

**STATE OF ILLINOIS  
CONTRACT**

Illinois Department of Innovation and Technology  
**JPMC – Micro Focus Software Licenses, Maintenance, and Support Services**  
CMT2025085

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The Parties to this contract are the State of Illinois acting through the undersigned Agency (the State or DoIT) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract, and in signing the contract, the Vendor affirms that the Certifications and Financial Disclosures and Conflicts of Interest attached hereto are true and accurate as of the date of the Vendor’s execution of the contract. This contract supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts upon agreement of the Parties.

Contract includes BidBuy Purchase Order? (The Agency answers this question prior to contract filing.)

- Yes
- No

Contract uses Illinois Procurement Gateway Certifications and Disclosures?

- Yes (IPG Certifications and Disclosures including FORMS B)
- No

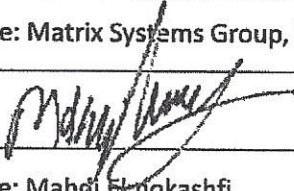
1. **DESCRIPTION OF SUPPLIES AND SERVICES**
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In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown on the following CONTRACT SIGNATURES page

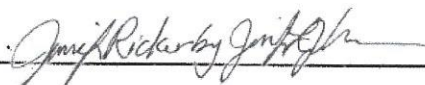


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JPMC – Micro Focus Software Licenses, Maintenance, and Support Services  
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**VENDOR**

Vendor Name: Matrix Systems Group, Inc.	Address (City/State/Zip): Springfield, IL 62704
Signature: 	Phone: 217-522-4940
Printed Name: Mahdi Elmokashfi	Fax: 217-679-4657
Title: President	<u>ALL NOTICES TO:</u> Email: mahdi@matrixsysinc.com
Date: 12/14/21	

**STATE OF ILLINOIS**

Procuring Agency: Department of Innovation and Technology	Phone:
Street Address: 120 W. Jefferson Street	Fax:
City, State ZIP: Springfield, IL 62702	<u>ALL NOTICES TO:</u> Email: DoIT.PSVM@illinois.gov and DoIT.GeneralCounsel@illinois.gov
Official Signature: 	Date: 12/16/2021
Printed Name: Jennifer Ricker	by Jenifer L. Johnson, Chief of Staff
Official's Title: Acting Secretary	
Legal Signature: 	Date: 12/16/21
Legal Printed Name: Matthew Runyen	
Legal's Title: General Counsel	
Fiscal Signature: 	Date: 12/16/2021
Fiscal's Printed Name: Brian Turner	
Fiscal's Title: Acting Chief Fiscal Officer	

**AGENCY USE ONLY**

**NOT PART OF CONTRACTUAL PROVISIONS**

- Agency Reference #: CMT2025085
- Project Title: JPMC Micro Focus Software Licenses, Maintenance, and Support Services
- Contract #: CMT2025085
- Procurement Method (IFB, RFP, Small Purchase, etc.): IFB
- BidBuy / Bulletin Reference #: B-25085
- BidBuy / Bulletin Publication Date: 10/14/2021
- Award Code: A
- Subcontractor Utilization?  Yes  No      Subcontractor Disclosure?  Yes  No
- Funding Source: JPMC
- Obligation #: CMT2025085
- Small Business Set-Aside?  Yes  No      Percentage:
- Minority Owned Business?  Yes  No      Percentage:
- Women Owned Business?  Yes  No      Percentage:
- Persons with Disabilities Owned Business?  Yes  No      Percentage:
- Veteran Owned Small Business?  Yes  No      Percentage:
- Other Preferences?

## 1. DESCRIPTION OF SUPPLIES AND SERVICES

**1.1. GOAL:** The Department of Innovation and Technology (“DoIT” or “State” or “Agency”), in cooperation and agreement with the Chief Procurement Officer for General Services, is executing a multi-year Joint Purchase Master Contract (“JPMC”) for Micro Focus Software Licenses, Maintenance, and Support Services, which will enable all governmental units, and Illinois qualified not-for-profit agencies to purchase software licenses, maintenance and support services on an as needed basis during the contract period.

The contract does not include Micro Focus Professional or Consultive Services.

### 1.2. SUPPLIES AND/OR SERVICES REQUIRED:

1.2.1 Vendor shall provide Micro Focus Software Licenses, Maintenance, and Support Services throughout the term of this contract.

Definitions:

- a) Business Support: Software maintenance, software upgrades, annual updates, patches, and fixes needed to improve functionality and keep the software in working order.
- b) Premium Support: Online 24/7 phone support providing named and dedicated support experts that understand business needs assisting with access to a blend of technical and strategic support who optimize software configurations, minimize downtime, and fast track resolutions for support incidents.

1.2.2 The State shall have no minimum purchase obligation or minimum order requirement under this contract. Orders against this contract will be made by the State using a State approved form (e.g. Basic Ordering Agreement (“BOA”)) as the need arises. Other institutions entitled to use this contract will use their own individual approved purchase order form. Orders written through and including the last day of this contract shall be honored for Maintenance, Licenses and Business Support. Orders for Premium Support Services may not extend past the end date of the JPMC. Each individual order will have its own ship to/bill to information.

