

**ATTACHMENT A - CONTRACT**

Department of Information Technology (DOIT)  
"Drone Detection Subject Matter Expertise"  
060B7400086

THIS CONTRACT (the "Contract") is made this 17<sup>th</sup> day of November, 2017 by and between Integrity Consulting Solutions, LLC and, on behalf of the STATE OF MARYLAND, the MARYLAND Department of Information Technology (DOIT).

IN CONSIDERATION of the following, the parties agree as follows:

**1. Definitions**

In this Contract, the following words have the meanings indicated.

- 1.1. "COMAR" means the Code of Maryland Regulations.
- 1.2. "Contract" means this contract for Drone Detection Subject Matter Expertise.
- 1.3. "Contract Monitor" means the individual identified in Section 1.6 of the RFP, or a successor designated by the Department.
- 1.4. "Contractor" means the entity first identified above, whose principal business address is: 47 E South Street, Suite 201, Frederick, MD 21701.
- 1.5. "Department" means the Department of Information Technology (DOIT).
- 1.6. "eMM" means eMaryland Marketplace.
- 1.7. "Financial Proposal" means Contractor's Best and Final Offer, dated October 13, 2017.
- 1.8. "Minority Business Enterprise" (MBE) means an entity meeting the definition at COMAR 21.0 1.02.01B(54), which is certified by the Maryland Department of Transportation under COMAR 21.11.03.
- 1.9. "Procurement Officer" means the person identified in Section 1.5 of the RFP or a successor designated by the Department.
- 1.10. "Proposal" means, as appropriate, either or both an Offeror's Technical or Financial Proposal.
- 1.11. "RFP" means the Request for Proposals for Drone Detection Subject Matter Expertise, Solicitation # 060B7400086 and any amendments, addenda, and attachments thereto issued in writing by the State.
- 1.12. "State" means the State of Maryland, including all departments, and agencies thereof.
- 1.13. "Technical Proposal" means the Contractor's technical proposal dated May 12, 2017.
- 1.14. "Veteran-owned Small Business Enterprise" (VSBE) means a business that is verified by the Center for Veterans Enterprise of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations

(COMAR) 21.11.13.

1.15. Capitalized terms not defined herein shall be ascribed the meaning given to them in the RFP.

**2. Scope of Contract**

- 2.1. The Contractor shall provide products and services as set forth in the RFP.
- 2.2. These products and services shall be provided in accordance with the terms and conditions of this Contract and the following Exhibits, which are attached and incorporated herein by reference. If there are any inconsistencies between this Contract and Exhibits A through D, the terms of this Contract shall control. If there is any conflict among the exhibits, the following order of precedence shall determine the prevailing provision.

Exhibit A – The RFP

Exhibit B – The Contract Affidavit dated 30 OCT 2017.

Exhibit C – The Technical Proposal

Exhibit D – The Financial Proposal

**3. Period of Performance**

- 3.1. This Contract is effective as of the date first written above. Unless terminated earlier as provided herein the term of this Contract is for a period of one (1) year commencing on the NTP Date and terminating on the first anniversary thereof. In its sole discretion, the Department shall have the right to renew the Contract for an additional one year period by giving prior written notice to the Contractor.
- 3.2. The Contractor's performance under the Contract shall commence as of the NTP Date.
- 3.3. The Contractor's obligation to pay invoices to subcontractors providing products/services in connection with this Contract, as well as the audit, confidentiality, document retention, patents, copyrights & intellectual property (see §5), warranty, payment and indemnification obligations, and limitations of liability under this Contract, and any other obligations specifically identified, shall survive expiration or termination of the Contract.

**4. Consideration and Payment**

- 4.1. The total payment for products and services provided under this fixed price contract shall be the firm fixed price submitted by the Contractor in its Financial Proposal.
- 4.2. The Contractor shall submit invoices as required in the RFP. Each invoice must include the Contractor's Federal Tax Identification Number: [REDACTED]. The Contractor's eMM identification number is [REDACTED]. Unless a payment is not authorized, deferred, delayed, or set-off under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the Department's receipt of a proper invoice from the Contractor.

