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NEW ENGLAND STATES CONSORTIUM SYSTEMS ORGANIZATION

www.nescso.org
508.365.7833

REQUEST FOR PROPOSAL

Bid Number:	**NESCSO RFP 26-001**
Bid Title:	**Medicaid Eligibility Asset Verification System**
Date Posted:	**October 5, 2026**
Closing Date:	**November 6, 2026**

Procurement Contact: **Andy Vasquez**
E-Mail Address: **Andres.Vasquez@nescso.org**

Website: https://nescso.org/opportunities-requests-for-proposals/

Any changes to the timetable or this RFP will be posted online under *Upcoming Business & Collaboration Opportunities* at NESCSO.org

Any modifications to this RFP will be made in writing by NESCSO through the issuance of an Addendum to this RFP. Modifications from any other source are not to be considered. It shall be the bidder's responsibility to monitor the website on a regular basis.

New England States Consortium
Systems Organization

Request for Proposals:

Asset Verification System

RFP # 26-001

October 2026

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PART A: REQUEST FOR PROPOSALS

SECTION 1. INTRODUCTION AND OVERVIEW

1.1 Introduction

The New England States Consortium Systems Organization (NESCSO) is a non-profit corporation founded by six New England Health and Human Service agencies and the University of Massachusetts Chan Medical School. NESCSO is dedicated to strengthening and supporting the capacity of state government Health and Human Service agencies to effectively respond to the needs of the people they serve. We deeply believe in the power of state government and its employees to improve the lives of the people they serve.

NESCSO is also the convener of the Medicaid Enterprise Systems (MES) Community. Through year-round working groups and the yearly MES Conference, NESCSO supports Medicaid systems across the country. NESCSO is governed by the New England State Health and Human Services agencies and the University of Massachusetts Chan Medical School.

1.2 Purpose

Through this Request for Proposals (RFP) NESCSO seeks to establish a contract with a company that will provide access for participating States to an Asset Verification System (AVS), to facilitate their compliance with Section 1940 of the Social Security Act, 42 U.S.C. 1396w. States are required to verify applicants' assets for purposes of determining or redetermining Medicaid eligibility for aged, blind, and disabled individuals.

1.3 Proposal Approach

It is NESCSO's intention that this RFP will result in one contract with one Contractor for all required services. The single contract is intended to facilitate the participation of multiple states.

NESCSO expects to enter into a five (5) year contract with the option for up to three one-year extensions.

No state agency shall be a party to this RFP nor to any resulting contract for services between NESCSO and the selected Contractor. Services procured by NESCSO through this RFP will be offered to state agencies who are interested in contracting with NESCSO for these services. State agencies who are interested in contracting with NESCSO to access the services procured though this RFP are referred to as "Interested States." NESCSO does not administer Medicaid systems and does not perform eligibility determination functions. NESCSO is conducting the procurement and will execute the contract to alleviate the administrative burden for Interested States.

The identification of an Interested State is not an offer to contract nor guarantee that such State will contract with NESCSO for access to services procured through this RFP. States who enter into a contract with NESCSO to access the services procured through this RFP are referred to as "Participating States." Contractors shall not be a party to contracts between NESCSO and Participating States.

During negotiations between NESCSO and Interested States, NESCSO shall provide the Contractor with any customary terms and conditions required by the State to be included in its contract with NESCSO (State-Specific Terms and Conditions). Contractor shall work with NESCSO to identify the steps required for NESCSO to comply with such State Terms and Conditions. Such steps may include the adoption of modifications to the contract between NESCSO and the Contractor which bind the Contractor to additional, State-specific terms and conditions with respect to the provision of services ultimately accessed by each respective Participating State.

1.4 RFP Timetable

Event	Date	Time
RFP Issued	October 5, 2026	N/A
Pre-Proposal Conference https://zoom.us/j/93746818189?pwd=zwtmDFODhMbbVVzJdspBpjGvE0thHw.1 Meeting ID: 937 4681 8189 Passcode: 794693	October 13, 2026	3:00 PM EDT
Questions from Bidders Due to NESCSO See *Section 2.1* for more information.	October 16, 2026	6:00 PM EDT
Responses to Bidder Questions Posted on the NESCSO web site, NESCSO.org , under *Opportunities & Requests for Proposals*	October 23, 2026	N/A
Responses to RFP Due	November 6, 2026	11:00 PM EST
Oral Presentations		
Intent to Award Notices Sent	February 19, 2027	N/A
Contract Signing	March 1, 2027	N/A
Operations Start Date	October 1, 2027	N/A

SECTION 2. PROCUREMENT PROCESS

2.1 Questions

Bidders may make written inquiries concerning this RFP until the *Questions Due Date* set forth in *Section 1.4: RFP Timetable.*

Written inquiries must reference the RFP number and title, and must be sent to Andy Vasquez, NESCSO AVS Procurement Lead: **Andres.Vasquez@nescso.org**

NESCSO will review written inquiries received before the due date and, at its discretion, prepare written answers to questions determined to be of general interest. These answers will be made available to all prospective Bidders through posting on the NESCSO website, NESCSO.org. Only posted answers are binding on NESCSO.

2.2 Communications

Prospective Bidders are prohibited from communicating directly with any representative of NESCSO or the Interested States regarding this RFP except the NESCSO representative named in *Section 2.1 Questions*. No other NESCSO employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFP. NESCSO reserves the right to disqualify any Bidder that violates this section.

2.3 Certification of Non-Collusion

The Bidder shall certify in its Transmittal Letter under penalties of perjury that its Response is in all respects bona fide, fair, and made without collusion of fraud with any person. As used in this section, the word "person" shall mean any natural person, joint venture, partnership, corporation, or other business or legal entity.

NESCSO may, by written notice to the Bidder, terminate the right of the Bidder to proceed under any Contract that may result from this RFP if NESCSO determines that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Bidder, or agency or representative of the Bidder, to any officer or employee of NESCSO with a view toward securing the Contract or securing favorable treatment with respect to any determination regarding the Contract.

2.4 Modification or Withdrawal of Responses

A Bidder may modify or withdraw a Response prior to the Response due date and time stated in *Section 1.3 RFP Timetable*, as follows:

- To withdraw a Response a withdrawal request must be submitted via email and signed by an authorized representative of the Bidder, sent on or before the date and time Responses are due.
- To modify a Response, a modification notice must be submitted via email and signed by an authorized representative of the Bidder, sent on or before the date and time Responses are due.

- Additionally, the Response must be resubmitted in full, according to *Section 5: Submission Instructions*.
- NESCSO will only evaluate a bidder's most current Response, and only if NESCSO receives a corresponding modification notice.

2.5 Amendments to the RFP

NESCSO reserves the right to amend or alter the RFP at any time prior to the deadline for submission of Responses. NESCSO reserves the right to cancel the RFP without penalty at any time prior to selecting a Contractor. If such action is necessary, notice will be provided in the same manner in which the RFP was released.

Bidders are solely responsible for checking NESCSO.org for any addenda or modifications that are subsequently made to this RFP. NESCSO accepts no liability and will provide no accommodation to interested parties and Bidders who fail to check for amended RFPs. NESCSO shall not be liable to Bidders in any manner with respect to any amendment, alteration, or cancellation of this RFP.

2.6 Evaluation of Responses

Two evaluation committees will be established to review all Responses and to identify the Bidder that will provide the best value to NESCSO and Participating States. One evaluation committee will review the Services responses and the second will review Cost responses and Bidder finances. Evaluations from both committees will be the basis for selecting a Bidder(s) for further consideration. Cost will be one factor but not the sole factor in making a best value determination.

The Services evaluation committee shall qualitatively rate each Bidder's Response by evaluating it according to the following best value criteria, listed in order of importance:

1. Fit of the proposed solution and methodology to NESCSO's business and technical requirements. Significant weight will be assigned to the proposed solution for requirement *3.1. Process Financial Asset Verification Requests*.
2. Bidder's qualifications (including financial resources, qualifications of the project team, and experience with state programs)
3. Total cost over the contract term
4. Impact to Participating States' productivity and associated costs
5. Comprehensiveness and clarity of the Proposal and responsiveness to the needs and goals of NESCSO and participating states

When evaluating each Bidder's Cost Response, the Financial evaluation committee will consider reasonableness and competitiveness of the Proposal and the financial health of the Bidder.

NESCSO reserves the right to consider such other relevant factors as it deems appropriate in order to obtain services and terms of the best overall value to NESCSO and the participating States.

2.7 Clarification of Responses and Oral Presentations

The evaluation committee may determine that some element of a Bidder's Response requires clarification to verify its responsiveness to the RFP or to facilitate a fair comparison with competing Responses. In such cases, the committee may seek clarification from the Bidder. Clarification may include a request to submit additional materials, and/or an invitation to a Bidder for a presentation.

NESCSO, in its sole discretion, will determine which Bidders, if any, will be asked to make an oral presentation. Oral presentations may be held to allow the Bidder to clarify details or further inform the committee regarding the Bidder's organization or Response, but not to change or correct the original Responses in any way. Oral presentations shall not be open to the public. The committee shall schedule the time and location of any oral presentation. Failure of a Bidder to agree to a date and time for an oral presentation may result in rejection of the Bidder's Response.

The right is reserved to reject any and all Responses, to omit an item or items, or to accept any Response deemed best for NESCSO and the Participating States.

NESCSO makes no guarantee that a Contract, or any other obligation to purchase any commodities or services, will result from this RFP.

NESCSO reserves the right to waive technicalities, irregularities, and omissions if, in the opinion of NESCSO, they are insubstantial and to do so will serve the best interest of NESCSO and the Participating States.

NESCSO may determine that a Response does not comply with the submission instructions and is nonresponsive to the RFP. NESCSO reserves the right to reject that Response.

2.8 Public Information Disclaimer

Submitted Responses are not considered part of the public record and shall become the property of NESCSO. However, Bidders are requested to include minimal confidential information in their proposal submissions.

By submitting a proposal in response to this RFP, Bidders acknowledge and agree to abide by the terms and conditions outlined in this document.

2.9 Selected Bidders

This RFP is not an offer to enter into an agreement with any party. It is a request to receive Responses from Bidders interested in providing the services specified herein. Nothing in this RFP, or in NESCSO's acceptance of any proposal in whole or in part, shall obligate NESCSO to execute a Contract with the Bidder.

Upon completion of the evaluation process, NESCSO will send written notice to the Bidders selected as a result of this RFP, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision made is in NESCSO's best interest.

If a selected Bidder fails to sign the Contract offered for the Bidder's acceptance within a reasonable period of time, NESCSO may determine that the Bidder has abandoned the Contract and shall be free to select another entity with which to execute the Contract. In the event

NESCSO is not successful in negotiating a contract with a selected bidder, NESCSO reserves the option of negotiating with another bidder, or to end the proposal process entirely.

NESCSO may conduct debriefings for non-selected Bidders at its discretion, if requested within fourteen (14) calendar days of NESCSO's announcement that it has selected a Bidder. NESCSO will provide debriefing guidelines in advance of each debriefing. Requests for debriefing shall be made in writing to the individual identified in *Section 2.1: Questions*.

SECTION 3. SCOPE – BUSINESS AND TECHNICAL REQUIREMENTS

This Section describes the required services NESCSO seeks to procure. See Section 4.1.for related, optional services.

The most critical service is Financial Asset Verification, requirement 3.1. NESCSO seeks solutions that result in a high degree of accuracy and completeness. Accuracy may be expressed as the number of queries to an Applicant or Beneficiary's correct financial institutions relative to the total number of queries issued for an applicant. Completeness refers to the success of the AVS at compiling full financial asset records without State staff intervention.

3.1 Process Financial Asset Verification Requests from State Systems and Staff

The AVS accepts a Financial Asset Verification (FAV) request for an Applicant or Beneficiary from the state's system (via API) or from an Authorized User (via the AVS portal) or from a batch process. The AVS identifies relevant Financial Institutions, FIs, then prepares and transmits the queries to the FIs, either directly or via Financial Data Aggregators. The AVS monitors for and accepts responses until state-defined criteria are met. Financial asset verification responses are processed and recorded and sent to the state, if applicable.

3.1.1. Accept FAV requests from the State for an Applicant or Beneficiary, submitted via API, Portal, or Batch Process.

3.1.1.1. Batch processing will be initiated by receipt of a file with Applicants/Beneficiaries for whom the AVS will process FAV requests in accordance with 3.1.

3.1.1.2. Upon request or according to a schedule the AVS will transmit to the State FAV response data – received as of the time of the transmission – for a batch of Applicants/Beneficiaries, using data transfer requirements agreed upon by the State and Contractor and in accordance with 3.4.

3.1.2. Systematically Identify the most relevant Financial Institutions (FIs) and Accounts for an FAV Request and prepare and transmit Queries to Financial Data Aggregators and FIs, using matching logic and relevance criteria approved by NESCSO and States.

3.1.2.1. General and State-specific criteria used by the AVS to determine the most relevant FIs and matching logic for queries will be developed during System implementation and agreed upon between the Contractor and States.

3.1.2.2. Information about FIs that were responsive to a query for an individual should be maintained and used as primary targets for subsequent FAV requests for the same individual, e.g. during eligibility redetermination.

3.1.2.3. Queries should be constructed with the intent of compiling a complete financial history – requesting at least the most recent five years of an individual's data from each FI -- using State-specified criteria, for each Applicant/Beneficiary.

3.1.3. In addition to the FIs the AVS selects for a query, the State must have the ability to direct the query to specific FIs, instead of or in addition to the AVS-selected FI(s).

3.1.4. Monitor for and process Query responses from FIs and Financial Data Aggregators; using processes approved by NESCSO and States to – at minimum – validate, organize, aggregate, and store responses.

3.1.4.1. Responses should be processed and stored immediately upon receipt.

3.1.4.2. The AVS should communicate response status to States. Communication may include e-mail notification to State staff, updates to query status, and other methods to be defined during system implementation.

3.1.5. Define and implement actions to be taken by the AVS if responses to FAV requests are not received within State-defined criteria and timelines.

3.1.5.1. Implement a process to allow State staff to close open FAV requests, e.g. when the State learns the individual is no longer eligible.

3.1.6. The AVS must facilitate FIs responding to FAV queries with paper responses (including uploaded scans of paper documents). The AVS must use software to extract and verify relevant data and store it in the State-specific repository for Financial Assets. States do not require the AVS to store or display images of paper responses.

3.1.7. The Contractor will implement the FAV request function in a manner that minimizes the operational costs and administrative burden for FIs and States per Query and, during the contract term, periodically evaluate methods to improve effectiveness and cost-efficiency.

3.2. Process Physical Asset Verification Requests from State Systems and Staff

The AVS accepts a Physical Asset Verification (PAV) request for an Applicant or Beneficiary from the state's system (via API) or from an Authorized User (via the AVS portal) and from a batch process. The AVS identifies relevant real property data sources, then prepares and transmits the queries to the data sources, either directly or via Physical Asset Data Aggregators. The AVS monitors for and accepts responses until state-defined criteria are met. Physical asset verification responses are processed and recorded and sent to the state, if applicable. See section 4.1.1 for optional functionality related to PAV.

3.2.1. Accept PAV requests from the State for an Applicant or Beneficiary, submitted via API, Portal, or Batch Process.

3.2.1.1. Batch processing will be initiated by receipt of a file with Applicants/Beneficiaries for whom the AVS will process PAV requests in accordance with 3.2.

3.2.1.2. Upon request or according to a schedule the AVS will transmit to the State PAV response data – received as of the time of the transmission – for a batch of Applicants/Beneficiaries, using data transfer requirements agreed upon by the State and Contractor and in accordance with 3.4.

3.2.2. Systematically identify most relevant Physical Asset information sources for a PAV Request and prepare and transmit Queries to Physical Asset Data Aggregators and

other sources, using matching logic and relevance criteria approved by NESCSO and States.

3.2.2.1. General and State-specific criteria used by the AVS to determine relevance criteria and matching logic for queries will be developed during System implementation and agreed upon between the Contractor and States.