**1.3. MILESTONES AND DELIVERABLES:** Vendor shall provide usage reports to the Contract Manager at the beginning of each quarter detailing the software licenses, maintenance and support orders placed against this contract during the previous quarter. Report format will be mutually agreed upon after award. Additionally, Vendor shall provide each year during the month of July a compiled list of each usage report from the previous State Fiscal Year.

1.3.1 Vendor must provide a monthly report to the Agency of all invoices and payments for Business Enterprise Program (BEP) and Veteran (VOSB/ SDVOSB) subcontractors who performed any portion of services associated with this contract. The monthly report should be forwarded to the Agency BEP Coordinator as follows:

Agency BEP Coordinator: Reginald Lampkin

Agency Email: [reginald.lampkin@illinois.gov](mailto:reginald.lampkin@illinois.gov)

1.3.2 Vendor shall provide the Agency with the Micro Focus Master Product Configuration Listing on an annual basis, see Section 2.1.3.

**1.4. VENDOR / STAFF SPECIFICATIONS:** Vendor must remain an authorized certified Micro Focus reseller authorized to resell and deliver products or services on behalf of the manufacturer during the term of this contract. The Agency reserves the right to request Vendor to provide the proof of certification upon request. Vendor shall be responsible for and authorized to provide pre- and post-sales support, where applicable.

**1.5. TRANSPORTATION AND DELIVERY:** NA

**1.6. SUBCONTRACTING**

Subcontractors are allowed.

1.6.1. Will subcontractors be utilized?  Yes  No

A subcontractor is a person or entity that enters into a contractual agreement with a total value of \$50,000 or more with a person or entity who has a contract subject to the Illinois Procurement Code pursuant to which the person or entity provides some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary State contract, including subleases from a lessee of a State contract.

All contracts with subcontractors must include Standard Certifications completed and signed by the subcontractor.

1.6.2. Please identify below subcontracts with an annual value of \$50,000 or more that will be utilized in the performance of the contract, the names and addresses of the subcontractors, and a description of the work to be performed by each.

- Subcontractor Name: N/A

Amount to Be Paid: N/A

Address: N/A

Description of Work: N/A

**If additional space is necessary to provide subcontractor information, please attach an additional page.**

- 1.6.3. All contracts with the subcontractors identified above must include the Standard Certifications completed and signed by the subcontractor.
- 1.6.4. If the annual value of any the subcontracts is more than \$50,000, Vendor must provide to the State the Financial Disclosures and Conflicts of Interest for that subcontractor.
- 1.6.5. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor is required to promptly notify, in writing, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to this Contract. Any subcontracts entered into prior to award of this Contract are done at the sole risk of the Vendor and subcontractor(s).

**1.7. SUCCESSOR VENDOR**

Yes  No This contract is for services subject to 30 ILCS 500/25-80. Heating and air conditioning service contracts, plumbing service contracts, and electrical service contracts are not subject to this requirement. Non-service contracts, construction contracts, qualification-based selection contracts, and professional and artistic services contracts are not subject to this requirement.

If yes is checked, then the Vendor certifies:

- (i) that it shall offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and
- (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract.

**1.8. WHERE SERVICES ARE TO BE PERFORMED:** Unless otherwise disclosed in this section all services shall be performed in the United States. If the Vendor performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor.

Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

- Location where services will be performed: United States

Value of services performed at this location: To Be Determined

## 2. PRICING

### 2.1 FORMAT OF PRICING:

- 2.1.1 Vendor's pricing shown below, based on the terms and conditions set forth in section 1 of this Contract.
- 2.1.2 **Micro Focus Manufacturer Suggested Retail Pricing (MSRP):** Vendor shall not apply a lower discount rate off Micro Focus MSRP price than what is listed in this contract for the term of the contract.
- 2.1.3 **Micro Focus Master Product Configuration Listing:** Vendor shall be responsible for providing the Agency with the annual Micro Focus Master Product Configuration Listing containing Micro Focus Manufacturer Suggested Retail Pricing (MSRP) between the period of November 1 thru November 15 on each year of this contract. The Micro Focus Master Product Configuration Listing MSRP pricing submitted to the Agency shall be in effect on an annual basis between the periods of November 1 thru October 31 of the affected year. Micro Focus produces the Master Product Configuration Listing annually JPMC entities can obtain the listing through their Micro Focus Account Executive. The Matrix Systems Group, Inc. shall forward the listing to the DoIT Vendor Management Office and Contract Manager on an annual basis.
- 2.1.4 **Micro Focus Portfolios and Products:** Micro Focus portfolio products are subject to change based on Micro Focus business models. The portfolio MSRP percentage discounts shall apply to all products contained within the portfolio at the time of ordering. The Agency has identified specific historical products which the Agency seeks Vendor to provide deeper discounts on the identified specific products contained within various portfolios. Micro Focus SKU numbers have been provided for the specific products for identification purposes.