The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if: (1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State's payment of the amount on which the interest

accrued; and (2) A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.

The State is not liable for interest: (1) Accruing more than one year after the 31st day after the agency receives the proper invoice; or (2) On any amount representing unpaid interest.

Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time-to-time amended. Invoices shall be submitted to the Contract Monitor. The final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

- 4.3. In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.
- 4.4. Payment of an invoice by the Department is not evidence that services were rendered as required under this Contract.

## **5. Patents, Copyrights, Intellectual Property**

- 5.1. Contractor understands and agrees that any and all materials and deliverables that are subject to copyright protection and are developed in connection with the performance of this contract (Works) shall constitute a work for hire as that term is defined in the Copyright Act of 1976, as amended and that all right, title and interest in and to all such Works shall belong exclusively to the State, including without limitation all copyrights and other intellectual property rights therein. Works include but are not limited to editorial drafts, original copy, photographs, proofs, corrected proofs, camera-ready boards and similar editorial materials and all negatives, flats, engravings, photostats, drawings and other production materials. If for any reason a Work is not deemed to be a work for hire, Contractor hereby grants, transfers, sells and assigns, free of charge, exclusively to the State, all right, title, and interest in and to said Work, including all copyrights and other intellectual property rights. The Contractor further agrees to execute and deliver to the State a confirmatory grant and assignment of all rights in and to Works and to execute any other proper document the State deems necessary to ensure the complete and effective transfer of all rights in Works to the State.
- 5.2. The Contractor represents and warrants that any materials or deliverables, including all Works, provided under this contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If deliverables, materials or Works provided hereunder become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, State shall have the right, in its sole discretion, to require Contractor to produce, at Contractor's own expense, new non-infringing materials, deliverables or Works as a means of remedying any claim of infringement in addition to any other remedy available to the State under law or equity. Contractor further agrees to indemnify and hold harmless the State, its officers, employees and agents from and against any and

all claims, actions, costs, judgments or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services or Works provided under this Contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party ("Third Party Claim of Infringement"). If a Third Party Claim of Infringement is threatened or made before Contractor receives payment under this contract, State shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

- 5.3. The Contractor shall report to the Department, promptly and in written detail, any Third Party Claim of Infringement received by the Contractor.
- 5.4. The Contractor shall not affix (or permit any third party to affix), without the Department's consent, any restrictive markings upon any materials or deliverables, including all Works, and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

## **6. Indemnification**

- 6.1. At its sole cost and expense, Contractor shall indemnify, defend, and hold the State, its directors, officers, employees and agents harmless from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to reasonable attorney's fees and costs), whether or not involving a third party claim, which arise out of or relate to the performance of this Contract. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State's rights or interests, without the State's prior written consent.
- 6.2. The State has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 6.3. The State has no indemnity obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 6.4. The Contractor shall (i) immediately notify the Procurement Officer of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the performance under the Contract and (ii) without limiting its obligations under Section 6.1, cooperate, assist, and consult with the State in the defense or investigation of any claim, suit, or action made or filed by a third party against the State as a result of or relating to the Contractor's performance under this Contract.

## **7. Limitations of Liability**

- 7.1. To the maximum extent permitted by applicable law, the Contractor's liability under this Contract for loss or damages (i) caused by use of any defective or deficient supplies, products, equipment and/or services delivered under this Contract or (ii) related to the Contractor's performance under this Contract shall not exceed the value of the Contract. The above limitation of liability is per incident. The foregoing limitation will not apply, however, to liability arising from: (a) personal injury or death; (b) defect or deficiency

caused by willful misconduct or negligence on the part of the Contractor; or (c) circumstances where the Contract expressly provides a right to damages, indemnification or reimbursement. Contractor's indemnification obligations for Third-party claims arising under Section 6 ("Indemnification") of this Contract are included in this limitation of liability only if the State is immune from liability. Contractor's indemnification liability for third-party claims arising under Section 6 of this Contract shall be unlimited if the State is not immune from liability for claims arising under Section 6. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that it is responsible for performance of the services and compliance with the relevant obligations hereunder by its Subcontractors.