3.2.2.2. Queries should be constructed with the intent of compiling a complete Physical Asset history, for each Applicant/Beneficiary

3.2.3. Monitor for and process Query responses from Physical Asset Data Aggregators; using processes approved by NESCSO and States to – at minimum – validate, organize, aggregate, and store responses.

3.2.3.1. The AVS shall process and store responses immediately upon receipt;

3.2.3.2. For real property, the AVS should return the value assessed by the relevant taxing entity.

3.2.4. The Contractor will partner with NESCSO and States to develop and implement methods to improve the applicability and usefulness of reported Physical Assets, including:

3.2.4.1. Identify property owners and associate or differentiate property owners from the Applicant/Beneficiary for whom the PAV request was submitted;

3.2.4.2. Capture the values of matched Physical Assets and the effective dates of the valuations; and

3.2.5. Define and implement actions to be taken by the AVS if responses to PAV Queries are not received within State-defined criteria and timelines.

3.2.6. The AVS must facilitate Physical Asset information sources responding to PAV queries with paper responses and by uploading scanned images of paper documents. The AVS must use software to extract and verify relevant data and store it in the State-specific repository for Physical Assets.

3.2.7. The Contractor will implement the PAV request function in a manner that minimizes the operational costs and administrative burden for PA Data Aggregators and States per Query and, during the contract term, periodically evaluate methods to improve effectiveness and cost-efficiency.

3.3. Provide a browser-based portal for state personnel to perform all AVS functions

The AVS must provide States the option for Authorized Users to initiate and access all required AVS functions through a browser-based AVS Portal. System Requirements for accessing the portal must comply with applicable State system and technical requirements.

3.3.1. States must have the option for Authorized Users to initiate and access all required AVS functions through a browser-based AVS Portal.

3.3.1.1. States using a portal-only configuration at the start of the contract may convert to an integrated AVS during the contract term; related requirements, cost, and implementation timelines will be determined after a State indicates their intent to transition.

3.3.2. Responses to data requests and report requests initiated from the AVS Portal should be presented on the AVS Portal in a user-friendly format – to be defined during system implementation – with options to filter, sort, and print results, and the ability to download results, in a format(s) to be defined during system implementation.

3.3.3. *deleted*

3.3.4. Use of the AVS Portal should be restricted to Authorized Users by two-factor authentication and all transmitted information must be encrypted and secure.

3.3.5. The AVS Portal must comply with Accessibility requirements described in:

3.3.5.1. Section 508 compliance standards

3.3.5.2. 45 CFR Part 85

3.4. Integrate the AVS into existing State Eligibility Determination Systems

Integrate the AVS into existing State systems to support all AVS functions, using real-time and batch exchanges, in compliance with State-defined configurations and technical requirements. Asset Verification functions comprise only a subset of States' eligibility determination processing. States' system architectures and models for implementing asset verification functions will vary between States and over the contract term. The Contractor's AVS solution must be flexible and integrate smoothly with each State's systems to provide required functionality with minimal disruption and serve to advance States' efforts to modernize their Medicaid Enterprise Systems (MES).

3.4.4. The AVS must be a Software as a Service (SaaS) solution with all components and data residing in the United States.

3.4.5. The AVS solution should support industry-standard approaches and principles, such as REST APIs and Webservices.

3.4.6. The bidder should describe their AVS solution's support for industry integration data standards for Health Level 7 (HL7), Fast Healthcare Interoperability Resources (FHIR), X-12, HIPAA.

3.4.7. Contractor will work with States during system implementation to define file layouts and data transfers, with minimal changes to existing file layouts.

3.4.7.1. The AVS must have the ability to import and export data using these file types: XML, JSON, CSV, and fixed-width flat files.

3.4.7.2. The Contractor will implement non-proprietary data formats for data exchanges.

3.4.8. The AVS platform must scale automatically and support concurrent, multi-state operations; ensuring processing surges in one or more States do not degrade other States' performance.

3.4.9. The AVS architecture must be expandable, such that adding related services or increasing the number of Participating States is feasible without a system redesign.

3.5. Process State Data Requests and Report Requests

The AVS will feature robust reporting capabilities. Required reporting functions include the ability to retrieve and view Applicant/Beneficiary Information maintained by the AVS, Asset Information, detailed Audit Trail information, and FAV and PAV request statistics by State.

3.5.4. Respond to State-initiated data requests and report requests from the API or the AVS Portal; where the request parameters have been defined and implemented in collaboration between States, NESCSO, and Contractor, potentially resulting in a library of pre-defined reports available to States.

3.5.4.1. This functionality must be available 24 hours per day and 7 days a week, except when system downtime is scheduled or approved in advance by NESCSO.

3.5.5. In collaboration with States and NESCSO, define reports to be generated by the AVS on a regular, periodic basis and available for download or transmitted by the AVS to a State-designated system or email address.

3.5.6. Respond to State-initiated ad hoc data requests and report requests from the API or the AVS Portal; where the request parameters and response contents have been defined and implemented in collaboration between States, NESCSO, and Contractor.

3.5.6.1. Requests should be resolved and responses available within seconds for most data and report requests (not to exceed three (3) minutes, unless approved by NESCSO and States).

3.5.6.2. NESCSO, States, and Contractor will define methods for indicating which responses and reports should be transient (where results are no longer available after closing the tab or browser) and which should persist (available for repeated viewing or download) until deleted.

3.5.7. All Applicant and Beneficiary information maintained in the AVS will be available for inquiry by Authorized Users, including individual's demographic information, eligibility information, Financial and Physical Asset histories, plus all flagged and unresolved FAV and PAV requests.

3.5.8. Additional information maintained by the Contractor to facilitate States' AVS functions should also be available by query for Authorized Users, including: Financial and Physical Asset data sources; detailed audit trail; a State's Authorized Users and User Roles; and AVS processing and billing Statistics.

3.6. Manage Applicant and Beneficiary Enrollment and Asset Information

The AVS will accept and maintain Applicant and Beneficiary information transmitted by the State, as needed to support AVS functions. Financial and Physical Asset Information – received from the State and Asset Data Sources – will be updated and maintained for all Applicants and Beneficiaries. Asset Information shall include information provided by Applicants/Beneficiaries and submitted by the state; AV queries and responses; and any data derived from these sources. Authorized Users will have the ability to view Asset Information, via AVS API or AVS Portal. The AVS will support State-specific data and processing for this function.

3.6.4. The AVS will accept data files from States containing Applicant and Beneficiary information, via secure processes, on a periodic basis and will add, update, or delete applicable records in the AVS data repository.

3.6.4.1. File layouts, transfer periodicity, and interfaces for each State will be defined during system implementation and revised, if necessary, with written approval from NESCSO.

3.6.5. The AVS data repository will securely retain demographic information, eligibility status, and financial and physical asset histories for States, and will only include the minimum data needed to support AVS functions and contract compliance.

3.6.6. Authorized State Users will have the ability to retrieve or view Asset Information maintained on the AVS, via AVS API or AVS Portal.

3.6.7. Contractor must use industry standard cryptographic modules such as those certified to meet FIPS 140-2/-3 for encrypting data at rest and in transit.

3.6.8. Contractor must securely dispose of State data from its systems upon request and in accordance with the National Institute for Standards and Technology (NIST) Special Publication 800-88 revision 1 and must provide to the requesting State a certificate of data destruction.

3.6.9. Contractor must comply with State-specified data retention requirements and 45 CFR Part 164.316.

3.7. Manage Relationships and Interfaces with Financial and Physical Asset Data Aggregators and Direct Relationships and Interfaces with Financial Institutions

It is expected that most Fiscal and Physical Asset Verification queries will be conducted by Data Aggregators rather than the AVS Contractor. Data Aggregators will be considered Major Subcontractors of the AVS Contractor and, as such, Data Aggregators must also comply with all applicable data privacy and security requirements.

Respondents must describe their solutions for outreach to and interfacing with regional and local FIs and how they incorporate them into their processes for selecting the most relevant FI for an Applicant/Beneficiary and approaches for achieving a high response rate and quick response time.

3.7.4. The AVS Contractor will maintain excellent relationships with Data Aggregators and regularly explore opportunities to improve the effectiveness and efficiency of Data Aggregator AV services and reduce State costs for those services.

3.7.5. No Major Subcontractor may be added or removed without written approval from NESCSO.

3.7.6. AVS Contractor costs for Data Aggregator services will be passed on to states as a pass-through cost with no markup. The AVS Contractor may assess States a minimal fee for the Contractor's costs associated with managing Data Aggregator subcontracts and operations.

3.8. Manage Authorized Users

Applicant and Beneficiary Information, Asset Information, and Case Information are considered Personally Identifiable Information and access to it must be extremely limited and regulated in compliance with State and federal laws and regulations. All access to this information must be limited to Authorized Users – both State and Contractor users. The AVS must have effective, auditable processes for maintaining information about current and past Authorized Users and all AVS functions performed by Authorized Users.

3.8.4. The AVS must have effective, auditable processes for maintaining information about current and past Authorized Users and their User Roles; User Roles and the AVS functions that may be performed by each User Role will be defined during system implementation.

3.8.5. Any and all individuals who have access to State information on behalf of the Contractor must also be identified in the AVS as Authorized Users and carefully managed.

3.8.6. Contractor must provide a process for States to grant, modify, and remove authorization for their personnel and systems to access the AVS.

3.8.7. All changes to Authorized User information must be recorded in a detailed audit trail indicating, at minimum, the change, the requester, and date-time.

3.8.8. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor shall cause an SSAE 18 SOC 2 Type 2 audit report to be conducted annually; and comply with Vermont Attachment D: Information Technology System Implementation Terms and Conditions, Section 5.4. Operations Security.

3.9. Maintain Detailed and Comprehensive Audit Trails

The AVS must maintain detailed and comprehensive audit trails of all AVS functions performed. The audit trails must be accessible by States and their authorized representatives. Detailed requirements for AVS audit trails and retention periods will be defined during AVS implementation.

3.9.4. The AVS will maintain a complete audit trail of all transactions and activities, financial and non-financial, in connection with this RFP.

3.9.5. Contractor will comply with Vermont Attachment D: Information Technology System Implementation Terms and Conditions, Section 12. Audit Rights.

3.10. Manage State-Specific Rules and Configuration Details and SLA and Billing Statistics

The AVS Contractor must have processes for eliciting, capturing, and implementing State-specific configuration requirements, data requirements, reporting requirements, Service Level Agreements (SLAs), utilization and invoicing details, and other requirements.

3.10.4. Contractor must provide to NESCSO and the State all State-specific requirements and their implementation history upon request.

3.10.5. Contractor must provide to NESCSO and the State all State-specific SLA, utilization, and billing details upon request or agreed-upon schedule.

3.10.6. State-specific requirements may not be modified without written approval by the State.

3.11. Service Levels

Eligibility determination is a mission-critical function and asset verification is a crucial requirement for a vulnerable population. Therefore, the Contractor must provide high-quality, high-availability service to Participating States. Required Service Levels will be agreed upon prior to contract execution.

In addition, Contractor must:

3.11.4. Use performance functionality and monitoring tools and notify the State of any sustained performance degradation

3.11.5. Describe incident management process to resolve business and security incidents, including time to report incidents, cadence of status updates until the incident is resolved, and post-incident processes (e.g. after-incident reports, root cause analysis, etc).

3.11.6. Conduct an annual disaster recovery and business continuity test

3.11.7. At minimum, NESCSO expects to require service level agreements for the following services. Bidder's response should include the service levels they commit to providing for each of the services in the table below.

SLA Number	Service Type / Description	Minimum Expectation
3.11.4.1	**AVS Uptime**	Must be available online 24 hours a day and 7 days a week, 99.9% of the time each month excluding scheduled downtime
3.11.4.2	**Portal Availability (for Stand-Alone Implementations)**	The web-based portal is accessible to Participating State staff 24 hours per day, seven days a week, except during regularly scheduled off-hours maintenance periods, and has an uptime of 99.9%
3.11.4.3	**Meet State and Federal Requirements related to eligibility timelines**	• AVS must provide eighty-five percent (85%) of FAV responses within 5 calendar days • AVS must provide ninety percent (90%) of FAV responses within 10 calendar days
3.11.4.4	**Availability of Help Desk and On-line Support**	Contractor must provide support to state staff and financial institutions during Participating States' business hours (live and on-line) and outside business hours (on-line and live for emergencies).
3.11.4.5	**Application Response Time (ART)**	API requests acknowledged within 1 second. Batch files acknowledged within 15 minutes of upload.
3.11.4.6	**Incident Response Time and Resolution**	Bidders will propose Response Times and Resolution Targets for the following incident types. Response Times are measured from the time the incident is discovered by the Contractor or reported by a state.

		• Severity Level 1: Critical Incident – AVS platform or a critical function is unavailable • Severity Level 2: Significant Incident – AVS platform is operational but a major function's performance is significantly degraded or impacts eligibility determination or impacts multiple states. • Severity Level 3: Medium Incident – AVS platform and major functions are operational but an issue is impacting non-critical functions or a limited number of users in one state. • Severity Level 4: Low Severity – minor issue(s) such as errors impacting ease of use or display of information.
3.11.4.7	**Business Continuity / Disaster Recovery**	• Recovery Time Objective (RTO) within four (4) hours, from the time the system outage is declared a "Disaster" • Recovery Point Objective (RPO) less than fifteen (15) minutes
3.11.4.8	**Accuracy and Completeness of Applicant/Beneficiary and Financial Institution Data Matches**	Accuracy may be expressed as the number of queries to an Applicant or Beneficiary's correct financial institutions relative to the total number of queries issued for an applicant. Completeness refers to the success of the AVS at compiling full financial asset records without State staff intervention.
3.11.4.9	**Modify an existing environment (capacity, storage, firewall)**	Number of hours/days to fulfill the request from the time of submission.
3.11.4.10	**Restore a file, file system, directory or folder, including records and documents (non-incident related)**	Time to Restore from Contractor's On-Site Backup: <= 4 hours Restore from Contractor's Off-Site Backup: <= 4 days

SECTION 4. ADDITIONAL PROVISIONS

4.3. Optional Provisions

NESCSO intends to select the Bidder that is the Best Value for the required scope defined in Section 3. Interested States have a variety of configurations and priorities and NESCSO invites Bidders to submit their proposed solutions to the following optional provisions and provide separate costs for each Optional Provision in their Cost Proposal. Bidders will not be penalized for not responding to this section; responses are considered informational. However, if responses are provided, NESCSO may choose to add one or more of the following provisions to the final contract with the selected Bidder.

4.3.4. Optional Functionality for Physical Asset Verification

Required functionality for Physical Asset Verification is provided in Section 3.2. NESCSO is interested in learning about the following, optional functionality, including the feasibility, benefits, and cost.

4.3.4.1. In addition to the PA sources the AVS selects for a query, is interested in the ability for State staff to direct the query to specific PA sources, instead of or in addition to the AVS-selected PA sources.

4.3.4.2. When a PA data source reports assets, assign a confidence level or other indicator to reported Physical Assets, for use by the AVS and States to determine Applicants'/Beneficiaries' eligibility.

4.3.4.3. Verification of motor vehicle property is considered an optional service and Bidders should provide their solution and costs separately from real property asset verification.

4.3.5. Consent-based Financial Asset Queries

Responses to NESCSO's RFI regarding Asset Verification System services (April 2026) confirmed the increasing role of consent-based tools and processes to verify income and financial assets. The population for whom asset verification is required is relatively small and states have learned that members of this eligibility group often have difficulty with on-line and smartphone-based interactions with state eligibility services. Additionally, NESCSO expects adoption of these consent-based tools will increase Participating States' costs for AVS services with an insufficient return on investment because of this population's characteristics.

Therefore, NESCSO requests Bidders with consent-based solutions to present those tools and services separately from the required Section 3. Scope. See the following for additional information.

4.3.5.1. *Submitting Consent-based Solutions.* Bidders may append to their Service Response a description of their consent-based solutions for performing Financial Asset verification. If a Bidder submits information about their solution, they should also append to their cost proposal the estimated costs for a Participating State to add their services.