**Micro Focus Pricing – MSRP Discounts**

<b>Micro Focus Portfolio and Specific Products</b>	<b>Percent Discount off Micro Focus MSRP Pricing</b>
Archiving and Risk Management	34 %
Connected	10 %
Data Center Automation	20 %
Adoption Readiness Tool New SKU: SP-AJ589      Old SKU: A8B41AAE	20 %
Data Security	10 %
Security Software Security Center WebInspect Enterprise New SKU: SP-AK397      Old SKU: TF286AAE	20 %
Security WebInspect Enterprise Build to Order Sensor New SKU: SP-AK399      Old SKU: TF290AAE	20 %
Security WebInspect for One Named User New SKU: SP-AK394      Old SKU: T9584AAE	20 %
Fortify on Demand New SKU: SA-AB137	5 %

**Micro Focus Pricing – MSRP Discounts (continued)**

<b>Micro Focus Portfolio and Specific Products</b>	<b>Percent Discount off Micro Focus MSRP Pricing</b>
<b>Functional Testing</b>	20 %
UFT Concurrent User New SKU: SPAJ760      Old SKU: TF008AAE	20 %
<b>Host Connectivity</b>	40 %
<b>IDOL</b>	34 %
Solutions Support Engineer – Premium Support New SKU: SU-AA054	1 %
iPrint Desktop Per User New SKU: SP-AB773	34 %
Open Enterprise Service Per User New SKU: SP-AD402	34 %
<b>MF Enterprise</b>	5 %
Enterprise Developer for z-Named End User No Up Front Sub E-LTU New SKU: SB-AA556	5 %

**Micro Focus Pricing – MSRP Discounts (continued)**

<b>Micro Focus Portfolio and Specific Products</b>	<b>Percent Discount off Micro Focus MSRP Pricing</b>
MF Enterprise Opportunities New SKU: SP-AD825	5 %
<b>Lifecycle and Portfolio Management</b>	20 %
Flexible Credit Flexible Service Offerings New SKU: SU-AA509      Old SKU: SU-AA192	1 %
<b>MF COBOL</b>	5 %
Server Express Named User SW E-LTU-Production Business Support      New SKU: SP-AC757	10 %
Application Server for Server Express Concurrent Standard SW E-LTU-Production Business Support New SKU: SP-AC729	10 %
Server for COBOL Non-Mainframe (Per Core) SW E- LTU-Testing Business Support New SKU: SP-AC746	5 %
Server for COBOL (Per Core) SW E-LTU-Testing Business Support New SKU: SP-AC735	5 %

**Micro Focus Pricing – MSRP Discounts (continued)**

Micro Focus Portfolio and Specific Products	Percent Discount off Micro Focus MSRP Pricing
Performance Testing	SaaS 5 % (On Prem 20 %)
Named Support Engineer – Premium Support New SKU: SU-AA485      Old SKU: SU-AA168	1 %
Project and Portfolio Management Base Pack Subscription SaaS New SKU: SA-AA116	5 %
Project and Portfolio Management Standard Named User Subscription SaaS New SKU: SA-AA117	5 %
Project and Portfolio Management Time and Demand Management Named User Subscription SaaS New SKU: SA-AB478	5 %
Project and Portfolio Management Standard Concurrent User Subscription SaaS New SKU: SA-AA106	5 %
Project and Portfolio Management Standard Concurrent User Subscription SaaS New SKU: SA-AB476	5 %

**Micro Focus Pricing – MSRP Discounts (continued)**

<b>Micro Focus Portfolio and Specific Products</b>	<b>Percent Discount off Micro Focus MSRP Pricing</b>
Project and Portfolio Management Security Assertion Mock-up Language Single Sign-On Subscription SaaS New SKU: SA-AA113	5 %
LoadRunner Enterprise Enterprise Suite B Virtual Users Per 100 Subscription SaaS New SKU: SA-AB465	5 %
LoadRunner Enterprise Enterprise Base Pack Subscription SaaS New SKU: SA-AA072	5 %
LoadRunner Enterprise Foundation Entitlement SW E-LTU New SKU: SP-AJ840      Old SKU: A8F89AAE	20 %
LoadRunner Enterprise Web 2.0 Protocol Bundle Virtual User and Controller SW E-LTU New SKU: SP-AJ853      Old SKU: A8F55AAE	20 %
Adoption Readiness Tool for Project and Portfolio Management Course A SW E-LTU New SKU: SP-AJ517      Old SKU: TJ644AAE	15 %

**Micro Focus Pricing – MSRP Discounts (continued)**

Micro Focus Portfolio and Specific Products	Percent Discount off Micro Focus MSRP Pricing
Secure Content Management	20 %
Security Operations	10 %
Service Management Automation	20 %
Unified Endpoint Management	34 %
Vertica	20 %

**2.2 TYPE OF PRICING:** The Illinois Office of the Comptroller requires the State to indicate whether the contract price is firm or estimated at the time it is submitted for obligation. The total price of this contract is estimated.

**2.3 EXPENSES ALLOWED:** Expenses are not allowed.

**2.4 DISCOUNT:** The State may receive a   0   % discount for payment within   NA   days of receipt of correct invoice. This discount will not be a factor in making the award.

**2.5 VENDOR'S PRICING:** Attach additional pages if necessary or if the format of pricing specified above in Section 2.1 requires additional pages.

2.5.1. Vendor's Price for the Initial Term: See Percent Discount off Micro Focus MSRP Pricing in table above.

For procurements conducted in BidBuy, the State may include in this contract the BidBuy Purchase Order as it contains the agreed pricing.

If checked, see the attached BidBuy Purchase Order for the Vendor's Price for the Initial Term.

2.5.2. Renewal Compensation: If the contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

2.5.2.1. Agency Formula for Determining Renewal Compensation: N/A.

2.5.2.2. Vendor's Price for Renewal(s): N/A

**2.6** **MAXIMUM AMOUNT:** The total payments under this contract shall not exceed \$N/A without a formal amendment.

### 3. TERM AND TERMINATION

**3.1 TERM OF THIS CONTRACT:** This contract has an effective date of the last dated signature of the Parties and will run for a term of ten (10) years.