## **8. Prompt Pay Requirements**

- 8.1. If the Contractor withholds payment of an undisputed amount to its subcontractor, the State, at its option and in its sole discretion, may take one or more of the following actions:
- (a) Not process further payments to the Contractor until payment to the subcontractor is verified;
  - (b) Suspend all or some of the Contract work without affecting the completion date(s) for the Contract work;
  - (c) Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due to the Contractor;
  - (d) Place a payment for an undisputed amount in an interest-bearing escrow account; or
  - (e) Default Contractor for failing to perform in accordance with the requirement to promptly pay sub-contractors.
  - (f) Take other or further actions as appropriate to resolve the withheld payment.
- 8.2. An "undisputed amount" means an amount owed by the Contractor to a subcontractor for which there is no good faith dispute. Such "undisputed amounts" include (a) retainage which had been withheld and is, by the terms of the agreement between the Contractor and subcontractor, due to be distributed to the subcontractor and (b) an amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.
- 8.3. An act, failure to act, or decision of a Procurement Officer or a representative of the Department concerning a withheld payment between the Contractor and subcontractor under this Contract, may not:
- (a) Affect the rights of the contracting parties under any other provision of law;
  - (b) Be used as evidence on the merits of a dispute between the Department and the Contractor in any other proceeding; or
  - (c) Result in liability against or prejudice the rights of the Department.
- 8.4. The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the Minority

Business Enterprise program.

**9. Risk of Loss; Transfer of Title**

Risk of loss for conforming supplies, equipment and materials specified as Deliverables to the State hereunder shall remain with the Contractor until such supplies, equipment, materials and other Deliverables are received and accepted by the State, following which, title shall pass to the State..

**10. Confidentiality**

Subject to the Maryland Public Information Act and any other applicable laws, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems and/or cloud infrastructure, if applicable) shall be held in confidence by the other party, using a reasonable degree of care, but in no event less than that applied to the party's own such confidential or proprietary information. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law. Each officer, employee and/or subcontractor to whom any of the Department's confidential information is to be disclosed shall be advised by Contractor of and bound by confidentiality and intellectual property terms substantially equivalent to those of this Contract. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already rightfully in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

**11. Exclusive Use and Ownership**

Except as may otherwise be set forth in this Contract, Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Department or developed by Contractor relating to the Contract, except that Contractor may provide said information to any of its officers, employees and subcontractors who Contractor requires to have said information for fulfillment of Contractor's obligations hereunder.

**12. Source Code Escrow**

Source code escrow does not apply to this Contract.

**13. Notification of Legal Requests**

The Contractor shall contact the State upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the State's data under this Contract, or which in any way might reasonably require access to the State's data, unless prohibited by law from providing such notice. The Contractor shall not respond to subpoenas, service of process and other legal requests related to the State without first notifying the State, unless prohibited by law from providing such notice.

**14. Termination and Suspension of Service**

- 14.1 Upon termination or the end of the Term of this Contract, the Contractor must (a) deliver to the State any materials or deliverables, including all Works; (b) return to the State all State materials and data in either the form it was provided to the Contractor or in a mutually agreed format; securely dispose of all State materials and data in all of its forms, such as disk, CD/DVD, backup tape and paper.
- 14.2 The Contractor shall, unless legally prohibited from doing so, securely dispose of all State data in its systems or otherwise in its possession or under its control, in all of its forms, such as disk, CD/DVD, backup tape and paper, when requested by the State. Data shall be permanently deleted and shall not be recoverable, according to NIST-approved methods. Certificates of destruction shall be provided to the State.
- 14.3 During any period of service suspension, the Contractor shall not erase any State data.
- 14.4 The State shall be entitled to any post-termination assistance generally made available with respect to the services.