4.3.5.2. *Applicant Consent*. Participating States consider an Applicant to have provided their consent up front – when they submitted their application – thereby

authorizing the state to "obtain any financial record" with respect to the Applicant (see 42 U.S.C. § 1396w). Bidders should address their ability to support this consent model if they include consent-based solutions in their proposal.

A Bidder's consent-based solution that relies, predominantly, on Applicants or Beneficiaries having on-line accounts with their financial institutions may be difficult to implement.

4.3.6. Community Engagement Verification Services Considerations

NESCSO is aware that concurrently with this AVS procurement, states are working at accelerated paces to implement Community Engagement Verification (CEV) policies, procedures, and systems. There are similarities in the base functions performed for Community Engagement and Financial Asset verification, albeit for different Medicaid populations. NESCSO wishes to leverage these similarities and capitalize on potential opportunities of the concurrent efforts, as follows:

4.3.6.1. *Bundled Savings*. If a Participating State uses the Bidder as their Contractor for AV services (via this RFP) and CEV services, describe the technical and cost benefits the State should expect to realize from the Bidder in this single-vendor configuration.

4.3.6.2. *Inclusive Scope*. Because of the similarities in base functionality, NESCSO considers CEV system (CEVS) services in scope for any contract that results from this RFP, for the duration of the contract term. CEVS services considered in this scope include any of: income verification, education verification, and community service verification.

NESCSO does not invite and will not evaluate proposals for CEVS services at this time. However, NESCSO reserves the right to enter into future negotiations with the AVS Contractor for CEVS services.

Bidders may, with their response to this RFP, submit a high-level summary of their CEVS solutions (not to exceed five pages) as an informational attachment.

4.3.7. Artificial Intelligence Requirements

In this RFP, artificial intelligence (AI) is defined in accordance with 15 USC § 9401(3). NESCSO does not intend to prohibit the use of AI technologies but requires disclosure of its use.

4.3.7.1. Use of AI to fulfill Section 3. Scope

The Bidder shall disclose to NESCSO all uses of AI technologies as it pertains to the performance of services required by a Contract resulting from this RFP, for the duration of the Contract.

Additionally, Bidders must disclose use of AI technologies as it pertains to the performance of optional services described in this section 4.1.

4.3.7.2. Use of Optional AI Enhancements

If a Bidder offers AI technologies as enhancements to the required scope and there is an additional fee to use the AI technologies, the Bidder should append to

their cost proposal the estimated costs for a Participating State to add the functionality.

4.2 State-Specific Contract Terms and Conditions

NESCSO will enter into contracts with Participating States and through those contracts will make the services included in this RFP available to the Participating States. A Bidder selected as a result of this RFP will be considered NESCSO's subcontractor in agreements between NESCSO and Participating States. Participating States will require NESCSO to comply with specific requirements and will require NESCSO, in turn, to hold its subcontractors to certain provisions.

4.2.1. Vermont Agency of Human Services Standard Contract Terms

Exhibit 1 provides standard contract provisions for entities wishing to contract with the Vermont Agency of Human Services, AHS. If VT decides to become a Participating State, NESCSO will be required to comply with these terms and conditions to execute a contract with the state. In turn NESCSO will require the Contractor to comply with these terms and conditions. Therefore, the Bidder must review the contract documents in Exhibit 1 and attest to their ability and intent to comply with the applicable Terms and Conditions. Bidders should include in the Business Response Attachment 4 (*Section 6.2.4, Attachment E*) any provisions with which compliance will be difficult and the reasons for that difficulty. Bidders do not need to complete or sign the documents in Exhibit 1.

Exhibit 1 includes the following documents:

1. Attachment C: Standard State Provisions for Contracts and Grants
2. Attachment D: Information Technology System Implementation Terms and Conditions
3. Attachment E: Business Associate Agreement (VT ADS/AHS)
4. Attachment F: Standard Vermont AHS Provisions for Contracts and Grants

A Bidder's attestation does not bind Vermont to execute a contract with NESCSO as a Participating State.

4.2.2. Standard Contract Terms for Interested States

As of the release date of this RFP, there are seven Interested States: Arizona, Connecticut, Hawai'i, Minnesota, Nebraska, Rhode Island, and Vermont.

Standard contract terms and conditions, including system and security requirements, for the other five states are not included in this RFP. Vermont's documents, in Exhibit 1, serve as an example of what a Bidder may expect to see from other states with whom NESCSO attempts to execute an agreement, potentially streamlining those contract negotiations.

Section 1.3 presents NESCSO's planned approach to executing sub-contractor agreements with Interested States. Bidder's proposal shall attest to Bidder's intent to enable NESCSO to comply with the applicable Terms and Conditions of Interested States as described in Section 1.3.

PART B: Proposal Submission Requirements and Attachments

SECTION 5. SUBMISSION INSTRUCTIONS

5.1 Response Contents

The following requirements apply to all services included in this RFP. NESCSO assumes no responsibility to consider or review materials submitted by Bidders that were not requested by NESCSO or that are not in accordance with NESCSO's instructions.

Responses to this RFP must consist of one (1) each of the following documents:

A. Transmittal Letter, as described in *Section 6.1*
B. Business Response, as described in *Section 6.2*, and applicable attachments
C. Service Response, as described in *Section 6.3.* and applicable attachments
D. Cost Response, as described in *Section 6.4.*
E. Applicable attachments*

Page limits are clearly stated in *Section 6. Submission Instructions*. The evaluation committee may disregard pages submitted beyond the page limit.

*Bidders may not expand responses to the programmatic questions with attachments. Do not submit unnecessary samples, attachments or documents not specifically requested.

5.2 Response Submission

5.2.1 NESCSO RFP Upload Site

Responses must be submitted electronically by uploading all Response files to a secure site. Use the following link to enter identifying information and upload all files that comprise Bidder's response:

Response Submission Link: https://www.surveymonkey.com/r/NESCSORFPAVS_26-001

- Each response document, from Section 6, must be a PDF file with a filename that clearly identifies the document. Except for the Transmittal Letter, the files must be digitally searchable. Use the following naming convention for the filenames:
  - Transmittal Letter: `AVS RFP 26-001 -<Bidding entity's short name> - Transmittal`
  - Business Response: `AVS RFP 26-001 -<Bidding entity's short name> - 6.2`
  - Service Response: `AVS RFP 26-001 -<Bidding entity's short name> - 6.3`
  - Cost Response: `AVS RFP 26-001 -<Bidding entity's short name> - 6.4`
  - Attachments: `AVS RFP 26-001 -<Bidding entity's short name> - Attachments`
- If a bidder submits more than one response – accidentally or as a modification – only the last response will be accepted.

Bidders that submit information about subcontractors must upload that information with the corresponding Bidder information. (i.e. the subcontractor's business information must be included in the Business Response)

5.2.2 E-Mail Confirmation

Bidders should receive a confirmation e-mail message after submitting their proposal via the NESCSO RFP Upload Site. The message includes a link to view their submission. Bidders are encouraged to review their submission and notify NESCSO immediately of any issues.

For proposal submission issues Bidders may contact the NESCSO AVS Project Lead, send an e-mail message to: Andres.Vasquez@nescso.org.

SECTION 6. RFP RESPONSE

The RFP Response should include the following:

6.1 Transmittal Letter
6.2 Business Response: 6-page limit (Attachments are not included in Page Limit)
6.3 Service Response: 40-page limit
6.4 Cost Response: 8-page limit
Applicable Attachments

NESCSO is not liable for any costs incurred by vendors for the development and provision of a response to this RFP.

6.1 Transmittal Letter

6.1.1 Transmittal Letter

- Bidders may reproduce the Transmittal Letter on the following page and copy it to their letterhead or insert their logo.
- All blanks must be filled in and it should not be longer than one page.
- Alterations to any wording on the following page may result in rejection of the Bidder's response.

6.1.2 Transmittal Letter Physical Signature

To be accepted by NESCSO, Bidders must print and physically sign the Transmittal Letter. The signed Transmission Letter must be scanned for submission to NESCSO.

The Transmission Letter must be signed by an individual with the authority to bind the Bidder.

TRANSMITTAL LETTER

RFP Number and Title: **26-001 NESCSO Asset Verification System**

Bidder's Organization Name: _____

Date: _____

The Bidder hereby represents and warrants that:

1. The RFP and specifications have been read and understood by the Bidder;
2. The Bidder agrees to be bound by this RFP (including all attachments and exhibits) and the Bidder's Services Response;
3. The Bidder hereby represents and warrants that the Bidder shall be bound by the terms of the Bidder's Cost Response;
4. The Response is based upon the items described in this RFP and specifications without exceptions;
5. The Response has been arrived at independently, is in all respects bona fide and fair, and is made and submitted without collusion of fraud with any other person (as used in this letter, the word "person" shall mean any natural person, joint venture, partnership, corporation, or other business or legal entity);
6. No attempt has been made or will be made to induce any other person or firm not to submit a bid or Response;
7. The contents of the Response have not been disclosed by the Bidder nor, to the best of its knowledge and belief, by any of its employees or agents, to any person not an employee or agent of the Bidder, and will not be disclosed to any such person prior to the due date for the Responses;
8. The Bidder's Response is effective through the date a Contract is executed;
9. Neither the Bidder nor its principals, subcontractors, or affiliates are presently, nor have they been in the past five years, debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any program or procurement process by any governmental entity or program;
10. The Bidder's legal name, trade name, or any other name under which the Bidder does business (if any) is:

    _____;

11. The Bidder's principal address and telephone number is:

    _____;

12. The Bidder is a legal entity of the following type (e.g., corporation (profit or not for profit), limited partnership, general partnership, trust, etc.) or "Individual":
    _____; and
13. The Bidder's signature is sufficient to bind the Bidder.

The undersigned has the authority to bind the Bidder to the terms of this RFP. The undersigned certifies under penalties of perjury that all statements on or attached to this form are true and correct to the best of his/her knowledge and belief.

_____ _____

Signature Date

_____

Print Name, Title

6.2 Business Response

The Business Response should be no more than six (6) pages. (Attachments and Subcontractor information are not included in Page Limit.)

6.2.1 Bidder's History

The Bidder shall provide a brief history of its organization, including organization name (including parent company, if applicable), an organizational overview, a description of the business units into which the Bidder is organized, a listing of the products and services offered by the Bidder, and the Bidder's website URL (if available).

6.2.2 Bidder's Experience

The Bidder shall provide the following information:

A. A description of the Bidder's experience implementing projects similar to the services requested in this RFP.

B. Three references, preferably for services similar to those being procured by this RFP, including for each:

1. the organization name and address;
2. a contact person's name, telephone number, and email address;
3. a description of the services the Bidder provided the client.

NESCSO reserves the right to contact any or all of the Bidder's references. NESCSO may contact the Bidder's references without prior notice to the Bidder.

If the Bidder plans to use a subcontractor in the significant performance of activities for any Contract resulting from this RFP, please provide references for the subcontractor, as well.

C. A list of the government entities with which the Bidder has contracted within the past five (5) years to perform services similar to those requested in this RFP, and the specific activities the Bidder performed under any such contracts. For each government contract, the Bidder must state the following:

1. the contract name;
2. the name of the procuring government agency;
3. the name, title, email address, and telephone number of a person at the government entity who can respond to inquiries about the Bidder's involvement with the project;
4. the specific activities the Bidder performed under the contract; and
5. the dates of performance.

D. A statement whether any government entity has, in the past five (5) years, terminated early any contract with the Bidder and, if so, an explanation providing relevant details.

E. A list of all contracts with non-governmental entities, in the past five (5) years, that have been terminated for cause on the part of the Bidder's organization. For each contract, include:

1. the dates of the contract;

2. the name of the entity with which the Bidder contracted;
3. a detailed explanation of the circumstances of the termination; and
4. the final resolution of the matter.

6.2.3 Subcontractors

If the Bidder plans to use a subcontractor or subcontractors in the significant performance of activities for any Contract resulting from this RFP, all information relevant to the Bidder would apply to the subcontractor, including:

A. Subcontractor's experience and references for the subcontractor, as described in 6.2.2; and

B. Attachments described in 6.2.4, below.

6.2.4 Attachments

The Business Response, should include the following attachments

Attachment A:	Bidder's Contact Information
Attachment B:	Evidence of Insurance
Attachment C:	Disclosures
Attachment D:	Diverse Vendors
Attachment E:	State Specific Terms and Conditions – Issues

Attachment A: Bidder's Contact Information

Organization Name:

_____

Contact 1

Name	
Title	
Job Description	
Anticipated involvement in Contract	
Telephone	
Mailing Address	
E-Mail Address	

Contact 2

Name	
Title	
Job Description	
Anticipated involvement in Contract	
Telephone	
Mailing Address	
E-Mail Address	

Contact 3

<insert additional contacts, if needed>

Attachment B: Evidence of Insurance

As part of its Business Response, the Bidder (or subcontractor) must provide NESCSO with written evidence of insurance from the insurer. Any documentation provided pursuant to this requirement should be labeled as ***Attachment B – Evidence of Insurance***.

Forms of Coverage: The Contractor (or subcontractor) shall purchase and maintain at its sole cost and expense throughout the term of the Contract adequate insurance coverage necessary for the performance of the work under the Contract. Before commencing work on this Agreement, the Contractor (or subcontractor) must provide certificates of insurance to show that the following minimum coverages are in effect. Such insurance must include but not be limited to the following types and amounts of coverage, as indicated below:

A. *Commercial General Liability Insurance,* including products and completed operations liability, and contractual liability coverage specifically covering the Contract, written on an occurrence form, with combined limits for bodily injury, personal injury, and property damage of at least two million dollars ($2,000,000) per occurrence and four million dollars ($4,000,000) in the aggregate.

B. *Workers' Compensation Insurance*, including Employers Liability Insurance, in compliance with applicable federal and state laws.

C. *Automobile Liability Insurance* covering owned, non-owned, and hired vehicles with combined limits for bodily injury and property damage of at least one million dollars ($1,000,000) per accident.

D. *Professional Liability Insurance* (including cyber liability and breach notification coverage) on an occurrence or claims made basis, covering claims made during the policy period and reported within four (4) years of the date of occurrence. Limits of liability must not be less than $1,000,000.

Acceptable Insurance Carriers: All insurance maintained by the Contractor pursuant to the Contract shall be written by insurance companies licensed to do business in the Commonwealth of Massachusetts. If the Contractor determines that any such insurance needs to be placed with surplus lines carriers not licensed by the Commonwealth of Massachusetts, written permission from NESCSO is required. All insurance companies to be used by the Contractor must have a Best's Rating of not less than A- and be reasonably acceptable to the University.

Attachment C: Disclosures

I. Financial Statements

As part of its Business Response, the Bidder (or subcontractor) must demonstrate that its organization is in sound financial condition, and/or that appropriate corrective measures are being taken to address and resolve any identified financial problems. Documentation provided to NESCSO pursuant to this requirement should be labeled as ***Attachment C – Disclosures, I. – Financial Statements*** and shall include, but not be limited to:

A. financial statements for the two (2) most recent fiscal years that include the auditors' opinion letter and notes to the financial statements;

B. financial management plan that includes a financial forecast/projection for the current fiscal year, prepared in a consistent manner with the financial statements in item A above;

C. evidence, consisting of proof of a bank credit line or other non-contractual sources, of ability to sufficiently fund at least four months of program operations; and

D. proof of an acceptable credit rating or nationwide business credit rating from a bureau such as Dun & Bradstreet.

Disclaimer of opinion, an adverse opinion, a special report opinion, a review opinion, or a compilation report opinion by a Certified Public Accountant ("CPA") will be grounds for rejection unless an unqualified opinion is rendered by a CPA prior to award of the Contract. If any of the above items are not available, the Bidder (or subcontractor) shall submit a statement indicating the reason the item is not included in the submission. The Bidder (or subcontractor) shall submit the best available information it has in lieu of the specified submission. NESCSO reserves the right to request additional information. NESCSO may choose not to contract with a Bidder if NESCSO determines that the Bidder (or subcontractor) is not in sound financial condition.