For procurements conducted in BidBuy, the State may include in this contract the BidBuy Purchase Order as it contains the agreed term.

3.1.1 In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed ten (10) years. 30 ILCS 500/20-60

3.1.2 Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract except when permitted pursuant to 30 ILCS 500/20-80.

**3.2 RENEWAL:** There are no renewals associated with this contract.

**3.3 TERMINATION FOR CAUSE:** The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

**3.4 TERMINATION FOR CONVENIENCE:** The State may, for its convenience and with thirty (30) days prior written notice to the Vendor terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

Upon submission of invoices and proof of claim, the Vendor shall be entitled to compensation for supplies and services provided in compliance with this contract up to and including the date of termination.

**3.5 OTHER TERMINATION:** The State may also terminate, in whole or in part, this contract without advance notice pursuant to Section 3.7.

- 3.6 SUSPENSION:** The State may also suspend, in whole or in part, this contract without advance notice pursuant to Section 3.7.
- 3.7 AVAILABILITY OF APPROPRIATION:** This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor or DoIT reserves funds, or (3) the Agency determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations or available funds for payment. Vendor will be notified in writing of the failure of appropriation or of a reduction or decrease and DoIT's election to terminate or suspend, in whole or in part, as soon as practicable. Any suspension or termination pursuant to this section will be effective upon the date of the written notice unless otherwise indicated.

## 4. STANDARD BUSINESS TERMS AND CONDITIONS

### 4.1 PAYMENT TERMS AND CONDITIONS:

- 4.1.1 Late Payment: Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained in Vendor's invoices shall have no force or effect.
- 4.1.2 Minority Contractor Initiative: Any Vendor awarded a contract of \$1,000 or more under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) is required to pay a fee of \$15. The Comptroller shall deduct the fee from the first check issued to the Vendor under the contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.
- 4.1.3 Expenses: The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.
- 4.1.4 Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Illinois Department of Labor (DOL) and are available on DOL's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting DOL at 217-782-6206 or (<http://labor.illinois.gov>) to ensure understanding of prevailing wage requirements.
- 4.1.5 Federal Funding: This contract may be partially or totally funded with Federal funds. If Federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided to the awarded Vendor in the notice of intent to award.
- 4.1.6 Invoicing: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of this contract, and the amount billed and expenses incurred are as allowed in this contract. Invoices for supplies purchased, services performed, and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.
- 4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the

applicable Agency's Illinois tax exemption number and Federal tax exemption information.

4.1.6.2 Vendor shall invoice on a per order basis pursuant to the purchase order.

Send invoices to:

DoIT and JPMC Entities:	See "Bill To" on order
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For procurements conducted in BidBuy, the Agency may include in this contract the BidBuy Purchase Order as it contains the Bill To address.

**4.2 ASSIGNMENT:** This contract may not be assigned or transferred in whole or in part by Vendor without the prior written consent of the State.

**4.3 SUBCONTRACTING:** For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by this contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within fifteen (15) days after execution of this contract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. 30 ILCS 500/20-120.

**4.4 AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain books and records relating to the performance of this contract and any subcontract necessary to support amounts charged to the State pursuant this contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three (3) years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three (3) years from the later of final payment under the term or completion of the subcontract. If Federal funds are used to pay contract costs, the Vendor and its subcontractors must retain their respective records for five (5) years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain

books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this contract or any subcontract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's or subcontractor's books and records. 30 ILCS 500/20-65. Vendor and its subcontractors shall upon reasonable notice appear before and respond to requests for information from the Illinois Works Review Panel. 30 ILCS 559/20-25(d).

- 4.5 TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning this contract is being resolved unless otherwise directed by the State.
- 4.6 NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.
- 4.7 FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel this contract without penalty if performance does not resume within thirty (30) days of the declaration.
- 4.8 CONFIDENTIAL INFORMATION:** Each Party to this contract, including its agents and subcontractors, may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act ("FOIA") (5 ILCS 140), shall be considered public. Unless otherwise agreed by the Parties, and then only upon receipt of the State's prior written consent, Vendor and its subcontractors shall not access or attain any personally identifiable information or sensitive information on or from the State's systems, and Vendor agrees that any such information is the confidential information of the State. In any event, Vendor shall implement and maintain reasonable security measures to protect any and all data, information, and records disclosed by the State under this Contract from unauthorized access, acquisition, destruction, use, modification, or disclosure. No confidential data collected, maintained, or used in the course of performance of this contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of this contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of this contract, in a non-proprietary format, promptly at the end of this contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in

writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or that is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

**4.9 USE AND OWNERSHIP:** All work performed or supplies created by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work for hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to the confidentiality provisions of this contract.

**4.10 INDEMNIFICATION AND LIABILITY:** Vendor shall indemnify and hold harmless the State, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, related to: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any real or personal property, or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents; or (d) any actual or alleged claim that the products or services provided under this Contract infringe, misappropriate, or otherwise violate any intellectual property rights (including but not limited to patent, copyright, trade secret, or trademark rights) of a third party. Vendor shall also defend (subject to the consent of the Office of the Attorney General ("OAG")) the State against any and all third-party claims related to this Agreement. In accordance with Article VIII, Section 1(a), (b) of the Constitution of the State of Illinois and 1973 Illinois Attorney General Opinion 78, the State may not indemnify private parties absent express statutory authority permitting the indemnification. The State shall not be liable for indirect, special, consequential, or punitive damages.