15. Reserved

16. Reserved

17. Reserved

**18. Effect of Contractor Bankruptcy**

All rights and licenses granted by the Contractor under this Contract are and shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this Contract, including services, is and shall be deemed to be "embodiments of intellectual property" for purposes of and as such terms are used and interpreted under § 365(n) of the United States Bankruptcy Code ("Code") (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the State's rights of election, all rights and licenses granted to the State under this Contract shall continue subject to the respective terms and conditions of this Contract; and (b) the State shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the State's possession, shall be promptly delivered to the State, unless the Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

**19. Parent Company Guarantee (If Applicable)**

Does not apply.

**R20. General Terms and Conditions**

**R20.1. Pre-Existing Regulations**

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

## **R20.2. Maryland Law Prevails**

This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland. The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract, the Software, or any Software license acquired hereunder. Any and all references to the Annotated Code of Maryland contained in this Contract shall be construed to refer to such Code sections as from time to time amended.

## **R20.3. Multi-year Contracts contingent upon Appropriations**

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State of Maryland from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

## **R20.4. Cost and Price Certification**

R20.4.1. The Contractor, by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:

- (1) A negotiated contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the Procurement Officer; or
- (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the Procurement Officer.

R20.4.2. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

## **R20.5. Contract Modifications**

The Procurement Officer may, at any time, by written order, make changes in the work within the general scope of the Contract. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any



part of the work, an equitable adjustment in the Contract price and/or schedule shall be made and the Contract modified in writing accordingly. Pursuant to COMAR 21.10.04, the Contractor must assert in writing its right to an adjustment under this section and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under Section 20.8, Disputes. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

#### **R20.6. Termination for Default**

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State of Maryland shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

#### **R20.7. Termination for Convenience**

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12 (A)(2).

#### **R20.8. Disputes**

This Contract shall be subject to the provisions of Title 15, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

**R20.9. Living Wage**

If a Contractor subject to the Living Wage law fails to submit all records required under COMAR 21.11.10.05 to the Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation, the Department may withhold payment of any invoice or retainage. The Department may require certification from the Commissioner on a quarterly basis that such records were properly submitted.

**R20.10. Non-Hiring of Employees**

No official or employee of the State of Maryland, as defined under General Provisions Article, §5-101, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall during the pendency and Term of this Contract and while serving as an official or employee of the State become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

**R20.11. Nondiscrimination in Employment**

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, sexual orientation, sexual identity, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified person with a disability, sexual orientation, or any otherwise unlawful use of characteristics unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

**R20.12. Commercial Non-Discrimination**

R20.12.1. As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, sexual identity, genetic information or an individual's refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts

to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

R20.12.2. As a condition of entering into this Contract, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past four (4) years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

**R20.13. Subcontracting and Assignment**

The Contractor may not subcontract any of its obligations under this Contract without obtaining the prior written approval of the Procurement Officer, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State, each at the State's sole and absolute discretion. Any such subcontract or assignment shall include the terms of this Contract and any other terms and conditions that the State deems necessary to protect its interests. The State shall not be responsible for the fulfillment of the Contractor's obligations to any subcontractors.

**R20.14. Minority Business Enterprise Participation**

There is no Minority Business Enterprise subcontractor participation goal for this Contract.