II. Other Disclosures

The Bidder (or subcontractor) must disclose any and all significant judgments; pending or expected litigation; investigations, proceedings, arbitration or settlements involving the Bidder (or subcontractor); or other real potential financial reversals relative to the Bidder's (or subcontractor's) organization's revenue, which might materially affect the viability, stability, or financial standing of the Bidder's (or subcontractor's) organization; or the Bidder (or subcontractor) must certify under penalties of perjury that no such condition is known to exist. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated as such.

The Bidder shall select <u>one</u> option below:

☐ No Disclosures. ☐ Disclosures Attached.

_____ _____

Signature Date

_____ _____

Print Name, Title Bidder's Organizational Name

Attachment D: Diverse Vendors

NESCSO seeks to develop procurement opportunities for small, disadvantaged and minority-owned businesses and provide all businesses with the maximum number of feasible opportunities to participate in a procurement. NESCSO is committed to developing and sustaining relationships with a diverse group of suppliers, essential for fostering healthy competition and enabling us to obtain the best goods and services. We hope you will partner with us as we work to establish lasting partnerships with small and minority-owned businesses.

_____

All Bidders (or subcontractors) must answer the following question:

Is the Bidder's (or subcontractor's) organization certified as a diverse vendor by a government entity?

☐ Yes ☐ No

Bidders (or subcontractors) that answer "yes" must include a copy of the certificate(s) with this Attachment D of the Bidder's (or subcontractor's) Business Response.

_____ _____

Signature Date

_____

Print Name, Title

_____

Bidder's Organizational Name

Attachment E: State Terms and Conditions – Issues

If a bidder wishes to propose an exception to any terms and conditions set forth in Exhibit 1, such exceptions must be included in this Attachment E. Failure to note exceptions when responding to the RFP will be deemed to be acceptance of the State contract terms and conditions. If exceptions are not noted in the response to this RFP but raised during contract negotiations, NESCSO reserves the right to cancel the negotiation if deemed to be in its best interests. Note that exceptions to contract terms may cause rejection of the proposal, and that NESCSO's non-rejection of a proposal on this basis does not indicate acceptance of the exceptions.

Include any issues Bidders may encounter in complying with the provisions of the documents in Exhibit 1.

6.3 Service Response

The Bidder's Service Response must explain how the Bidder will meet the needs of NESCSO as described in *Section 3 Scope and Specifications*.

The Service Response **shall not exceed forty (40) pages**, excluding any requested attachments.

The Bidder shall provide a description of the services it will provide in response to this RFP. The project description must include the following:

6.3.1 Proposed Methodology – Required Services

Bidder's proposed methodology to meet the requirements of *Section 3 Scope and Specifications.*

6.3.2 Proposed Methodology – Optional Services

Optional provisions from Section 4.1, above, should be described in this section.

Bidders may include a description of any additional services offered that go beyond the requirements in *Section 3* – include only relevant services that augment or enhance the required services.

6.3.3 Management Plan

Bidder's management plan, including a description explaining how the Bidder will ensure that:

A. key stakeholders are meaningfully engaged before and during each phase of the Contract;
B. change management process is documented for system upgrades as well as changes to a state-specific configuration;
C. all aspects of the Contract are appropriately managed and coordinated;
D. expertise and information about Contract requirements are shared by staff throughout the organization.

6.3.4 Comprehensive Work Plan

Comprehensive work plan for the proposed services that will include the following

A. Project schedule that includes major tasks and milestones;
B. all aspects of the Contract are appropriately managed and coordinated.

6.3.5 Progress Tracking and Reporting

Comprehensive proposal on how the Bidder will track and report on its progress towards completion of the deliverables.

6.3.6 Quality Assurance Plan

Bidder's proposed internal controls and quality assurance plan to include the following, at minimum:

A. Sign-off procedures for completion of all deliverables and major activities;
B. Management of performance of performance standards, milestones and/or deliverables;
C. Assessment of project risks and approach to managing them
D. Project status reporting including sample reports;
E. Approach to State agency interaction with contract management staff.

6.3.7 Staffing Plan

Bidder's proposed staffing plan, including an organizational chart for key personnel that will be assigned to this project, and a summary of the qualifications and roles of all key personnel, including the Bidder's proposed project manager. Additional information, such as resumes, may be requested by NESCSO prior to the final Bidder selection.

6.3.8 Project Deliverables

The following is the list of deliverables that will require approval during the implementation and operations phase:

6.3.8.1 Project Management Plan, including, at minimum, a risk management approach, an implementation schedule, and a risk register

6.3.8.2 Requirements Elaboration Document which will also include the requirements traceability matrix

6.3.8.3 System/Service Configuration Document which will also outline the state specific changes including the integration touch points, if applicable

6.3.8.4 Testing Plan and Acceptance Document which will also include the security testing results. Vendor must develop an overall testing strategy and implement support for the following testing types: unit testing, system testing, integration testing, regression testing, user acceptance testing (UAT), parallel testing, performance and load testing, security testing, and end-to-end integration testing.

6.3.8.5 Business Continuity and Disaster Recovery Plans

6.3.8.6 Operational Readiness Document

6.3.8.7 User Manuals

6.3.8.8 Training Content

6.3.8.9 Operations Guide, including the change management procedures during operations.

6.3.8.10 NESCSO encourages Bidders to provide any existing standard documentation that aligns with the above deliverables as attachments.

6.3.9 Governance

Bidder's proposed governance approach for managing changes and upgrades as different states may onboard at different points of time.

6.3.10 Confidentiality and Security Provisions

A. The Bidder shall describe its own and its proposed subcontractors' respective internal security policies and procedures applicable to the work performed under this Contract.

B. The Bidder shall specifically address the following, in addition to the description referenced above:

   1. description of the technology or other methods used to ensure its confidentiality and security.
   2. methods for securely transmitting data from Contractor to the participating States;
   3. description of the Bidder's capabilities to desegregate backed-up data and destroy it upon instruction from NESCSO.

C. The Bidder shall describe the particulars of any circumstances over the past five (5) years in which the Bidder or its proposed subcontractor(s) has caused a breach of security, confidentiality or integrity of a customer's data and how the breach was handled and resolved.

6.3.11 Subcontractors

The Bidder must include in its Response a list of *all proposed subcontractors*, if any, that will perform a role in the scope of service and that the Bidder has identified prior to the Response due date. This list must include each subcontractor's organization name, address, and website URL (if available).

For any subcontractor(s) that will perform a *significant* role in the scope of services, the Bidder must include in its Service Response a clear delineation and description of any significant subcontractor(s) role.

NESCSO reserves the right to request additional information regarding any proposed subcontractor(s).

6.4 Cost Response

NESCSO is seeking a Contractor who will provide the best value to the Participating States by proposing cost-effective and competitive pricing, and by offering savings and efficiencies due to economies of scale and the involvement of Participating States.

Under the Contract, the Contractor shall be paid for the implementation phase one single payment after the acceptance of the service for operations. For the operations phase, invoices shall be submitted to NESCSO on a monthly basis and detailed by individual State utilization. The Contractor shall be paid in twelve (12) monthly increments.

6.4.1. Historical Transaction Volumes

Following is the actual monthly FAV transaction count for seven Interested States for the six-month period from March 2026 through August 2026, sorted by the states with the lowest to highest monthly average.

State	Mar 2026	Apr 2026	May 2026	June 2026	July 2026	Aug 2026
State A	1,922	1,697	1,780	1,815	1,834	1,992
State B	5,324	4,602	5,055	4,720	5,363	5,147
State C	5,774	4,194	6,068	4,493	5,002	4,947
State D	8,809	8,268	9,971	9,216	11,353	9,380
State E	10,225	10,038	8,977	9,568	10,208	8,392
State F	8,952	8,526	11,504	12,649	10,986	9,467
State G	17,770	16,951	17,668	16,010	18,714	16,664
Total	**58,776**	**54,276**	**61,023**	**58,471**	**63,460**	**55,989**

Below are the six-month averages per state, from March 2025 through August 2026:

State	Mar – Aug 2025	Sep – Feb 2025-26	Mar – Aug 2026
State A	1,867	1,841	1,840
State B	5,176	4,770	5,035
State C	2,599	4,554	5,080
State D	4,260	9,087	9,500
State E	9,511	9,462	9,568
State F	10,366	9,178	10,347
State G	17,958	17,884	17,296
Total	**55,933**	**56,776**	**58,666**

For estimation purposes, the following categories may be used:

- Small Volume State: 5,000 FA transactions per month
- Medium Volume State: 10,000 FA transactions per month
- Large Volume State: 20,000 FA transactions per month

6.4.2. Cost Methodology

The typical cost model for AVS services assesses a per transaction fee plus an administrative amount. However, Bidders are not required to apply a specific reimbursement methodology. Bidders are invited to submit the methodology they consider most beneficial to NESCSO and Participating States under a multi-state agreement. Bidders should describe their recommended methodology and the reason for the recommendation.

Bidders should provide sufficient detail for NESCSO and Interested States to forecast their monthly, annual, and total five-year costs. The Cost Response should address:

A. Implementation costs
B. Factors or variables that may impact Participating States' costs
C. Assumptions applied by Bidder
D. Subcontractor costs (pass-through costs)
E. Bidder's practices that minimize state costs under the proposed model
F. Cost differential between stand-alone implementation and integrated implementation
G. Planned increases
H. Options that may qualify states for enhanced federal financial participation (FFP), if feasible.

6.4.3. Cost Response Summary – Required Services

In addition to the 6.4.2. Cost Methodology, the Bidder shall submit a Cost Response Summary that provides a total cost for the performance of all services described in this RFP for the initial Contract term of five (5) years, separated by service and contract year.

NESCSO needs to understand the impact additional Participating States will have on costs. Please indicate if and how initial implementation costs will change as additional States access the service.

Use the following table to facilitate the Financial Evaluation Committee's comparison of Responses. **Complete three versions of the following table, one each for a Small Volume State, Medium Volume State, and Large Volume State, as defined in 6.4.1, above.** Savings associated with a multi-state contract should be assumed.

Required Services	Year 1	Year 2	Year 3	Year 4	Year 5
System Implementation					
Financial Asset Verification					
• Total Subcontractor cost pass-through					
• Total Stand-alone system maintenance costs					
• Total Integrated system maintenance costs					
• Cost per individual query (actual cost or average)					
Physical Asset Verification					
• Total Subcontractor cost pass-through					
• Total Stand-alone system maintenance costs					
• Total Integrated system maintenance costs					
• Cost per individual query (actual cost or average)					
Other Costs					

6.4.4. Cost Response Summary – Optional Services

Please use the table below to list proposed optional services and their annual costs. Please also indicate if and how the cost of the value-added service might change based on the number of Participating States that add the service.

Optional Services	Cost per Year	Cost Basis
System Implementation		
4.1.1 Optional Physical Asset Verification Services		
4.1.2 Consent-based Verification		
4.1.3. *deleted*		
Optional Service: _____		
Optional Service: _____		

SECTION 7. DEFINITIONS AND TERMS

Term	Definition or Description
API	Application Programming Interface
Applicant	Includes individual (and their spouse, if applicable) applying for Medicaid for Aged, Blind Disabled (MABD) and/or long-term care Medicaid, including MCA applicants.
Authorized User	An individual or system approved by a Participating State to access information stored or maintained by the AVS
AVS	Asset Verification System
Beneficiary	An individual (and their spouse, if applicable) deemed eligible to receive Medicaid for Aged, Blind Disabled (MABD) and/or Long-Term Care Medicaid, including MCA recipients.
Bidder	A vendor who submits a proposal in response to this RFP.
Contractor or AVS Contractor	A Bidder selected by NESCSO and with whom NESCSO executes a contract AVS services.
FI	Financial Institution – including national, regional, and on-line only banks, as well as: credit unions investment and brokerage firms, accounts, IRAs, certificates of deposit, annuities, treasury instruments,
Financial Asset	Countable assets, including cash or other liquid assets (such as bank accounts, retirement accounts, CDs, trusts, etc.) that an individual owns.
Financial Data Aggregator	A sub-contractor of the AVS Contractor responsible for maintaining relationships and data interfaces with Financial Institutions to efficiently collect Financial Asset information and transmit it to the Contractor.
Interested State	A state agency who is interested in contracting with NESCSO to access the services procured though this RFP.
Long-Term Care (LTC) Medicaid	Medicaid eligibility category for eligible individuals living in a nursing facility, rehabilitation center, intermediate-care facility for the developmentally disabled (ICF-DD), and other medical facility for at least 30 consecutive days. It also includes care received by an individual in a home and community-based setting as specified in relevant waiver authorizations and any related program regulations.
LTCSS	Long-term care services and supports
MABD	Medicaid for the Aged, Blind and Disabled
MCA	Medicaid for Children and Adults
MITA	Medicaid Information Technology
Participating State	A state agency that executes a contract with NESCSO on the AVS contract that results from this RFP.

Physical Asset	Property, including real property, automobiles, and other vehicles, that an individual owns and could convert to cash to support themselves.
Physical Asset Data Aggregator	A sub-contractor of the AVS Contractor responsible for maintaining relationships and data interfaces with real property data sources to efficiently collect Physical Asset information and transmit it to the Contractor.
PII	Personally Identifiable Information
Response	A Bidder's submission to NESCSO, in accordance with Sections 5 and 6 of this RFP, indicating the Bidder's acceptance of NESCSO's evaluation and consideration as a potential Contractor.
Spouse	A husband, a wife or a party to a civil union according to the laws of the State.
State	An authorized representative of a Participating State; including a person (e.g. staff, contracted staff, and sub-contractors), a department or agency, a sub-contracted vendor, or an automated system managed by the state or its sub-contractors.
User Roles	The permissions, responsibilities, and capabilities for a defined type of user. Authorized Users are assigned to User Rules based on the actions they need to perform within the AVS.

Exhibit 1: State-Specific Terms and Conditions

As described in Section 4.2 of this RFP, Bidder's proposal shall attest to Bidder's ability and intent to enable NESCSO to comply with State-Specific Terms and Conditions. The State-Specific Terms and Conditions of Vermont's Agency of Human Services are included in this section of the RFP. In the future, as other states are on-boarded on this project, similar state-specific terms and conditions will be incorporated as a part of the overall contract.

Provided below, for information, is an example of the Terms and Conditions which an Interested State may require for its contract with NESCSO. In this example, Vermont expects to contract with NESCSO for services, with the Bidder acting as NESCSO's subcontractor, and would require NESCSO to place various terms, conditions and requirements onto its subcontractors. Bidder is instructed to pay special attention to terms and conditions which apply to subcontractors.

The General Terms and Conditions included here are:

1. Attachment C: Standard State Provisions for Contracts and Grants. Note: most provisions will apply only to NESCSO but please review Section 19 Sub-agreements
2. Attachment D: Information Technology System Implementation Terms and Conditions
3. Attachment E: Business Associate Agreement (VT ADS/AHS)
4. Attachment F: Standard Vermont AHS Provisions for Contracts and Grants

Attachment C: Standard State Provisions for Contracts and Grants

Revised: February 13, 2026

1. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee, or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement. "Agreement" shall mean the specific contract or grant to which this form is attached.
2. **Entire Agreement:** This Agreement, whether in the form of a contract, State-funded grant, or Federally-funded grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect. Where an authorized individual is either required to click-through or otherwise accept, or made subject to, any electronic terms and conditions to use or access any product or service provided hereunder, such terms and conditions are not binding and shall have no force or effect. Further, any terms and conditions of Party's invoice, acknowledgment, confirmation, or similar document, shall not apply, and any such terms and conditions on any such document are objected to without need of further notice or objection.
3. **Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial:** This Agreement will be governed by the laws of the State of Vermont without resort to conflict of laws principles. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State regarding its performance under this Agreement. Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.
4. **Sovereign Immunity:** The State reserves all immunities, defenses, rights, or actions arising out of the State's sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of the State's immunities, defenses, rights, or actions shall be implied or otherwise deemed to exist by reason of the State's entry into this Agreement.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any state or Federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands

that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

6. **Independence:** The Party will act in an independent capacity and not as officers or employees of the State.
7. **Defense and Indemnity:**
   A. The Party shall defend the State and its officers and employees against all third-party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The State retains the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits.
   B. After a final judgment or settlement, the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party in connection with the performance of this Agreement.
   C. The Party shall indemnify the State and its officers and employees if the State, its officers, or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party or an agent of the Party in connection with the performance of this Agreement.
   D. Notwithstanding any contrary language anywhere, in no event shall the terms of this Agreement or any document furnished by the Party in connection with its performance under this Agreement obligate the State to (1) defend or indemnify the Party or any third party, or (2) otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or other costs of the Party or any third party.
8. **Insurance:** During the term of this Agreement, Party, at its expense, shall maintain in full force and effect the insurance coverages set forth in the Vermont State Insurance Specification in effect at the time of incorporation of this Attachment C into this Agreement. The terms of the Vermont State Insurance Specification are hereby incorporated by reference into this Attachment C as if fully set forth herein. A copy of the Vermont State Insurance Specification is available at: https://aoa.vermont.gov/Risk-Claims-COI.
9. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all representations

made by the Party in accordance with this Agreement, including but not limited to bills, invoices, progress reports, and other proofs of work.