**4.10.1 DATA BREACH PREVENTION, NOTICE, AND REMEDIATION:** Vendor shall ensure the security, storage, and integrity of the State's content, data, computers, networks, and systems (which may include the use of encryption technology to protect the State's content and data from unauthorized access). Notwithstanding anything to the

contrary in this contract, to the extent that Vendor experiences or causes an information breach or security incident that impacts the State's data, content, computers, systems, or networks, Vendor shall immediately notify the State and will use best efforts to immediately remedy any such breach or incident, and to prevent any further breach or incident, at Vendor's expense, in accordance with applicable privacy rights, laws, regulations, policies, and standards, including but not limited to the Illinois Personal Information Protection Act (815 ILCS 530). Vendor shall reimburse the State for any and all costs incurred by the State in responding to, and mitigating damages caused by, any such breach or security incident, including all costs of notice and/or remediation.

**4.10.2 DATA LOSS AND DAMAGE TO STATE COMPUTER SYSTEMS:** Vendor shall adhere to all indemnification and liability obligations stated in this Contract and will remain liable where any damage or impairment to the State's computers, systems, and networks, or any loss or corruption of the State's data or content, is due to Vendor's negligent or intentional acts and omissions. Further, Vendor shall reimburse the State for any and all costs incurred by the State in restoring such data, content, computers, systems, or networks.

- 4.11 INSURANCE:** Vendor shall, at all times during the term of this contract and any renewals or extensions, maintain and provide a Certificate of Insurance naming the State as an additionally insured for all required bonds and insurance. Certificates may not be modified or canceled until at least thirty (30) days' notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability insurance in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto (Combined Single Limit Bodily Injury and Property Damage), in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in the amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.
- 4.12 INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or joint venturer with the State. All payments by the State shall be made on that basis.
- 4.13 SOLICITATION AND EMPLOYMENT:** Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.

**4.14 COMPLIANCE WITH THE LAW:** The Vendor, its employees, agents, and subcontractors shall comply with all applicable Federal, State, and local laws, rules, ordinances, regulations, orders, Federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

**4.15 BACKGROUND CHECK:** affirms that it checks the criminal records of all applicants for felony convictions and misdemeanor convictions involving a violent act or threat of violence within seven (7) years prior to employment, where permitted by law.

Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendors and subcontractors, officers, employees or agents performing services on State owned, leased or controlled property. Vendor or subcontractor shall reassign immediately any such individual who, in the reasonable opinion of the State, does not pass the background checks. The background checks shall be in compliance with all federal laws. The State further agrees as follows:

- Use of the information collected will be for the specific purpose of facilitating a background check;
- All information collected will be treated as confidential;
- The State will limit access to the information received and will properly store it in a reasonably secure manner;
- The State will promptly dispose in an appropriate manner all collected information when the purpose for which it was originally collected is no longer valid; and
- State must provide notice and consent forms. Vendor's and subcontractors officers, employees or agents performing services on state owned, leased or controlled property not consenting shall be reassigned.

However, in no event can Vendor agree to waive the rights of its employees, nor can Vendor provide the State with any information protected by law, including but not limited to Vendor's background check data.

**4.16 APPLICABLE LAW:**

**4.16.1 PREVAILING LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois.

4.16.2 **EQUAL OPPORTUNITY:** The Department of Human Rights' Equal Opportunity requirements are incorporated by reference. 44 Ill. Adm. Code 750.

4.16.3 **COURT OF CLAIMS; ARBITRATION; SOVEREIGN IMMUNITY:** Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any dispute arising out of this contract. The State of Illinois does not waive sovereign immunity by entering into this contract.

4.16.4 **OFFICIAL TEXT:** The official text of the statutes cited herein is incorporated by reference. An unofficial version can be viewed at ([www.ilga.gov/legislation/ilcs/ilcs.asp](http://www.ilga.gov/legislation/ilcs/ilcs.asp)).

4.17 **ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under Federal or State antitrust laws relating to the subject matter of this contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State all of Vendor's rights, title and interest to the claim or cause of action.

4.18 **CONTRACTUAL AUTHORITY:** The Agency that signs this contract on behalf of the State of Illinois shall be the only State entity responsible for performance and payment under this contract. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs in addition to an Agency, he/she does so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs a master contract on behalf of State agencies, only the Agency that places an order or orders with the Vendor shall have any liability to the Vendor for that order or orders.

4.19 **EXPATRIATED ENTITIES:** Except in limited circumstances, no business or member of a unitary business group, as defined in the Illinois Income Tax Act, shall submit a bid for or enter into a contract with a State agency if that business or any member of the unitary business group is an expatriated entity.

4.20 **NOTICES:** Notices and other communications provided for herein shall be given in writing via electronic mail whenever possible. If transmission via electronic mail is not possible, then notices and other communications shall be given in writing via registered or certified mail with return receipt requested, via receipted hand delivery or via courier (UPS, Federal Express or other similar and reliable carrier). Notices shall be sent to the individuals who signed this contract using the contact information as provided with the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change its contact information.