**R20.15. Insurance Requirements**

The Contractor shall maintain workers' compensation coverage, property and casualty insurance, and any other insurance as required in the RFP. The minimum limits of such policies must meet any minimum requirements established by law and the limits of insurance required by the RFP, and shall cover losses resulting from or arising out of Contractor action or inaction in the performance of services under the Contract by the Contractor, its agents, servants, employees or subcontractors. Effective no later than the date of execution of the Contract, and continuing for the

duration of the Term, and any applicable transition periods, the Contractor shall maintain such insurance coverage and shall report such insurance annually or upon Contract renewal, whichever is earlier, to the Procurement Officer. The Contractor is required to notify the Procurement Officer in writing, if policies are cancelled or not renewed within five (5) days of learning of such cancellation and/or nonrenewal. Certificates of insurance evidencing this coverage shall be provided within five (5) days of notice of recommended award. All insurance policies shall be issued by a company properly authorized to do business in the State of Maryland. The State shall be included as an additional named insured on the property and casualty policy and as required in the RFP.

**R20.16. Veteran Owned Small Business Enterprise Participation**

There is no VSBE subcontractor participation goal for this contract.

**R20.17. Security Requirements and Incident Response**

Security Requirements and Incident Response do not apply to this contract.

**R20.18. Security Incident or Data Breach Notification**

This section does not apply to this Contract.

**R20.19 Data Breach Responsibilities**

This section does not apply to this Contract.

**R21 Data Protection**

Reserved

**R22 Other Mandatory Items**

**R22.2 Import and Export of Data**

Reserved

**R22.3 Encryption of Data at Rest**

Reserved

**R22.4 Compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and State Confidentiality Law**

HIPAA clauses do not apply to this Contract.

**R22.5. Suspension of Work**

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State. Notwithstanding anything to the contrary elsewhere in this Contract or the RFP, (i) Contractor shall not be obligated to retain any personnel on this engagement during the suspension period, and (ii) upon recommencement of the services following any such suspension, Contractor may use personnel other than those performing the services immediately prior to the start of the suspension period. In the event of such a written order, the Procurement Officer may grant Contractor's request for a no cost extension of the Implementation Date.

#### **R22.6. Delays and Extensions of Time**

The Contractor agrees to perform this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

#### **R22.7. Nonvisual Accessibility Warranty**

Does not apply.

#### **R22.8. Compliance with Laws/Arrearages**

The Contractor hereby represents and warrants that:

- R22.8.1 It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- R22.8.2. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Term;
- R22.8.3. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and,
- R22.8.4. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

#### **R22.9 Contingent Fee Prohibition**

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or bona fide agent working for the Contractor, to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee or bona fide agent, any fee or other consideration contingent on the making of this Contract.

#### **R22.10. Financial Disclosure**

The Contractor shall comply with the provisions of §13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file

with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

**R22.11 Political Contribution Disclosure**

The Contractor shall comply with Md. Code Ann., Election Law Article, Title 14, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the Term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Elections website:

[http://www.elections.state.md.us/campaign\\_finance/index.html](http://www.elections.state.md.us/campaign_finance/index.html) .

**R22.12 Retention of Records**

R22.112.1. The Contractor and Subcontractors shall retain and maintain all records and documents in any way relating to this Contract for three (3) years after final payment by the State under this Contract, or any applicable statute of limitations, prevailing federal or State law or regulation, or condition of award, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or the Procurement Officer's designee, at all reasonable times. The Contractor shall, upon request by the Department, surrender all and every copy of documents needed by the State, including, but not limited to itemized billing documentation containing the dates, hours spent and work performed by the Contractor and its subcontractors under the Contract. The Contractor agrees to cooperate fully in any audit conducted by or on behalf of the State, including, by way of example only, making records and employees available as, where, and to the extent requested by the State and by assisting the auditors in reconciling any audit variances. Contractor shall not be compensated for providing any such cooperation and assistance. All records related in any way to the Contract are to be retained for the entire time provided under this section.

R22.12.2. This provision shall survive expiration of this Contract.

**R23. Right to Audit**

R23.1 The State reserves the right, at its sole discretion and at any time, to perform an audit of the Contractor's and/or Subcontractors' performance under this

Contract. In this agreement, an audit is defined as a planned and documented independent activity performed by qualified personnel, including but not limited to State and federal auditors, to determine by investigation, examination, or evaluation of objective evidence from data, statements, records, operations and performance practices (financial or otherwise) the Contractor's compliance with the Contract, including but not limited to the adequacy and compliance with established procedures and internal controls over the services being performed for the State.