10. **False Claims Act:** Any liability to the State under the Vermont False Claims Act (32 V.S.A. § 630 et seq.) shall not be limited notwithstanding any agreement of the State to otherwise limit Party's liability.

11. **Whistleblower Protections:** The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority, or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.

12. **Use and Protection of State Information:**

    A. As between the State and Party, "State Data" includes all data received, obtained, or generated by the Party in connection with performance under this Agreement. Party acknowledges that certain State Data to which the Party may have access may contain information that is deemed confidential by the State, or which is otherwise confidential by law, rule, or practice, or otherwise exempt from disclosure under the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq. ("Confidential State Data").

    B. With respect to State Data, Party shall:

        i. take reasonable precautions for its protection;

        ii. not rent, sell, publish, share, or otherwise appropriate it; and

        iii. upon termination of this Agreement for any reason, Party shall dispose of or retain State Data if and to the extent required by this Agreement, law, or regulation, or otherwise requested in writing by the State.

    C. With respect to Confidential State Data, Party shall:

        i. strictly maintain its confidentiality;

        ii. not collect, access, use, or disclose it except as necessary to provide services to the State under this Agreement;

        iii. provide at a minimum the same care to avoid disclosure or unauthorized use as it provides to protect its own similar confidential and proprietary information;

        iv. implement and maintain administrative, technical, and physical safeguards and controls to protect against any anticipated threats or hazards or unauthorized access or use;

        v. promptly notify the State of any request or demand by any court, governmental agency or other person asserting a demand or

request for Confidential State Data so that the State may seek an appropriate protective order; and

vi. upon termination of this Agreement for any reason, and except as necessary to comply with subsection B.iii above in this section, return or destroy all Confidential State Data remaining in its possession or control.

D. If Party is provided or accesses, creates, collects, processes, receives, stores, or transmits Confidential State Data in any electronic form or media, Party shall utilize:

i. industry-standard firewall protection;

ii. multi-factor authentication controls;

iii. encryption of electronic Confidential State Data while in transit and at rest;

iv. measures to ensure that the State Data shall not be altered without the prior written consent of the State;

v. measures to protect against destruction, loss, or damage of State Data due to potential environmental hazards, such as fire and water damage;

vi. training to implement the information security measures; and

vii. monitoring of the security of any portions of the Party's systems that are used in the provision of the services against intrusion.

E. No Confidential State Data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside the United States, except with the express written permission of the State.

F. Party shall notify the State within twenty-four hours after becoming aware of any unauthorized destruction, loss, alteration, disclosure of, or access to, any State Data.

G. State of Vermont Cybersecurity Standard Update: Party confirms that all products and services provided to or for the use of the State under this Agreement shall be in compliance with State of Vermont Cybersecurity Standard Update in effect at the time of incorporation of this Attachment C into this Agreement. The State of Vermont Cybersecurity Standard Update prohibits the use of certain branded products in State information systems or any vendor system, and a copy is available at: https://digitalservices.vermont.gov/cybersecurity/cybersecurity-standards-and-directives.

H. In addition to the requirements of this Section 12, Party shall comply with any additional requirements regarding the protection of data that may be included in this Agreement or required by law or regulation.

13. **Records Available for Audit:** The Party shall maintain all records pertaining to performance under this Agreement. “Records” means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this Agreement. Records produced or acquired in a machine-readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of this Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

14. **Nondiscrimination:**

    A. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable, and shall include this provision in all subcontracts for work performed in Vermont. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement.

    B. **IT Accessibility Standards:** Party acknowledges and agrees that any digital products, services, and content provided under this Agreement, whether supporting State programs or intended for the State's use, must adhere to the State's accessibility standards and guidelines as established by Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990 (28 CFR Part 35) (hereinafter, for purposes of this subsection B, the “Rule”). The Rule requires communication and content on web platforms and mobile applications to meet or exceed specific success criteria and conformance requirements. The Rule applies to websites, software applications, electronic reports and output documentation, and training delivered in electronic formats (including, but not limited to, documents, videos, and webinars), and other digital content. Information concerning the Rule and the State’s Universal Digital Accessibility resources are available on the State’s Communications and Marketing Office website at: https://cmo.vermont.gov.

        i. Party warrants that the software, products, services, or subscriptions provided under this Agreement, whether supporting State programs or intended for the State's use (hereinafter, for purposes of this subsection B, “Products”) comply with the Rule and agrees to defend, indemnify, and hold harmless the State against any claims related to a Product’s non-compliance with the Rule.

        ii. When updates or upgrades are made to the Products available through this Agreement, the Party agrees:

a) to develop functionality that supports accessibility in conformance with the Rule and, if any issues arise due to nonconformance with the Rule, to provide alternative solutions upon request at no additional cost to the State; and

b) to document how the changes will impact or improve the Product's accessibility and usability. This documentation, upon request, must be provided to the State in advance of the update or upgrade, occurring within an agreed timeframe sufficient for the State to review the changes and either approve them or request a remediation plan from the Party.

iii. If agreed-upon updates fail to improve the Product's accessibility or usability as planned, such failure shall be a material breach of this Agreement.

15. **Offset:** The State may offset any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any offset of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided in 32 V.S.A. § 3113.

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

17. **Taxation of Purchases:** All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request with respect to otherwise taxable items.

18. **Child Support:** (Only applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date this Agreement is signed, Party is not under an obligation to pay child support or is in good standing with respect to or in full compliance with a plan to pay any and all child support payable under a support order. Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

19. Sub-Agreements: Party shall not assign, subcontract, or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing work under this Agreement pursuant to an agreement with Party or any subcontractor.

    In the case this Agreement is a contract with a total cost in excess of $250,000, the Party shall provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont

Recovery and Reinvestment Act of 2009 (Act No. 54), as amended by Section 17 of Act No. 142 (2010) and by Section 6 of Act No. 50 (2011).

Party shall include the following provisions of this Attachment C in all subcontracts for work performed solely for the State of Vermont and subcontracts for work performed in the State of Vermont: Section 10 ("False Claims Act"); Section 11 ("Whistleblower Protections"); Section 12 ("Confidentiality and Protection of State Information"); Section 14 ("Fair Employment Practices and Americans with Disabilities Act"); Section 16 ("Taxes Due the State"); Section 18 ("Child Support"); Section 20 ("No Gifts or Gratuities"); Section 22 ("Certification Regarding Debarment"); Section 30 ("State Facilities"); and Section 32.A ("Certification Regarding Use of State Funds").

20. **No Gifts or Gratuities:** Party shall not give title or possession of anything of substantial value (including property, currency, travel, and/or education programs) to any officer or employee of the State during the term of this Agreement.
21. **Regulation of Hydrofluorocarbons:** Party confirms that all products provided to or for the use of the State under this Agreement shall not contain hydrofluorocarbons, as prohibited under 10 V.S.A. § 586.
22. **Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in Federal programs, or programs supported in whole or in part by Federal funds. Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's Debarment List at: https://bgs.vermont.gov/purchasing-contracting/debarment.
23. **Conflict of Interest:**
    A. **Organizational Conflict of Interest (OCOI):** An OCOI arises when the Party as a business entity has an interest (for example, customers, partners, contracts) that could undermine, or reasonably be perceived to undermine, its faithful and unbiased performance of this Agreement.
    B. **Personal Conflict of Interest (PCOI):** A PCOI arises when an interest held by an agent or employee of the Party could undermine, or reasonably be perceived to undermine, the faithful and unbiased performance of this Agreement.
    C. **Requirements:** Party shall not have PCOIs or OCOI's with respect to this Agreement nor with respect to any other agreement(s) it may hold with the State. To ensure that PCOIs and OCOIs do not exist, the Party shall:
        i. Conduct an internal review of its current affiliations and activities and employees and agents and identify actual, potential, or reasonably perceived PCOIs or OCOIs relative to this Agreement.

ii. Maintain effective oversight to verify compliance with PCOI and OCOI prohibitions.

iii. Prevent PCOIs, including not assigning or allowing an employee to perform any role or task under this Agreement for which the Party has identified a PCOI.

iv. Inform employees and agents of their obligation to disclose PCOIs and to comply with the confidentiality provisions and any non-disclosure agreement required by this Agreement.

v. Make an immediate and full disclosure, in writing, to the State point of contact for this Agreement of any actual or potential PCOI or OCOI or the existence of any facts that may cause a reasonably prudent person to perceive a PCOI or OCOI with respect to this Agreement.

D. **Remedies:**

i. In the event the State determines that a PCOI or OCOI exists, the State will discuss the matter with the Party to determine whether the PCOI or OCOI can be mitigated to the State's satisfaction.

ii. If the State does not deem mitigation practicable, the State may terminate all or a portion of this Agreement for default or pursue such other remedies as may be permitted by law or this Agreement.

iii. If Party fails to disclose facts pertaining to the existence of a potential or actual PCOI or misrepresents relevant information to the State, the State may terminate this Agreement for default or pursue such other remedies as may be permitted by law or this Agreement.

24. **Vermont Public Records Act:** Party acknowledges and agrees that this Agreement, any and all information obtained by the State from the Party in connection with this Agreement, and any obligations of the State to maintain the confidentiality of information are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

25. **Force Majeure:** Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control rendering performance illegal or impossible (excluding strikes or lockouts) ("Force Majeure"). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

26. **Marketing:** Party shall not use the State's logo or otherwise refer to the State in any publicity materials, information pamphlets, press releases, research reports,

advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of the State.

27. **Termination:**

    A. **Non-Appropriation:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel this Agreement at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is funded in whole or in part by Federal funds, and in the event Federal funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to pay Party from State revenues.

    B. **Termination for Cause:** Either party may terminate this Agreement if a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of the non-breaching party's notice or such longer time as the non-breaching party may specify in the notice.

    C. **Termination Assistance:** Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take all reasonable and prudent measures to facilitate any transition required by the State. All State property, tangible and intangible, shall be returned to the State upon demand at no additional cost to the State in a format acceptable to the State.

28. **Continuity of Performance:** In the event of a dispute between the Party and the State, each party will continue to perform its obligations under this Agreement during the resolution of the dispute until this Agreement is terminated in accordance with its terms.

29. **No Implied Waiver of Remedies:** Either party's delay or failure to exercise any right, power, or remedy under this Agreement shall not impair any such right, power, or remedy, or be construed as a waiver of any such right, power, or remedy. All waivers must be in writing.

30. **State Facilities:** If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to, and use of, State facilities, which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

31. **Requirements Pertaining Only to Federal Grants and Subrecipient Agreements:** If this Agreement is a grant that is funded in whole or in part by Federal funds:

    A. **Requirement to Have a Single Audit:** The Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for

the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the Federal Audit Clearinghouse within nine months. If a single audit is not required, only the Subrecipient Annual Report is required. A Single Audit is required if the subrecipient expends $1,000,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

B. **Internal Controls:** In accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

C. **Mandatory Disclosures:** In accordance with 2 CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

32. Requirements Pertaining Only to State-Funded Grants:

A. **Certification Regarding Use of State Funds:** If Party is an employer and this Agreement is a State-funded grant in excess of $1,000, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

B. **Good Standing Certification (Act 154 of 2016):** If this Agreement is a State-funded grant, Party hereby represents: (i) that it has signed and provided to the State the form prescribed by the Secretary of Administration for purposes of certifying that it is in good standing (as provided in Section 13(a)(2) of Act 154) with the Agency of Natural Resources and the Agency of Agriculture, Food and Markets, or otherwise explaining the circumstances surrounding the inability to so certify; and (ii) that it will comply with the requirements stated therein.

(End of Standard State Provisions)

ATTACHMENT D

INFORMATION TECHNOLOGY SYSTEM IMPLEMENTATION

TERMS AND CONDITIONS (rev. 12/09/2025)

1. NO SUBSEQUENT, UNILATERAL MODIFICATION OF TERMS BY CONTRACTOR

Notwithstanding any other provision or other unilateral license terms which may be issued by Contractor during the Term of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for the products and services being purchased by the State, as applicable, the components of which are licensed under the Contractor Documents, or the fact that such other agreement may be affixed to or accompany the products and services being purchased by the State, as applicable, upon delivery, the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services hereunder.

2. TERM OF CONTRACTOR'S DOCUMENTS; PAYMENT TERMS

Contractor acknowledges and agrees that, to the extent a Contractor Document provides for alternate term or termination provisions, including automatic renewals, such sections shall be waived and shall have no force and effect. All Contractor Documents shall run concurrently with the term of this Contract; provided, however, to the extent the State has purchased a perpetual license to use the Contractor's software, hardware or other services, such license shall remain in place unless expressly terminated in accordance with the terms of this Contract. Contractor acknowledges and agrees that, to the extent a Contractor Document provides for payment terms which differ from the payment terms set forth in Attachment B, such sections shall be waived and shall have no force and effect and the terms in Attachment B shall govern.

3. OWNERSHIP AND LICENSE IN DELIVERABLES

3.1 Contractor Intellectual Property. As between the parties, and subject to the terms and conditions of this Contract, Contractor and its third-party suppliers will retain ownership of all intellectual property rights in the [System], and any and all derivative works made to the [System] or any part thereof, as well as all Work Product provided to the State ("**Contractor Proprietary Technology**"). The State acquires no rights to Contractor Proprietary Technology except for the licensed interests granted under this Contract. The term "**Work Product**" means all other materials, reports, manuals, visual aids, documentation, ideas, concepts, techniques, inventions, processes, or works of authorship developed, provided or created by Contractor or its employees or contractors during the course of performing work for the State (excluding any State Data or derivative works thereof and excluding any output from the [System] generated by the State's use of the [System], including without limitation, reports, graphs, charts and modified State Data, but expressly including any form templates of such reports, graphs or charts by themselves that do not include the State Data).

Title, ownership rights, and all Intellectual Property Rights in and to the [System] will remain the sole property of Contractor or its suppliers. The State acknowledges that the source code is not covered by any license hereunder and will not be provided by Contractor. Except as set forth in this Contract, no right or implied license or right of any kind is granted to the State regarding the [System] or any part thereof. Nothing in this Contract confers upon either party any right to use the other party's trade names and trademarks, except for permitted license use in accordance with this Contract. All use of such marks by either party will inure to the benefit of the owner of such marks, use of which will be subject to specifications controlled by the owner.

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

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

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

4. CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING

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

4.2 Confidentiality of Contractor Information. The Contractor acknowledges and agrees that this Contract and any and all Contractor information obtained by the State in connection with the performance of this Contract are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq. The State will not disclose information for which a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

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

improperly withheld such information and that the improper withholding was based on Contractor's attempts to prevent public disclosure of Contractor's information.

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

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

5. SECURITY OF STATE INFORMATION

5.1 Security Standards. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor represents and warrants that it has implemented and it shall maintain during the term of this Contract the highest industry standard administrative, technical, and physical safeguards and controls consistent with the latest version of NIST *Special Publication 800-53* and *Federal Information Processing Standards Publication* 200 and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include, but not be limited to, encryption at rest and multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.