4.21 **MODIFICATIONS AND SURVIVAL:** Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the

Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

**4.22 PERFORMANCE RECORD / SUSPENSION:** Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of this contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue this contract, suspend Vendor from doing future business with the State for a specified period of time, or whether Vendor can be considered responsible on specific future contract opportunities.

**4.23 FREEDOM OF INFORMATION ACT:** This contract and all related public records maintained by, provided to, or required to be provided to the State are subject to the Illinois Freedom of Information Act (FOIA) notwithstanding any provision to the contrary that may be found in this contract. 5 ILCS 140.

**4.24 SCHEDULE OF WORK:** Any work performed on State premises shall be performed during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

**4.25 WARRANTIES FOR SUPPLIES AND SERVICES:**

4.25.1. Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.

4.25.2. Vendor shall ensure that all manufacturers' warranties are transferred to the State and shall provide to the State copies of such warranties. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.

4.25.3. Vendor warrants that all services will be performed to meet the requirements of this contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall immediately reassign any individual who does not perform in accordance with this contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

**4.26 REPORTING, STATUS AND MONITORING SPECIFICATIONS:** Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform this contract.

**4.27 EMPLOYMENT TAX CREDIT:** Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

**4.28 SUPPLEMENTAL TERMS:** Notwithstanding any provision to the contrary in the Vendor's supplemental terms and conditions, or in any licensing agreement attached hereto:

4.28.1 The procuring Agency and the State do not waive sovereign immunity;

4.28.2 The procuring Agency and the State do not consent to be governed by the laws of any state other than Illinois;

4.28.3 The procuring Agency and the State do not consent to be represented in any legal proceeding by any person or entity other than the Illinois Attorney General or his or her designee;

4.28.4 The procuring Agency and the State shall not be bound by the terms and conditions contained in any click-wrap agreement, click-wrap license, click-through agreement, click-through license, end user license agreement or any other agreement or license contained or referenced in the software or any quote provided by Vendor, except as attached to this Contract.

4.28.5 The procuring Agency and the State shall not indemnify Vendor or its subcontractors (including any equipment manufacturers or software companies);

4.28.6 Vendor shall indemnify the procuring Agency and State pursuant to the terms and conditions of Section 4.10 of the Contract; and

4.28.7 Vendor's liability shall be governed by the terms and conditions contained in Section 4.10 of the Contract.

**4.29 SECURITY REQUIREMENTS:** The State of Illinois has specific security requirements for information and systems. Vendor must ensure these requirements are fully understood and allocate sufficient project time and resources to address the security requirements.

An information security risk assessment, data classification and system categorization process and the submission of a system security plan must be completed and submitted to the Department of Innovation & Technology, Division of Information Security prior to the commencement of system development or solution delivery activities. Vendor must participate with the risk assessment and data classification and system categorization process. The formal risk assessment, data classification and system categorization process will be administered by the Illinois Department of Innovation & Technology, Division of Information Security. Vendor program and project management personnel must ensure the coordination of these activities with State of Illinois program and project management personnel.

If not specifically addressed in other Vendor Information Technology Requirements, Vendor must adhere to State of Illinois and Illinois Department of Innovation & Technology technology and security Policies, Procedures, and Standards. <https://www2.illinois.gov/sites/doit/support/policies/Pages/default.aspx>

Vendor must also adhere to a minimum security baseline as identified in the National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 4, Security and Privacy Controls for Federal Systems and Organizations. <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf> . If not specifically addressed in other Vendor Information Technology Requirements, Vendors must assure the adoption of, at minimum, the low security control baselines. Exceptions to this requirement must be approved by the Illinois Department of Innovation & Technology, Division of Information Security.

Cloud solutions must adhere to recommendations of the Cloud Security Alliance. Vendors may find guidance and cross-referencing to the NIST 800-53, Revision 4 with the Cloud Security Alliance controls at <https://cloudsecurityalliance.org/download/cloud-controls-matrix-v3-0-1/>

State and Federal laws, rules and regulations as well as industry-specific guidelines require specific and often enhanced security controls on information and systems. The State of Illinois is required to comply with the below laws, standards and regulations. Vendors must ensure compliance with the below as appropriate based upon the formal risk assessment to include a data classification and system categorization process.

- Illinois Identity Protection Act (5 ILCS 179)
- Illinois Personal Information Protection Act (815 ILCS 530)
- The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99)
- Federal Bureau of Investigations Criminal Justice Information Services (CJIS) Security Policy, version 5.5, issued June 26, 2016

- Federal Centers for Medicare & Medicaid Services (CMS) MARS-E Document Suite, Version 2.0 Catalog of Minimum Acceptable Risk Security and Privacy Controls for Exchanges November 10, 2015.
- Federal Centers for Medicare & Medicaid Services Information Security Acceptable Risk Safeguards (ARS) CMS Minimum Security Requirements Version 2.0 September 20, 2013.

**4.30 COVID-19 PROTECTIONS:** In response to the COVID-19 pandemic, Governor J.B. Pritzker issued Executive Orders 2021-22 and 2021-23. These Executive Orders mandate certain contractors shall use face coverings, have COVID-19 vaccinations, or undergo testing for COVID-19 when in indoor public places, Health Care Facilities, Schools, Institutions of Higher Education, and State-owned and operated congregate facilities. Vendor shall adhere to the requirements of these Executive Orders as applied by the Agency. The Agency may also implement vaccination or testing requirements that exceed those in the Executive Orders.

