no financial statement findings reported during the fiscal year 2023 audit.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

There were no findings or questioned costs over major federal awards reported during the fiscal year 2023 audit.

NatureServe

**Corrective Action Plan
For the Year Ended June 30, 2023**

There were no findings for the year ended June 30, 2023, and therefore, a corrective action plan was not needed.

NatureServe

**Schedule of Prior Audit Findings
For the Year Ended June 30, 2023**

There were no findings or questioned costs reported for the June 30, 2022 audit.

NatureServe Board of Directors

NatureServe operates as a 501(c)(3) nonprofit organization under the direction of a Board of Directors, whose members include both Network and at-large representatives.

- **Bryce Maxell** - Montana (Chair)
- **Carolyn Hendricks** - Maryland (Vice Chair)
- **Jane Breckinridge** - Oklahoma (Secretary)
- **Nancy Weiss** - Virginia (Treasurer)
- **David Anderson** - Colorado
- **Anne Bowser** - Virginia
- **Francisco Carrillo** - Maryland
- **Sunny Fleming** - North Carolina
- **Chris Friesen** - Manitoba
- **Cindy Hewitt** - Washington
- **Deborah Lucas** - Massachusetts
- **Steven P. Quarles** - Maryland
- **John Trezise** - Virginia
- **Lori Scott** - Virginia
- **Alan Weakley** - North Carolina

Strategic Advisor

- **Vishal Ahluwalia** - New York

Resumes for project team key personnel are listed below and include additional details on education, training, skills and years of service with NatureServe.

LORI S SCOTT

Total Years Relevant Experience: 25

Current Position

NatureServe, Executive Director (1 yr)

Total years of service with NatureServe: 15

Previous relevant work experience

- NatureServe, Chief Information Officer (5 yrs)
- NatureServe: LandScope America Project Director (3 yrs); Web Services Program Manager (2 yrs); Biotics Project Manager (4 yrs)
- Lockheed Martin Management & Data Systems, King of Prussia, PA and Reston, VA, Staff Systems Engineer (10 yrs, period includes promotions)

Education

- Graduate coursework, The Pennsylvania State University, Industrial Engineering
- Graduate coursework, George Mason University, Fairfax, VA, Operations Research
- BS, Bucknell University, Lewisburg, PA, Mathematics

Selected Honors, Certifications, Accomplishments

- NatureServe Exemplary Employee (2007)
- Lockheed Martin Technical Leadership Development Program (1995-1997)
- Member of Software Engineering Institute (SEI) Level 4 certified engineering team at Lockheed Martin, a level achieved by fewer than 2 percent of software companies (1998)

Qualifications

- Provide leadership for NatureServe's Information Systems Division, set information technology strategy, and oversee software product development, software support, and IT infrastructure.
- Oversee development, maintenance and hosting for new environmental review tool product line which to date has resulted in three custom implementations for government agencies.
- Provided leadership for transitioning NatureServe's Biotics software product from an outdated client-server architecture to a modern, web-based system delivered as a software service under a sustainable business model supported through member program service fees.
- Provided project oversight for the Biotics software product suite, including coordination for two major software version upgrades deployed to more than fifty NatureServe network institutions.
- Managed \$1.3 million National Science Foundation grant to develop a Mobile Observation System for handheld field data collection and online observation data management. Directed \$7 million LandScope America initiative in collaboration with the National Geographic Society and other partners, resulting in the successful launch of www.landscape.org in December 2008.
- Managed all project activities to design and implement a web services infrastructure for enabling Internet access to biodiversity data, including more than \$2 million in grants from the National Science Foundation and the U.S. Environmental Protection Agency.

MICHELE BOTTIAUX

Total Years Relevant Experience: 30

Current Position

NatureServe, Software Engineer (12+ yrs)

Previous relevant work experience

- Nexa Technologies/AB Watley Group: Senior Developer (2+ yrs)
- Nextjet Technologies: Senior Developer (1+ yr)
- Panda Systems, Inc., Senior Object Architect (3 yrs)
- Orbisys, Inc., Senior Consultant (2 yrs)
- Titan Information Systems, Inc., Engineering Lead (3+ yrs)
- GDE Systems, Inc., Software Engineer (1+ yr)
- GM Truck & Bus Engineering, Solutions Developer (3 yrs)