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

In addition to the requirements set forth in any applicable Business Associate Agreement as may be attached to this Contract, in the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (a "Security Breach"), the Contractor shall notify the State within 24 hours of its discovery. Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached,

revoke access and/or correct weaknesses in physical security. Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State. Contractor shall analyze and document the incident and provide all notices required by applicable law.

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

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

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

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

5.3 Security Policies. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

5.4 Operations Security. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor shall cause an SSAE 18 SOC 2 Type 2 audit report to be conducted annually. The audit results and the Contractor's plan for addressing or resolution of the audit results shall be shared with the State within sixty (60) days of the Contractor's receipt of the audit results. Further, on an annual basis, within 90 days of the end of the Contractor's fiscal year, the Contractor shall transmit its annual audited financial statements to the State.

5.5 Redundant Back-Up. The Contractor shall maintain a fully redundant backup data center geographically separated from its main data center that maintains near realtime replication of data from the main data center. The Contractor's back-up policies shall be made available to the State upon request. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

5.6 Vulnerability Testing. The Contractor shall run quarterly vulnerability assessments and promptly report results to the State. Contractor shall remediate all critical issues within 15 days, all high issues within 30 days, all medium issues within 60 days and low issues within 90 days. Contractor shall obtain written State approval for any exceptions. Once remediation is complete, Contractor shall re-perform the test.

6. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

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

(i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.

(ii) There is no outstanding litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under this Contract.

(iii) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.

(iv) The Contractor (a) owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the Deliverables as set forth in this Contract; (b) shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into its product; and (c) none of the Deliverables or other materials or technology provided by the Contractor to the State will infringe upon or misappropriate the intellectual property rights of any third party.

(v) The Contractor has adequate resources to fulfill its obligations under this Contract.

(vi) Neither Contractor nor Contractor's subcontractors has past state or federal violations, convictions or suspensions relating to miscoding of employees in NCCI job codes for purposes of differentiating between independent contractors and employees.

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

(i) All Deliverables will be free from material errors and shall perform in accordance with the specifications therefor for a period of at least one year.

(ii) Contractor will provide to the State commercially reasonable continuous and uninterrupted access to the Service, and will not interfere with the State's access to and use of the Service during the term of this Contract;

(iii) The Service is compatible with and will operate successfully with any environment (including web browser and operating system) specified by the Contractor in its documentation;

(iv) Each and all of the services shall be performed in a timely, diligent, professional and skillful manner, in accordance with the highest professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment.

(v) All Deliverables supplied by the Contractor to the State shall be transferred free and clear of any and all restrictions on the conditions of transfer, modification, licensing, sublicensing

and free and clear of any and all leins, claims, mortgages, security interests, liabilities and encumbrances or any kind.

(vi) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State. Without limiting the generality of the foregoing, if the State believes that harmful code may be present in any software delivered hereunder, Contractor will, upon State's request, provide a new or clean install of the software. Notwithstanding the foregoing, Contractor assumes no responsibility for the State's negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.

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

6.3 Limitation on Disclaimer. The express warranties set forth in this Contract shall be in lieu of all other warranties, express or implied.

6.4 Effect of Breach of Warranty. If, at any time during the term of this Contract, software or the results of Contractor's work fail to perform according to any warranty of Contractor under this Contract, the State shall promptly notify Contractor in writing of such alleged nonconformance, and Contractor shall, at its own expense and without limiting any other rights or remedies of the State hereunder, re-perform or replace any services that the State has determined to be unsatisfactory in its reasonable discretion. Alternatively, with State consent, the Contractor may refund of all amounts paid by State for the nonconforming deliverable or service

7. TRADE SECRET, PATENT AND COPYRIGHT INFRINGEMENT

The State shall not be deemed to waive any of its rights or remedies at law or in equity in the event of Contractor's trade secret, patent and/or copyright infringement.

8. REMEDIES FOR DEFAULT; NO WAIVER OF REMEDIES

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

No delay or failure to exercise any right, power or remedy accruing to either party upon breach or default by the other under this Contract shall impair any such right, power or remedy, or shall be construed as a waiver of any such right, power or remedy, nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers must be in writing.

9. NO ASSUMPTION OF COSTS

Any requirement that the State defend or indemnify Contractor or otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or license verification costs of Contractor, is hereby deleted from the Contractor Documents.

10. TERMINATION

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

In the event the Contractor ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any statute of any state relating to insolvency or the protection of rights of creditors, the Contractor shall immediately return all State Materials to State control; including, but not limited to, making all necessary access to applicable remote systems available to the State for purposes of downloading all State Materials.

Contractor shall reasonably cooperate with other parties in connection with all services to be delivered under this Contract, including without limitation any successor provider to whom State Materials are to be transferred in connection with termination. Contractor shall assist the State in exporting and extracting the State Materials, in a format usable without the use of the Services and as agreed to by State, at no additional cost.

Any transition services requested by State involving additional knowledge transfer and support may be subject to a contract amendment for a fixed fee or at rates to be mutually agreed upon by the parties.

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

11. ACCESS TO STATE DATA:

The State may import or export State Materials in part or in whole at its sole discretion at any time (24 hours a day, seven (7) days a week, 365 days a year), during the term of this Contract or for up to [three (3) months] after the Term (so long as the State Materials remain in the Contractor's possession) without interference from the Contractor in a format usable without the Service and in an agreed-upon file format and medium at no additional cost to the State.

The Contractor must allow the State access to information such as system logs and latency statistics that affect its State Materials and or processes.

The Contractor's policies regarding the retrieval of data upon the termination of services have been made available to the State upon execution of this Contract under separate cover. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

12. AUDIT RIGHTS

Contractor will maintain and cause its permitted contractors to maintain a complete audit trail of all transactions and activities, financial and non-financial, in connection with this Contract. Contractor will provide to the State, its internal or external auditors, clients, inspectors, regulators and other designated representatives, at reasonable times (and in the case of State or federal regulators, at any time required by such regulators) access to Contractor personnel and to any and all Contractor facilities or where the required information, data and records are maintained, for the purpose of performing audits and inspections (including unannounced and random audits) of Contractor and/or Contractor personnel and/or any or all of the records, data and information applicable to this Contract.

At a minimum, such audits, inspections and access shall be conducted to the extent permitted or required by any laws applicable to the State or Contractor (or such higher or more rigorous standards, if any, as State or Contractor applies to its own similar businesses, operations or activities), to (i) verify the accuracy of charges and invoices; (ii) verify the integrity of State Data and examine the systems that process, store, maintain, support and transmit that data; (iii) examine and verify Contractor's and/or its permitted contractors' operations and security procedures and controls; (iv) examine and verify Contractor's and/or its permitted contractors' disaster recovery planning and testing, business resumption and continuity planning and testing, contingency arrangements and insurance coverage; and (v) examine Contractor's and/or its permitted contractors' performance of the Services including audits of: (1) practices and procedures; (2) systems, communications and information technology; (3) general controls and physical and data/information security practices and procedures; (4) quality initiatives and quality assurance, (5) contingency and continuity planning, disaster recovery and back-up procedures for processes, resources and data; (6) Contractor's and/or its permitted contractors' efficiency and costs in performing Services; (7) compliance with the terms of this Contract and applicable laws, and (9) any other matters reasonably requested by the State. Contractor shall provide and cause its permitted contractors to provide full cooperation to such auditors, inspectors, regulators and representatives in connection with audit functions and with regard to examinations by regulatory authorities, including the installation and operation of audit software.

13. DESTRUCTION OF STATE DATA

At any time during the term of this Contract within (i) thirty days of the State's written request or (ii) [three (3) months] of termination or expiration of this Contract for any reason, and in any event after the State has had an opportunity to export and recover the State Materials, Contractor shall at its own expense securely destroy and erase from all systems it directly or indirectly uses or controls all tangible or intangible forms of the State Materials, in whole or in part, and all copies thereof except such records as are required by law. The destruction of State Data and State Intellectual Property shall be performed according to National Institute of Standards and Technology (NIST) approved methods. Contractor shall certify in writing to the State that such State Data has been disposed of securely. To the extent that any applicable law prevents Contractor from destroying or erasing State Materials as set forth herein, Contractor shall retain, in its then current state, all such State Materials then within its right of control or possession in accordance with the confidentiality, security and other requirements of this Contract, and perform its obligations under this section as soon as such law no longer prevents it from doing so.

Further, upon the relocation of State Data, Contractor shall securely dispose of such copies from the former data location and certify in writing to the State that such State Data has been disposed of securely. Contractor shall comply with all reasonable directions provided by the State with respect to the disposal of State Data.

14. CONTRACTOR BANKRUPTCY.

Contractor acknowledges that if Contractor, as a debtor in possession, or a trustee in bankruptcy in a case under Section 365(n) of Title 11, United States Code (the "Bankruptcy Code"), rejects this Contract, the State may elect to retain its rights under this Contract as provided in Section 365(n) of the Bankruptcy Code. Upon written request of the State to Contractor or the Bankruptcy Trustee, Contractor or such Bankruptcy Trustee shall not interfere with the rights of the State as provided in this Contract, including the right to obtain the State Intellectual Property.

ATTACHMENT E

BUSINESS ASSOCIATE AGREEMENT (VT ADS/AHS)

Revised MAY 20, 2026

SOV Contractor or Vendor (*Contractor Business Associate*):

_____

SOV Contract Number: _____ Date of Contract: _____

This Business Associate Agreement ("Agreement") is entered into by and between the State of Vermont Agency of Digital Services as a Business Associate ("ADS") of the State of Vermont Agency of Human Services ("Covered Entity") (together "the State") and the party identified in this Agreement above as Contractor or Vendor ("Contractor Business Associate"). This Agreement supplements and is made a part of the contract identified above ("Contract").

ADS and Contractor Business Associate enter into this Agreement to comply with the Business Associate Agreement between Covered Entity and ADS, and with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), including the Standards for the Privacy of Individually Identifiable Health Information, at 45 CFR Parts 160 and 164 ("Privacy Rule"), and the Security Standards, at 45 CFR Parts 160 and 164 ("Security Rule"), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH), and any associated federal rules and regulations.

The parties agree as follows:

1. Definitions. All capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in 45 CFR Parts 160 and 164 as amended by HITECH and associated federal rules and regulations. Terms defined in this Agreement are italicized. Unless otherwise specified, when used in this Agreement, defined terms used in the singular shall be understood if appropriate in their context to include the plural when applicable.

"*ADS Vendor Manager*" means that person designated in the Contract as the *ADS Vendor Manager*, or such person who is subsequently designated in writing by ADS to the *Contractor Business Associate*. The *ADS Vendor Manager* is not authorized to enter into Contract amendments on behalf of ADS or the State."

"*Agent*" means an *Individual* acting within the scope of the agency of the *Contractor Business Associate*, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c) and includes Workforce members and *Subcontractors*.

"*Breach*" means the acquisition, Access, Use or Disclosure of *Protected Health Information* (*PHI*) which compromises the Security or privacy of the *PHI*, except as excluded in the definition of *Breach* in 45 CFR § 164.402.

"*Business Associate*" shall have the meaning given for "Business Associate" in 45 CFR § 160.103.

"*Contractor Business Associate*" shall have the meaning given for "Business Associate" in 45 CFR § 160.103 and means Vendor and includes its Workforce, *Agents* and *Subcontractors*.

"*Electronic PHI*" shall mean *PHI* created, received, maintained or transmitted electronically in accordance with 45 CFR § 160.103.

"*Individual*" includes a Person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

"*Protected Health Information*" ("*PHI*") shall have the meaning given in 45 CFR § 160.103, limited to the *PHI* created or received by *Contractor Business Associate* from or on behalf of ADS or Covered Entity.

"*Required by Law*" means a mandate contained in law that compels an entity to make a use or disclosure of *PHI* and that is enforceable in a court of law and shall have the meaning given in 45 CFR § 164.103.

"*Report*" means submissions required by this Agreement as provided in section 2.3.

"*Security Incident*" means the attempted or successful unauthorized Access, Use, Disclosure, modification, or destruction of information or interference with system operations in an Information System relating to *PHI* in accordance with 45 CFR § 164.304.

"*Services*" includes all work performed by the *Contractor Business Associate* for or on behalf of the State that requires the Use and/or Disclosure of *PHI* to perform a *Business Associate* function described in 45 CFR § 160.103.

"*Subcontractor*" means a Person to whom *Contractor Business Associate* delegates a function, activity, or service, other than in the capacity of a member of the Workforce of such *Contractor Business Associate*.

"*Successful Security Incident*" shall mean a *Security Incident* that results in the unauthorized Access, Use, Disclosure, modification, or destruction of information or interference with system operations in an Information System.

"*Unsuccessful Security Incident*" shall mean a *Security Incident* such as routine occurrences that do not result in unauthorized Access, Use, Disclosure, modification, or destruction of information or interference with system operations in an Information System, such as: (i) unsuccessful attempts to penetrate computer networks or services maintained by *Contractor Business Associate*; and (ii) immaterial incidents such as pings and other broadcast attacks on *Contractor Business Associate's* firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above with respect to *Contractor Business Associate's* Information System.

"*Targeted Unsuccessful Security Incident*" means an *Unsuccessful Security Incident* that appears to be an attempt to obtain unauthorized Access, Use, disclosure, modification or destruction of the Covered Entity's *Electronic PHI*.

2. <u>Contact Information for Privacy and Security Officers and Reports.</u>

2.1 *Contractor Business Associate* shall provide, within ten (10) days of the execution of this Agreement, written notice to the *ADS Vendor Manager* the names and contact information of both the HIPAA Privacy Officer and HIPAA Security Officer of the *Contractor Business Associate*. This information must be updated by *Contractor Business Associate* any time these contacts change.

2.2 Covered Entity's HIPAA Privacy Officer and HIPAA Security Officer contact information is posted at: https://humanservices.vermont.gov/rules-policies/health-insurance-portability-and-accountability-act-hipaa

2.3 *Contractor Business Associate* shall submit all *Reports* required by this Agreement to the following email address:
AHS.PrivacyAndSecurity@vermont.gov

3. <u>Permitted and Required Uses/Disclosures of PHI</u>.

3.1 Subject to the terms in this Agreement, *Contractor Business Associate* may Use or Disclose *PHI* to perform *Services*, as specified in the Contract. Such Uses and Disclosures are limited to the minimum necessary to provide the *Services*. *Contractor Business Associate* shall

not Use or Disclose *PHI* in any manner that would constitute a violation of the Privacy Rule if Used or Disclosed by Covered Entity in that manner. *Contractor Business Associate* may not Use or Disclose *PHI* other than as permitted or required by this Agreement or as *Required by Law* and only in compliance with applicable laws and regulations.

3.2 *Contractor Business Associate* may make *PHI* available to its Workforce*, Agent and Subcontractor* who need Access to perform *Services* as permitted by this Agreement, provided that *Contractor Business Associate* makes them aware of the Use and Disclosure restrictions in this Agreement and binds them to comply with such restrictions.

3.3 *Contractor Business Associate* shall be directly liable under HIPAA for impermissible Uses and Disclosures of *PHI*.

4. Business Activities. *Contractor Business Associate* may Use *PHI* if necessary for *Contractor Business Associate's* proper management and administration or to carry out its legal responsibilities. *Contractor Business Associate* may Disclose *PHI* for *Contractor Business Associate's* proper management and administration or to carry out its legal responsibilities if a Disclosure is *Required by Law* or if *Contractor Business Associate* obtains reasonable written assurances via a written agreement from the Person to whom the information is to be Disclosed that such *PHI* shall remain confidential and be Used or further Disclosed only as *Required by Law* or for the purpose for which it was Disclosed to the Person, and the Agreement requires the Person to notify *Contractor Business Associate*, within five (5) business days, in writing of any *Breach* of Unsecured *PHI* of which it is aware. Such Uses and Disclosures of *PHI* must be of the minimum amount necessary to accomplish such purposes.