## 5. STATE SUPPLEMENTAL PROVISIONS

Agency Definitions

- 5.1 "Chief Procurement Officer" means the chief procurement officer appointed pursuant to 30 ILCS 500/10-20(a)(4).
- 5.2 "Governmental unit" means State of Illinois, any State agency as defined in Section 1-15.100 of the Illinois Procurement Code, officers of the State of Illinois, any public authority in Illinois which has the power to tax or any other public entity created by Illinois statute.
- 5.3 "Qualified not-for-profit agency" means any not-for-profit agency that qualifies under Section 45-35 of the Illinois Procurement code and that either (1) acts pursuant to a board established by or controlled by a unit of local government or (2) receives grant funds from the State or from a unit of local government.

Required Federal Clauses, Certifications and Assurances

Public Works Requirements (construction and maintenance of a public work) 820 ILCS 130/4.

Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, security services, and printing, if valued at more than \$200 per month or \$2,000 per year) 30 ILCS 500/25-60.

Agency Specific Terms and Conditions

- 5.4 The Chief Procurement Officer for General Services makes this contract available to all governmental units and qualified not-for-profit agencies.
- 5.5 Vendor agrees to extend all terms and conditions, specifications, and pricing or discounts specified in this contract for the items in this contract to all governmental units and qualified not-for-profit agencies.
- 5.6 The supplies or services subject to this Contract shall be distributed or rendered directly to each governmental unit or qualified not-for-profit agency.
- 5.7 Vendor shall bill each governmental unit or qualified not-for-profit agency separately for its actual share of the costs of the supplies or services purchased.

- 5.8 The credit or liability of each governmental unit or qualified not-for-profit agency shall remain separate and distinct.
- 5.9 Disputes between vendors and governmental units or qualified not-for-profit agencies shall be resolved between the affected parties.
- 5.10 All terms and conditions in this Contract apply with full force and effect to all purchase orders.



Other (describe)

Appendix A - Cloud Security

## Appendix A Cloud Security

- Vendor shall only use State or Participant data, or State-related or Participant-related data for the purposes stated in this Contract. Vendor shall not use State or Participant data, or State-related or Participant-related data, for any other purpose, including, but not limited to, data mining or bids on other government contracts. Vendor and/or its agents shall not resell nor otherwise redistribute information gained from its access to the State or Participants.
- Vendor shall not engage in nor permit its agents to push adware, software, or marketing not explicitly authorized by the State.
- Vendor shall have a documented security incident policy and procedure and must provide a copy with its proposal.
- Vendor acknowledges and warrants that it is National Institute of Standards and Technology (NIST) compliant with the service models it offers.
- Vendor shall restrict the location of information systems that receive, process, store, or transmit State of Illinois Personally Identifiable Information, as the term is defined in the National Institute of Standards and Technology Publication 800-122 <http://csrc.nist.gov/publications/nistpubs/800-122/sp800-122.pdf>, to areas within the United States.
- Vendor certifies it has undertaken independent third-party audit Statement on Standards for Attestation Engagements (SSAE-16) certifications and must provide the State with SOC 1 Type 2, SOC 2 Type 2, or equivalent certifications and other related documents, at initial implementation and on an annual basis going forward.
- Vendor must maintain a robust and reliable data backup system. Vendor must perform a daily backup of the data and systems. Vendor must maintain a minimum sixty (60) days of data backups. At least two weekly copies of the data and systems backups shall be archived and securely transported to a secure external site. Daily backup reports of all successful/failed systems backups/archives must be provided to the State. Data recovery must be accomplished with a minimum slowdown of system functions. Vendor must provide a copy of all data to the State without delay upon request by the State.
- Vendor must provide information on how the application will be recovered in the event of a disaster. This information should include Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO), and whether or not the Vendor utilizes an alternate location for recovery purposes. If Vendor uses an alternate location, distance of alternate location from the original

location must be provided. Vendor must provide annual certification that disaster recovery systems and processes have been successfully tested during that year.

- Vendor must perform Penetration testing at regular intervals according to Cloud Security Alliance (CSA) and Open Web Application Security Project (OWASP) recommendations.
- Vendor must allow the State of Illinois Technical Safeguards Unit the ability to perform vulnerability scans at initial implementation and when there are major modifications to the application as defined in the Vulnerability Scanning Agreement.
- DoIT may, at its own expense, and with reasonable notice to Vendor, conduct a security assessment of Vendor's solution which may include the following;
- Prior to initial "Official" production role out of the application,
  - Whitelisted scanning and manual testing of the application only, with application credentials equal to the least privileged role within the application.
  - Manual verification of scan results with the same credentials
  - Manual testing of the application for vulnerabilities
  - DoIT will not conduct any DOS attacks
  - DoIT will not scan or test any infrastructure devices (servers, switches, routers, ips, etc.)
- On a quarterly basis for the for the first year after initial production deployment;
  - Whitelisted scanning and manual testing of the application only, with application credentials equal to the least privileged role within the application.
  - Manual verification of scan results with the same credentials
  - Manual testing of the application for vulnerabilities
  - DoIT will not conduct any DOS attacks
  - DoIT will not scan or test any infrastructure devices (servers, switches, routers, ips, etc.)
- Prior to any enhancements or upgrades being deployed to production after the initial "Official" production role out of the application,