Education

- BS Computer Science (Magna Cum Laude), San Diego State University, CA

Qualifications

- Technical lead for the NatureServe Environmental Review Tool/Data Explorer products, for state agencies such as Arizona Game & Fish, North Carolina DNR, Pennsylvania DCNR, and Minnesota DNR.
- Development support for LandScope America, an online community-based resource offering conservation related data and stories.
- Senior Technical Lead for an online brokerage trading system, providing exclusive trading features to high-end clients.
- Technical Project Lead on a network management system supporting cable-based programming services.
- Experience in systems analysis, software architecture, and design, development, and maintenance of enterprise, object-oriented, complex, distributed, and web-based software applications.
- Experience in conservation, geographic, financial, network management, logistics, telecommunications, entertainment, and automotive application domains.
- Primary application development technologies/environments have included Drupal, PHP, ArcGIS, JavaScript, Java, C++, Oracle, MS SQL Server, MySQL, PostgreSQL, Apache, Windows, and *nix.
- Hands-on experience with Agile development, eXtreme Programming, Rational Unified Process (RUP), CMM Level 3, and UML 1.x. Trained and practiced in software process improvement methodologies.

JEREMY DAUGHERTY

Total Years Relevant Experience: 15yrs

Current Position

NatureServe, Director of Technology & Project Management (2yrs)

Total years of service with NatureServe: 3.5yrs

Previous relevant work experience

ACPA: Director of Data Systems & Technology (2yrs)

Michigan Department of Health & Human Services: Electronic Health Records Project Manager (1yr)

Michigan Department of Health & Human Services: Sr. Business Analyst for Master Data Management system upgrade (1yr)

Delta Dental of Michigan: Team Lead for Data & Reporting (2yrs)

Michigan Economic Development Corporation: Technical Project Manager (2yrs)

Michigan Economic Development Corporation: Sr. Business Systems Analyst (1yr)

Education

- Master of Arts in Educational and Instructional Technology, *Western Michigan University*
- Bachelor of Arts in Communications, *Moody Bible Institute*
- Project Management Professional (PMP), *Project Management Institute*
- Disciplined Agile Value Stream Consultant (DAVSC), *Project Management Institute*
- Disciplined Agile Coach (DAC), *Project Management Institute*
- Disciplined Agile Senior Scrum Master (DASSM), *Project Management Institute*
- Wicked Problem Solving Practitioner, *Project Management Institute*

Qualifications

Technical Leadership & Strategy

- Led organizational-wide technology strategy and digital transformation initiatives
- Strong track record of aligning technology initiatives with business objectives
- Led data security and compliance initiatives
- Achieved significant cost reductions through system optimization

Project Management

- Directed complex technology projects across multiple organizations
- Implemented Kanban, Scrum, SAFe, and other Agile methods across multiple teams
- Demonstrated success in operational efficiency improvements

ELYZABETH EARNLEY

Total Years Relevant Experience: 12

Current Position

NatureServe, Software Product Manager (9 months)

Total years of service with NatureServe: 9 months

Previous relevant work experience

- Product Analyst / Scrum Master, SAGE Publishing (5 years)
- Product Manager, National Geographic Partners (4 years)
- Consultant, US Forest Service – eMNEPA Program, Phase One Consulting Group (POCG) (1 year)

Education

- M.S. of Environmental Management, Yale University School of the Environment, New Haven, CT, December 2012
- B.A., Trinity University, San Antonio, TX, Biology and French, December 2006

Qualifications

- Project Management Professional (PMP) 2021- *current*, Project Management Institute
- Responsible for coordinating and overseeing the definition, delivery and user support of NatureServe's Environmental Review Tool (ERT) products.
- Principle liaison to program personnel and lead responder to Help Desk requests.
- Develop and negotiate service contracts for all ERT products, establishing statement of work (SOW), delivery milestones and issue resolution commitments.
- Negotiate fee payment schedules and procurement terms specific to each state program
- While at SAGE Publishing, led the successful launch of multiple digital products that increased workflow efficiencies and saved thousands of dollars annually.
- While at National Geographic, was responsible for launching a digital registration platform and managing all aspects of the project delivery.
- While at POCG, collaborated with USFS District personnel on product requirements, testing and training for a suite of digital tools that helped them manage National Environmental Policy Act (NEPA) documents.

COURTNEY RAVERT

Total Years Relevant Experience: 20

Current Position

NatureServe, Operations Manager (18 years)

Natureserve, Project Assistant (2 years)

Total years of service with NatureServe: 20 years

Previous relevant work experience

- Manager of Membership Programs, Airforce Association (5 years)

Education

- BS in Psychology, James Madison University 1997
- Graduate class in Applied Cognitive Psychology, George Mason University, 1999
- Managing Federal Grants and Cooperative Agreements for Recipients, 2013

Qualifications

- Create, review, modify all NatureServe agreements
- Help negotiate changes in grant and contract terms and conditions when needed
- Assist in proposal development and submit online proposals
- Manage financial project management system – Deltek Costpoint
- Provide project financial support to include running reports and budget initiation and analyses
- Work with Accounting department on invoice review, submission and processing
- Assist with organizational annual budget creation and reporting