5. Electronic PHI Security Rule Obligations.

5.1 With respect to *Electronic PHI*, *Contractor Business Associate* shall:

a) Implement and use Administrative, Physical, and Technical Safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312;

b) Identify in writing upon request from the State all the safeguards that it uses to protect such Electronic PHI;

c) Prior to any Use or Disclosure of *Electronic PHI* by an *Agent* or *Subcontractor*, ensure that any *Agent* or *Subcontractor* to whom it provides *Electronic PHI* agrees in writing to implement and use Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of Electronic PHI. The written agreement must identify the State as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the Use or Disclosure of *Electronic PHI*, and be provided to the State upon request;

d) Report in writing to Covered Entity any *Successful Security Incident* or *Targeted Security Incident* as soon as it becomes aware of such incident and in no event later than five (5) business days after such awareness. Such report shall be timely made notwithstanding the fact that little information may be known at the time of the report and need only include such information then available;

e) Following such report, provide Covered Entity with the information necessary for Covered Entity to investigate any such incident; and

f) Continue to provide to Covered Entity information concerning the incident as it becomes available to it.

5.2 Reporting *Unsuccessful Security Incidents.* *Contractor Business Associate* shall provide Covered Entity upon written request a *Report* that: (a) identifies the categories of Unsuccessful Security Incidents; (b) indicates whether *Business Associate* believes its current defensive

security measures are adequate to address all Unsuccessful Security Incidents, given the scope and nature of such attempts; and (c) if the security measures are not adequate, the measures *Business Associate* will implement to address the security inadequacies.

5.3 *Contractor Business Associate* shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

6. Reporting and Documenting Breaches.

6.1 *Contractor Business Associate* shall *Report* to Covered Entity any *Breach* of Unsecured *PHI* as soon as it, or any Person to whom *PHI* is disclosed under this Agreement, becomes aware of any such *Breach*, and in no event later than five (5) business days after such awareness, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security. Such *Report* shall be timely made notwithstanding the fact that little information may be known at the time of the *Report* and need only include such information then available.

6.2 Following the *Report* described in 6.1, *Contractor Business Associate* shall conduct a risk assessment and provide it to Covered Entity with a summary of the event. *Contractor Business Associate* shall provide Covered Entity with the names of any *Individual* whose Unsecured *PHI* has been, or is reasonably believed to have been, the subject of the *Breach* and any other available information that is required to be given to the affected *Individual*, as set forth in 45 CFR § 164.404(c). Upon request by Covered Entity, *Contractor Business Associate shall provide* information necessary for Covered Entity to investigate the impermissible Use or Disclosure. *Contractor Business Associate* shall continue to provide to Covered Entity information concerning the *Breach* as it becomes available.

6.3 When *Contractor Business Associate* determines that an impermissible acquisition, Access, Use or Disclosure of *PHI* for which it is responsible is not a *Breach*, and therefore does not necessitate notice to the impacted *Individual*, it shall document its assessment of risk, conducted as set forth in 45 CFR § 402(2). *Contractor Business Associate* shall make its risk assessment available to Covered Entity upon request. It shall include 1) the name of the person making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low probability that the *PHI* had been compromised.

7. Mitigation and Corrective Action. *Contractor Business Associate* shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible Use or Disclosure of *PHI*, even if the impermissible Use or Disclosure does not constitute a *Breach*. *Contractor Business Associate* shall draft and carry out a plan of corrective action to address any incident of impermissible Use or Disclosure of *PHI*. *Contractor Business Associate* shall make its mitigation and corrective action plans available to the State upon request.

8. Providing Notice of Breaches.

8.1 If Covered Entity determines that a *Breach* of *PHI* for which *Contractor Business Associate* was responsible, and if requested by Covered Entity, *Contractor Business Associate* shall provide notice to the *Individual* whose *PHI* has been the subject of the *Breach*. When so requested, *Contractor Business Associate* shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. *Contractor Business Associate* shall be responsible for the cost of notice and related remedies.

8.2 The notice to affected *Individuals* shall be provided as soon as reasonably possible and in no case later than 60 calendar days after *Contractor Business Associate* reported the *Breach* to Covered Entity.

8.3 The notice to affected *Individuals* shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured *PHI* that were involved in the *Breach*, 3) any steps *Individuals* can take to protect themselves from potential harm resulting from the *Breach*, 4) a brief description of what the *Contractor Business Associate* is doing to investigate the *Breach* to mitigate harm to *Individuals* and to protect against further *Breaches*, and 5) contact procedures for *Individuals* to ask questions or obtain additional information, as set forth in 45 CFR § 164.404(c).

8.4 *Contractor Business Associate* shall notify *Individuals* of *Breaches* as specified in 45 CFR § 164.404(d) (methods of *Individual* notice). In addition, when a *Breach* involves more than 500 residents of Vermont, *Contractor Business Associate* shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR § 164.406.

9. Agreements with Subcontractors. *Contractor Business Associate* shall enter into a Business Associate Agreement with any *Subcontractor* to whom it provides *PHI* to require compliance with HIPAA and to ensure *Contractor Business Associate* and *Subcontractor* comply with the terms and conditions of this Agreement. *Contractor Business Associate* must enter into such written agreement before any Use by or Disclosure of *PHI* to such *Subcontractor*. The written agreement must identify the State as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the Use or Disclosure of *PHI*. *Contractor Business Associate* shall provide a copy of the written agreement it enters into with a *Subcontractor* to the State upon request. *Contractor Business Associate* may not make any Disclosure of *PHI* to any *Subcontractor* without prior written consent of the State.

10. Access to PHI. *Contractor Business Associate* shall provide access to *PHI* in a Designated Record Set to Covered Entity or as directed by Covered Entity to an *Individual* to meet the requirements under 45 CFR § 164.524. *Contractor Business Associate* shall provide such access in the time and manner reasonably designated by Covered Entity. Within five (5) business days, *Contractor Business Associate* shall forward to Covered Entity for handling any request for Access to *PHI* that *Contractor Business Associate* directly receives from an *Individual*.

11. Amendment of PHI. *Contractor Business Associate* shall make any amendments to *PHI* in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR § 164.526, whether at the request of Covered Entity or an *Individual*. *Contractor Business Associate* shall make such amendments in the time and manner reasonably designated by Covered Entity. Within five (5) business days, *Contractor Business Associate* shall forward to Covered Entity for handling any request for amendment to *PHI* that *Contractor Business Associate* directly receives from an *Individual*.

12. Accounting of Disclosures. *Contractor Business Associate* shall document Disclosures of *PHI* and all information related to such Disclosures as would be required for Covered Entity to respond to a request by an *Individual* for an accounting of disclosures of *PHI* in accordance with 45 CFR § 164.528. *Contractor Business Associate* shall provide such information to Covered Entity or as directed by Covered Entity to an *Individual*, to permit Covered Entity to respond to an accounting request. *Contractor Business Associate* shall provide such information in the time and manner reasonably designated by Covered Entity. Within five (5) business days, *Contractor Business Associate* shall forward to Covered Entity for handling any accounting request that *Contractor Business Associate* directly receives from an *Individual*.

13. Books and Records. Subject to the attorney-client and other applicable legal privileges, *Contractor Business Associate* shall make its internal practices, books, and records (including policies and procedures and *PHI*) relating to the Use and Disclosure of *PHI* available to the Secretary of Health and Human Services ("HHS") in the time and manner designated by the Secretary. *Contractor Business Associate* shall make the same information available to Covered Entity, upon Covered Entity's request, in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether *Contractor Business Associate* is in compliance with this Agreement.

14. Termination.

14.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by the State or until all the *PHI* is destroyed or returned to Covered Entity subject to Section 18.8.

14.2 If *Contractor Business Associate* fails to comply with any material term of this Agreement, the State may provide an opportunity for *Contractor Business Associate* to cure. If *Contractor Business Associate* does not cure within the time specified by the State or if the State believes that cure is not reasonably possible, the State may immediately terminate the Contract without incurring liability or penalty for such termination. If neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary of HHS. The State has the right to seek to cure such failure by *Contractor Business Associate*. Regardless of whether the State cures, it retains any right or remedy available at law, in equity, or under the Contract and *Contractor Business Associate* retains its responsibility for such failure.

15. Return/Destruction of PHI.

15.1 *Contractor Business Associate* in connection with the expiration or termination of the Contract shall return or destroy, at the discretion of the Covered Entity, *PHI* that *Contractor Business Associate* still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. *Contractor Business Associate* shall not retain any copies of *PHI*. *Contractor Business Associate* shall certify in writing and report to Covered Entity (1) when all *PHI* has been returned or destroyed and (2) that *Contractor Business Associate* does not continue to maintain any *PHI*. *Contractor Business Associate* is to provide this certification during this thirty (30) day period.

15.2 *Contractor Business Associate* shall report to Covered Entity any conditions that *Contractor Business Associate* believes make the return or destruction of *PHI* infeasible. *Contractor Business Associate* shall extend the protections of this Agreement to such *PHI* and limit further Uses and Disclosures to those purposes that make the return or destruction infeasible for so long as *Contractor Business Associate* maintains such *PHI*.

16. Penalties. *Contractor Business Associate* understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of *PHI* and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations.

17. Training. *Contractor Business Associate* understands its obligation to comply with the law and shall provide appropriate training and education to ensure compliance with this Agreement. If requested by the State, *Contractor Business Associate* shall participate in Covered Entity's training regarding the Use, Confidentiality, and Security of *PHI*; however, participation in such training shall not supplant nor relieve *Contractor Business Associate* of its obligations under this Agreement to independently assure compliance with the law and this Agreement.

18. Miscellaneous.

18.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise, the terms of the Contract continue in effect.

18.2 Each party shall cooperate with the other party to amend this Agreement from time to time as is necessary for such party to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA. This Agreement may not be amended, except by a writing signed by all parties hereto.

18.3 Any ambiguity in this Agreement shall be resolved to permit the parties to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.

18.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule, Security Rule, and HITECH) in construing the meaning and effect of this Agreement.

18.5 *Contractor Business Associate* shall not have or claim any ownership of *PHI*.

18.6 *Contractor Business Associate* shall abide by the terms and conditions of this Agreement with respect to all *PHI* even if some of that information relates to specific services for which *Contractor Business Associate* may not be a "*Contractor Business Associate*" of Covered Entity under the Privacy Rule.

18.7 *Contractor Business Associate* is prohibited from directly or indirectly receiving any remuneration in exchange for an *Individual's PHI*. *Contractor Business Associate* will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Reports or data containing *PHI* may not be sold without Covered Entity's or the affected Individual's written consent.

18.8 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for *Contractor Business Associate* to return or destroy *PHI* as provided in Section 14.2 and (b) the obligation of *Contractor Business Associate* to provide an accounting of disclosures as set forth in Section 12 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

For ADS:

Signature: _____

Name: _____

Title: _____

Date: _____

For Contractor Business Associate:

Signature: _____

Name: _____

Title: _____

Date: _____

(End of Attachment E)

ATTACHMENT F: STANDARD VERMONT AGENCY OF HUMAN SERVICES PROVISIONS FOR CONTRACTS AND GRANTS
REVISED SEPTEMBER 2, 2025

1. Definitions.

A. As used in this Attachment F, the terms **"Agreement"** and **"Party"** are defined in Attachment C.

B. **"State Data:"** For the purposes of this Agreement, the term State Data, defined in Attachment C as "data received, obtained, or generated by Party in connection with performance under this Agreement," does not include AHS-Funded Service Data.

C. **"AHS-Funded Service Data"** means data that is received, obtained, or generated by Party in the course of providing goods or services for the direct benefit of third parties under this Agreement, except a) when such goods or services are provided on behalf of the State or b) to the extent such data is collected or used to provide services to the State.

D. "**Work Product**" means:

i. any tangible or intangible ideas, inventions, improvements, modifications, discoveries, development, customization, configuration, methodologies or processes, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, computer programs, work of authorship, specifications, operating instructions, procedures manuals or other documentation, technique, know-how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) and any derivative thereof

ii. that is specifically made, conceived, discovered or reduced to practice under this agreement, including Jointly Developed Work.

E. "**Deliverables**" means all items that Party is required to deliver to the State under this Agreement.

F. "**Licensed Intellectual Property**" means any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that is provided, purchased, or licensed by or to Party for the use or benefit of the State under this Agreement and:

i. was created prior to the execution of this Agreement or

ii. was not created or obtained using State funds or specifically for the benefit of the State.

G. "**State Intellectual Property**" means:

i. all content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, and all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Agreement,

ii. all information that is created for the direct benefit of State under this Agreement including, but not limited to, all data, reports, or records generated through the use by Party, the State, or any third party of any technology systems or knowledge bases that are developed, purchased, or licensed in connection with this Agreement, and

iii. any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that has been licensed to State by a third party under a separate agreement with State for the use or benefit of State under this Agreement.

H. "**Jointly Developed Work**" is a subset of Work Product and means:

i. any materials jointly created under this Agreement by the State and Party or any third party and

ii. any modifications, enhancements, and/or reconfigurations of or to Licensed Intellectual Property and/or derivative works based on Licensed Intellectual Property completed as part of this Agreement.

I. "**Non-State Work Product**" means information:

i. that is submitted to Party by a third party or created by Party on behalf of a third party under this Agreement,

ii. that the State is restricted from accessing by law or, when permitted under the terms of this Agreement,

confidentiality terms adopted or agreed to by Party.

2. Authority of Agency of Human Services. The Agency of Human Services has oversight authority for all contracts and grants executed by its departments, boards, offices, and business units, however denominated. AHS has shared authority over contracts, grants, and scopes of work executed by the Agency of Digital Services on behalf of AHS, its departments, boards, offices, and business units, however denominated.

A. The Agency of Human Services, through the business office of the Office of the Secretary, and through its Field Services Directors, will share with any named AHS-associated party to this Agreement oversight, monitoring and enforcement responsibilities.

B. Party agrees to cooperate with both the named AHS-associated party to this Agreement and with the Agency of Human Services itself with respect to the resolution of any issues relating to the performance and interpretation of this Agreement, payment matters and legal compliance.

3. Medicaid Program Agreements. The following terms apply to Agreements funded under Vermont's Medicaid Program through the Centers for Medicare and Medicaid Services (CMS):

A. General:

i. In addition to any other requirement under this Agreement or at law, Party must fulfill all state and federal legal requirements and comply with all requests appropriate to enable AHS, the U.S. Department of Health and Human Services (along with its Inspector General and CMS), the Comptroller General, the Government Accountability Office, or any of their designees, to audit and evaluate through inspection or any other means of the quality, appropriateness and timeliness of services provided under this Agreement.

ii. In addition to the requirements of Attachment C for Sub-Agreements, Party is responsible for ensuring a) that the Agreement is fully performed according to its terms, b) that subcontractor agrees to and remains in compliance with the terms applicable to Party under this Agreement as well as terms applicable to the service or activity delegated under the subcontract, and c) that subcontractor complies with all state and federal laws and regulations relating to the Medicaid program in Vermont.

B. Managed Care Program Contracts: The following terms apply to Parties providing managed care program services and services related to state-operated Managed Care Organization entity operations.

i. Party will extend the rights provided under Section 3.A.i. to include the right to audit, evaluate, and inspect any books, records, contracts, computer or other electronic systems of Party or its Subcontractors that pertain to any aspect of services and activities performed, or determination of amounts payable under this Agreement.

ii. Party must make available for the purposes of audit, evaluation, or inspection its premises, physical facilities, equipment, books, records, contracts, computer, or other electronic systems relating to Medicaid enrollees.

iii. Party must retain records and ensure the right to audit will exist through 10 years from the final date of the Agreement period or from the date of completion of any audit, whichever is later.

iv. Subcontracts, and any service provider agreements entered into by Party in connection with the performance of this Agreement, must clearly specify in writing the responsibilities of the subcontractor or other service provider and Party must retain the authority to revoke its subcontract or service provider agreement or to impose other sanctions if the performance of the subcontractor or service provider is inadequate or if its performance deviates from any requirement of this Agreement.

v. Party must make available on request all contracts, subcontracts and service provider agreements between Party, subcontractors and other service providers to the Agency of Human Services and any of its departments as well as to the Center for Medicare and Medicaid Services.

vi. Party shall follow the Department of Vermont Health Access Managed-Care-Organization enrollee-notification requirements, to include the requirement that Party provide timely notice of any termination of its practice.

vii. Party shall provide encounter data to the Agency of Human Services and/or its departments and ensure further that the data and services provided can be linked to and supported by enrollee eligibility files maintained by the State.