- Whitelisted scanning and manual testing of the application only, with application credentials equal to the least privileged role within the application.
  - Manual verification of scan results with the same credentials
  - Manual testing of the application for vulnerabilities
  - DoIT will not conduct any DOS attacks
  - DoIT will not scan or test any infrastructure devices (servers, switches, routers, ips, etc.)
- Monthly vulnerability scan – no whitelisting, non-credentialed scan (same day every month).
    - Vendor is required to notify hosting provider that DoIT will be scanning but does not need any whitelisting
- Remediation of high vulnerabilities and medium vulnerabilities within the application detected during the security assessments that are determined by the SOI to pose an unacceptable risk, must be remediated by the vendor. Rescans to verify remediation prior to deployment to the production will be conducted by DoIT at its own expense.
- Data Destruction: After transfer of data back to Agency and/or migration of data to a new or replacement system, and following verification of the data, Vendor must purge any of the State's data that resides on its computer hardware or software. Vendor must perform this purge in a manner no less restrictive than set forth in the requirements for "Purge" contained in NIST Special Publication 800-88, Appendix A: Minimum Sanitization Recommendation for Media Containing Data. Agency reserves the right to verify that data has been properly transferred prior to erasure and to ensure that the data has been removed per this agreement. Vendor must certify in writing the method used including the date and time of data destruction.
- Vendor must develop a System Security Plan (SSP) using the guidance from NIST Risk Management Framework (RMF) (NIST SP 800-18) to establish an information security program in accordance with the Federal Information Security Management Act (FISMA) and demonstrate compliance. Vendor will provide a security architecture diagram of Vendor's hosting environment as applicable to the protection of the State's data and application.
- Security Control Assessment – Vendor must perform an internal security control assessment. Guidance to conducting an documenting a Security Control Assessment can be obtained from NIST SP 800-53A Guide for Assessing Security Controls in Federal Information Systems. The results of this assessment will be documented in a Security Assessment Report (SAR) to be approved by the State.

- Security Risk Assessment: Once Vendor receives the approved SAR, Vendor must then develop a Security Risk Assessment based on the applicable security controls. Guidance to conducting and documenting the Security Risk Assessment can be obtained in NIST SP 800-30.
- Plan of Action and Milestones (POA&M): After Agency reviews and approves the Security Risk Assessment, Vendor shall develop a POA&M. The POA&M should be a living document that is based on the findings and recommendations of the security assessment report. The POA&M should describe the deficiencies in the security controls, address the residual risk and detail plans for remediation. Vendor will provide the State monthly updates regarding progress toward remediation of identified deficiencies in security controls.
- Life-Cycle Management: Vendor or its Business Associate shall perform security system reviews and reauthorization of the system at the direction of Agency. Vendor or its Business Associate shall be responsible for meeting the following requirements:
  - (a) Performing continuous monitoring of the security system. Vendor's continuous monitoring must include periodically selecting a subset of the baseline controls for assessment. Based on assessment of these controls, subsequent remediation actions must be identified and implemented. The ongoing remediation process should include updating key documents such as the SSP and POA&M.
  - (b) Prior to any system or environmental modifications, Vendor must perform a security impact analysis. This must be included as a part of any change management or configuration management process. If the results of the modification indicate changes to security posture of the system, corrective actions should be initiated and appropriate documents revised and updated. The updating of the documentation and continuous monitoring should provide near real-time risk management.
- A monthly Security Status Report must be produced by the Vendor for Agency. The Status Report should provide essential information regarding the security posture of the system as well as the effectiveness of the controls deployed. Ongoing monitoring activities should be detailed as well as ongoing remediation efforts to address known vulnerabilities.
- Vendor shall ensure encryption of State of Illinois Personally Identifiable Information, as the term is defined in the National Institute of Standards and Technology Publication 800-122 <http://csrc.nist.gov/publications/nistpubs/800-122/sp800-122.pdf>. Encryption must be in compliance with encryption related security controls as defined in IRS Publication 1075. <https://www.irs.gov/uac/Encryption-Requirements-of-IRS-Publication-1075> Vendor shall ensure any social security numbers utilized in the solution are encrypted during all phases of data use, including, data in motion, and data in use. Vendor shall ensure encryption of data at rest as soon as practical, and in no event beginning later than June 30, 2017.

- Vendor will notify the State's Chief Information Security Officer within 24 hours of any identified information breach or other security incident which impacts the State's data or application.
- If not specifically addressed in other Vendor Information Technology Requirements, Vendor must adhere to State of Illinois and CMS technology and security Policies, Procedures, and Standards. When those Policies, Procedures and Standards do not address security and technology issues that arise, Vendor must adhere to IRS Publication 1075 as the standard.
- Vendor shall house all of data pertinent to this contract within the United States.
- Vendor shall ensure that production data is not used outside of the production environment.
- Vendor shall upon request provide proof of security awareness training for all of its employees and subcontractors.
- Vendor will provide proof of a satisfactory completion of a fingerprint-based background check as defined in the Department of Justice, Federal Bureau of Investigation Criminal Justice Information Services (CJIS) Security Policy, Internal Revenue Service Publication 1075 and background check done by the Illinois State Police for all employees and subcontractors.