- R23.2 Upon three (3) business days' notice, Contractor and/or Subcontractors shall provide the State reasonable access during normal business hours to their records to verify conformance to the terms of this Contract. The State shall be permitted to conduct these audits with any or all of its own internal resources or by securing the services of a third party accounting/audit firm, solely at the State's election. The State shall have the right to copy, at its own expense, any record related to the services performed pursuant to this Contract.
- R23.3 Contractor and/or Subcontractors shall cooperate with the State or the designated auditor and shall provide the necessary assistance for the State or the designated auditor to conduct the audit.
- R23.4 The right to audit shall include subcontractors in which goods or services are subcontracted by Contractor and/or Subcontractors and that provide essential support to the services provided to the State under this Contract. Contractor and/or Subcontractors shall ensure the State has the right to audit with any lower tier subcontractor.

## **24. Administrative Information**

### **24.1. Procurement Officer and Contract Monitor**

The day-to-day work to be accomplished under this Contract shall be performed under the direction of the Contract Monitor and, as appropriate, the Procurement Officer. All matters relating to the interpretation of this Contract shall be referred to the Procurement Officer for determination.

### **24.2. Notices**

All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the State:

Sachin Bhatt  
Department of Information Technology  
100 Community Place  
Crownsville MD 21032  
Phone Number: 410-697-9680  
E-Mail: sachin.bhatt3@maryland.gov

With a copy to:

Matthew Mickler

Department of Information Technology  
100 Community Place  
Crownsville MD 21032  
Phone Number: 410-697-9679  
E-Mail: matthew.mickler1@maryland.gov

If to the Contractor:



**25. Electronic Signatures Authorized**

A signature to this Contract executed or transmitted using electronic means shall have the same authority, effect, and enforceability as an original signature.

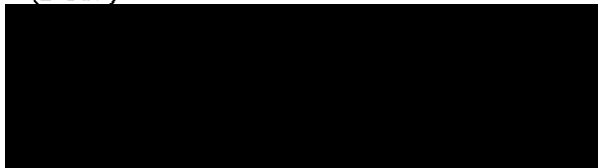
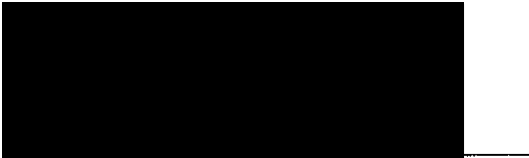


IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

CONTRACTOR

STATE OF MARYLAND

Department of Information Technology  
(DOIT)



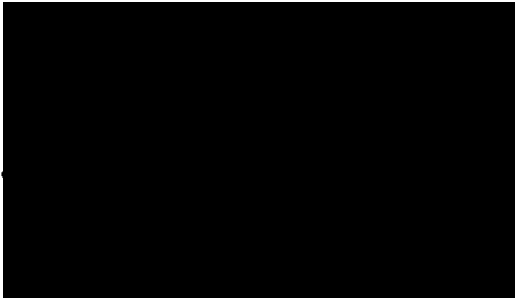
By:

By: Michael G. Leahy  
Acting Secretary

30 Oct 2017

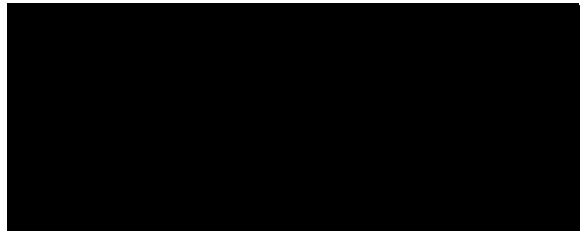
Or designee:

Date



\_\_\_\_\_

Date



Approved for form and legal sufficiency  
this \_\_\_\_ day of \_\_\_\_\_, 2017