C. Medicaid Automated Data Processing (ADP): The following terms apply to Parties providing ADP services and solutions.

i. Party must provide for the purposes of audit or evaluation the ADP system in all of its aspects, including design developments, operation, and cost records of Party and subcontractors at such intervals as are deemed necessary by the US Department of Health and Human Services to determine whether conditions for funding approval are being met and to determine the efficiency, economy, and effectiveness of the system.

ii. Party must provide a security plan, risk assessment, and security controls review document within three months of the start date of this Agreement (and update it annually thereafter) in order to support audit compliance with 45 CFR 95.621(f), *ADP System Security Requirements and Review Process*.

4. Terms Relating to Direct Services or Interactions with AHS Program Individuals or Populations: The following terms apply only to Agreements under which Party will directly interact with individuals receiving services from or otherwise involved in AHS programs.

A. Children and Vulnerable Adults - Abuse Registries: The following terms apply with respect to any services involving the care, custody, treatment, transportation, or supervision provided directly to children or to vulnerable adults:

i. Such services may not be performed by an employee, volunteer or other service provider of the Party, or otherwise reimbursed under the Agreement, if there has been a substantiation of abuse, neglect, or exploitation involving the individual performing the service.

ii. Party must verify, as provided under 33 V.S.A. § 6911(c)(3), through the Adult Abuse Registry maintained by the Department of Disabilities, Aging and Independent Living that no such substantiated allegation of abuse, neglect, or exploitation exists against any individual providing services to vulnerable adults.

iii. Party must verify, as provided under 33 V.S.A. § 4919(a), through the Department for Children and Families that no such substantiated allegation of abuse, neglect, or exploitation exists against any individual providing services to children.

B. Children and Vulnerable Adults - Reporting of Abuse, Neglect, or Exploitation: The following terms apply with respect to services performed under this Agreement in which Party and any of its agents or employees are caregivers or have any other direct contact with clients:

i. Party must ensure its agents or employees receive appropriate training on the reporting of abuse and neglect to children as required under 33 V.S.A. §§ 4911 et seq., and/or abuse, neglect or exploitation of vulnerable adults as provided under 33 V.S.A. §§ 6901 et seq.

ii. Party, its agents, or employees having a reasonable cause to believe that a child has been abused or neglected must make a report within 24 hours to the Commissioner of the Department for Children and Families containing the information required by 33 V.S.A. §4914.

iii. Party, its agents, or employees having a reasonable cause to believe that a vulnerable adult has been abused, neglected, or exploited must make a report within 48 hours to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living containing the information required by 33 V.S.A. §6904.

C. Direct Social and Mental Health Services – Workplace Violence Prevention and Crisis Response: Parties providing direct social or mental health services under this Agreement must establish a written workplace violence prevention and crisis response policy meeting the requirements of Act 109 (2016), 33 VSA §8201(b), for the benefit of employees delivering such direct services.

i. Party must, in preparing its policy, consult with the guidelines promulgated by the U.S. Occupational Safety and Health Administration for Preventing Workplace Violence for Healthcare and Social Services Workers, as those guidelines may from time to time be amended.

ii. Party, through its violence protection and crisis response committee, must evaluate the efficacy of its policy, and update the policy as appropriate, at least annually. Party must provide the policy and any written evaluations thereof to employees delivering direct social or mental health services.

iii. Party must ensure that any subcontractor and sub-grantee who hires employees (or contracts with service providers) who deliver social or mental health services directly to individual recipients of such services, complies with all requirements of this Section.

D. 2-1-1 Database: Party must review the inclusion/exclusion criteria available at www.vermont211.org. If Party

provides included services in or near the border of Vermont, Party must provide Vermont 211 relevant descriptive information regarding its agency, programs and/or contact information as well as accurate and up to date information to its database as requested.

E. Children's Services – Prohibition of Environmental Tobacco Smoke, Tobacco Products and Substitutes, and Cannabis. 33 V.S.A. § 3504 and Public Law 103-227 (also known as the Pro-Children Act of 1994):

i. Party must ensure that no person is permitted: a) to use cannabis as defined in 18 V.S.A. § 4201 or tobacco products or tobacco substitutes as defined in 7 V.S.A. § 1001 on the premises, both indoor and outdoor, of any licensed child care center or afterschool program at any time; b) to smoke on the premises, both indoor and in any outdoor area designated for child care, health or day care services, kindergarten, pre-kindergarten, elementary, or secondary education or library services; c) to use cannabis, tobacco products, or tobacco substitutes on the premises of a licensed or registered family child care home while children are present and in care. Party must refrain from promoting the use of tobacco products for all clients and from making tobacco products available to minors, or d) cultivate cannabis in a licensed or registered family child care home.

ii. Failure to comply with the federal tobacco prohibitions may result in the imposition of a civil monetary penalty and/or the imposition of an administrative compliance order on the responsible entity under 20 USCA § 6083. The federal Pro-Children Act of 1994, however, does not apply to portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

iii. Failure to comply with State cannabis prohibitions may result in the imposition of a misdemeanor criminal fine under 33 V.S.A. § 3504.

F. Substance Use Treatment Services: If Party provides Substance Use Treatment services, Party must Determine whether it, in its entirety or with respect to any unit, personnel, or staff, is a Part 2 Program as defined in 42 C.F.R. § 2.11. If Party is a Part 2 Program, Party must:

i. prior to the commencement of any work under this Agreement involving the creation, use, or disclosure of Substance Use records, have notified the AHS Privacy Officer of its determination, submitted all consent forms applicable to such work to the AHS Privacy Officer, and have received approval from State; and

ii. comply with provisions requiring notice of prohibition on redisclosure for Part 2 protected claims and other Part 2 protected records submitted to the State.

G. Voter Registration: Parties who, in the regular course of its business, collect and verify documents described in 17 V.S.A. § 2145b(e) may be designated as a voter registration agency by the Secretary of State. If designated by the Secretary of State, Party agrees to comply with the requirements of state and federal law pertaining to such agencies.

H. Continuity of Service and Termination Assistance: Party must maintain records reasonably necessary for continuity or coordination of services provided to third parties under this Agreement or for the resolution of matters under this Agreement in which Party directly interacted with individuals involved in AHS programs.

i. Party must employ measures to protect against destruction, loss, or damage of such records due to environmental hazards, such as fire and water damage.

ii. When complying with the Termination Assistance requirements of Attachment C section 27.C, Party must take all reasonable and prudent measures to ensure that such services provided under this Agreement are transitioned appropriately to other service providers, including coordination of care and reasonable retention and timely transfer of service records.

5. Non-Discrimination:

A. Party shall not unlawfully discriminate, and will prohibit its employees, agents, subcontractors, sub-grantees and other service providers from unlawful discrimination, on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, and on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. Party shall not unlawfully refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity as provided by Title 9 V.S.A. Chapter 139.

B. No person shall on the grounds of religion or on the grounds of sex (including, on the grounds that a woman is

pregnant), be unlawfully excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by State of Vermont and/or federal funds.

C. Party further shall comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, requiring that contractors and subcontractors receiving federal funds assure that persons with limited English proficiency can meaningfully access services. To the extent Party provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services, such individuals cannot be required to pay for such services.

6. Classification of Independent Contractors: Party staff residing in or whose primary workplace is located in the State of Vermont must be appropriately classified by Party as either "employees" or "independent contractors" for all purposes, to include for purposes related to unemployment compensation insurance and workers compensation coverage, and proper payment and reporting of wages.

A. Party agrees to ensure that all of its subcontractors or sub-grantees also remain in legal compliance with respect to classification of staff residing in or whose primary workplace is located in the State of Vermont.

B. Party must, on request, provide to the Agency of Human Services information pertaining to the classification of such staff to include the basis for the classification. Failure to comply with these obligations may result in termination of this Agreement.

7. Data Protection and Privacy:

A. Compliance with Applicable Law: Party must comply with applicable State and Federal law relating to the privacy and security of data, including but not limited to Vermont's Security Breach Notice Act, 9 V.S.A. § 2435, the Social Security Number Protection Act, 9 V.S.A. § 2440, the Document Safe Destruction Act, 9 V.S.A. § 2445, protections for Exchange Personally Identifiable Information, 45 C.F.R. § 155.260, protections for Medicaid records, 33 V.S.A. § 1902a, protections for Department for Children and Families Records, 33 V.S.A. § 111, the Health Insurance Portability and Accountability Act (HIPAA) regulations, 45 CFR Parts 160 and 164, and federal rules for Confidentiality of Substance use Disorder Patient Records under 42 CFR Part 2 ("Part 2").

B. The notice required under the Use and Protection of State Information terms of Attachment C shall be provided to the Agency of Digital Services Chief Information Security Officer. https://digitalservices.vermont.gov/about-us/contacts.

C. Following termination of this Agreement for any reason, the privacy and security requirements of this Agreement will continue to apply to all data received, obtained, or generated by Party under this Agreement until it is securely returned to the State or destroyed according to the terms of this Agreement or as instructed by the State.

D. State Data:

i. Party must comply with the privacy and security requirements of Attachment C, and, as applicable, Attachments D, E, and H, with respect to all State Data.

ii. Party is bound by the provisions of 42 CFR Part 2 with respect to any applicable State Data.

iii. Party must comply with all State requests for cooperation in its compliance with applicable law, rule, and practice for the privacy and security of State Data.

iv. Party must assume responsibility at its own expense for remediation activities required under applicable law in response to a security incident that compromises State Data ("Security Breach"). Such obligations will be determined at the sole discretion of the State, including a) notice to the Attorney General or Department of Financial Regulation, b) notice to affected consumers, c) investigation and remediation including but not limited to outside investigation, forensics, counsel, crisis management, and credit monitoring.

E. Compliance With Privacy Practices for AHS-Funded Service Data: To the extent Party creates, obtains, or receives AHS-Funded Service Data, Party must adopt and adhere to privacy practices for the protection of such data. Such practices must conform with the requirements of AHS Rule No. 08-048 or applicable law and must address the use and disclosure of personal information that relates to any beneficiary or recipient of goods, services, or other forms of support.

F. Use and Protection of AHS-Funded Service Data: The provisions of Attachment C Section 12 that apply to State Data also apply to AHS-Funded Service Data, except that:

i. Party may use AHS-Funded Service Data for its own purposes, provided such use is consistent with its privacy practices and applicable law, except that Party must obtain written permission before providing or allowing AHS-Funded Service Data to be used to train artificial intelligence technologies.

ii. Party must securely destroy Confidential AHS-Funded Service Data a) following any period of retention required by this Agreement, law, professional or industry standard, or regulation, or b) as required by law.

iii. Party may collect, use, or disclose AHS-Funded Service Data in any manner consistent with its privacy practices and expressly permitted under AHS Rule No. 08-048.

iv. Party must promptly notify the State of a request or demand by a court, governmental agency, or other person asserting a demand or request for AHS Funded Service Data to the extent such request relates specifically to the services provided under this Agreement.

v. Party may update or correct AHS-Funded Service Data without prior written consent of the State but must employ appropriate controls to ensure such records will not be inadvertently or maliciously altered.

vi. To the extent permitted by applicable law, professional or industry standard, or regulation, Party may allow AHS Funded Service Data to be processed, transmitted, stored, or transferred outside the United States consistent with the express terms of Party's notice of privacy practices, the express consent of the individuals who are the subject of such Data, or the express written permission of the State.

vii. Party must comply with special terms provided, as applicable, in Attachment D under the heading "Special Privacy and Security Requirements."

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

8. State Computer Equipment and System Access: Unless expressly provided in Attachment A or D, Party must supply its own computing equipment, networking equipment, and internet access. To the extent Party is provided or otherwise obtains access to State systems, equipment, or accounts:

A. Party is responsible for all damage, loss, or theft to State equipment resulting from acts or omissions of Party, its employees, agents, or subcontractors and

B. Party will complete any training and comply with all applicable laws, rules, and policies, including applicable policies of the Vermont Agency of Digital Services, related to such access.

9. Compliance with Federal Intangible Asset Regulations: For Agreements receiving Federal funds, Party must ensure that title to intangible assets vests in the State and/or reserve appropriate licenses in intangible assets to Federal partners to the extent provided under applicable regulations, as may be further described in Attachment D under the heading Ownership and License in Work Product and Deliverables.

10. Intangible Assets: Except as necessary to comply with Section 9, Party agrees to the following terms.

A. Ownership and License in Work Product:

i. Work Product will be owned by the State, regardless of the state of completion. All Work Product must be delivered to the State upon 30 days' notice by the State.

ii. Provided Party grants State license, as described herein, to use any such Licensed Intellectual Property incorporated into Deliverables, Party will not be required to grant State ownership of Licensed Intellectual Property

iii. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Party must immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.

iv. The State will have the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection related to Work Product and State Intellectual Property.

v. The State may grant license, title, or other rights in or to Work Product to Party only to the extent permitted

under applicable law and according to terms modifying this Attachment F.

B. Ownership and License in Non-State Work Product: To the extent Party creates or receives Non-State Work Product under this Agreement:

i. neither the State nor Party shall make any claim of rights, title, or ownership over Non-State Work Product; and

ii. Party must obtain from applicable third parties such rights, title, or ownership in Non-State Work Product as necessary to ensure any use or access to Non-State Work Product under this Agreement by, for the direct benefit of, or on behalf of the State.

C. Ownership and License in Licensed Intellectual Property: Except as necessary to comply with the following terms of this subsection C, Party and/or its Licensors retain all rights, title, and interest in and to Licensed Intellectual Property.

i. To the extent delivered under this Agreement, upon full payment to Party in accordance with Attachment B, and subject to the terms and conditions contained herein, Party hereby a) assigns to State all rights in and to all Deliverables, except to the extent they include Licensed Intellectual Property and b) grants to the State or must, in the case of Licensed Intellectual Property owned by a third party, obtain for the benefit of State, a perpetual, non-exclusive, irrevocable, royalty-free license to use Licensed Intellectual Property for State's internal business purposes including, but not limited to, use in any manner or for any purpose described in Attachment A and to authorize others to do the same on the State's behalf.

ii. Where the use of Licensed Intellectual Property is necessary for the development and/or use of Deliverables, Party hereby grants to the State or must, in the case of Licensed Intellectual Property created by a third party, obtain for the benefit of State a royalty-free license for such use.

iii. Party must reserve for Federal funding partners any licenses required under Section 9 of this Attachment F.

iv. Party may not sell or apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, any patents and copyrights and any applications and registrations, renewals and continuations thereof and/or any other protection related to Jointly Developed Works without written permission from the State or in any manner prohibited under Federal regulation.

D. State Intellectual Property:

i. Party may not collect, access, or use State Intellectual Property for any purpose other than as specified in this Agreement.

ii. Upon expiration or termination of this Agreement, Party will have no further right or license to State Intellectual Property and must return or destroy State Intellectual Property according to the terms of this Agreement.

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

iv. If Party is operating or hosting a system or application on behalf of the State of Vermont, then the Party must not make information entered into the system or application available for uses by any other party than the State of Vermont without prior authorization by the State.

11. Other Provisions:

A. Drug Free Workplace Act*:* Party will assure a drug-free workplace in accordance with 45 CFR Part 76.

B. Lobbying: No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.

C. Sub-Agreements: Party must include, as applicable, terms of this Attachment F in any subcontract, subaward, or assignment under this Agreement permitted pursuant to the terms of Attachment C. Notwithstanding such subcontract, subgrant, or assignment, Party will remain responsible for the full performance of this Agreement and compliance with this Attachment F as it applies to this Agreement, including any parts subcontracted, sub-awarded, or assigned to other parties.