

**STATE OF ILLINOIS  
CONTRACT**

Illinois Department of Innovation and Technology  
**JPMC – SAP Products and Services**  
**P-70597**

The Parties to this Contract are the State of Illinois acting through the undersigned Agency (the “State”) 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 IPG Active Registered Vendor Disclosure formerly named Forms B)

No

1. **DESCRIPTION OF SUPPLIES AND SERVICES**
2. **PRICING**
3. **TERM AND TERMINATION**
4. **STANDARD BUSINESS TERMS AND CONDITIONS**
5. **STATE SUPPLEMENTAL PROVISIONS**
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7. **FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST**
8. **CONTRACT SPECIFIC CERTIFICATIONS AND DISCLOSURES – “IPG Active Registered Vendor Disclosure (formerly called FORMS B)” (IF APPLICABLE)**
9. **PURCHASE ORDER FROM BIDBUY (IF APPLICABLE)**

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

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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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Illinois Department of Innovation and Technology  
JPMC – SAP Products and Services  
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**VENDOR**

Vendor Name: [REDACTED] c.	Address: 519 South Grand Avenue West, Springfield, IL 62704
Signature: [REDACTED]	Phone: 217-522-4940
Printed Name: [REDACTED]	Fax: 217-679-4657
Title: President	ALL NOTICES TO: Email: <a href="mailto:Mahdi@matrixsysinc.com">Mahdi@matrixsysinc.com</a>
Date: 2/28/25	

**STATE OF ILLINOIS**

Procuring Agency: Department of Innovation and Technology	Phone:
Street Address: 120 W. Jefferson Street	Fax:
City, State ZIP: Springfield, IL 62702	ALL NOTICES TO: Email: <a href="mailto:DoIT.PSVM@Illinois.gov">DoIT.PSVM@Illinois.gov</a> and <a href="mailto:DoIT.GeneralCounsel@Illinois.gov">DoIT.GeneralCounsel@Illinois.gov</a>
Official Signature: [REDACTED]	Date: 3/21/2025
Printed Name: [REDACTED]	
Official's Title: Acting Secretary	
Legal Signature: [REDACTED]	Date: 3/4/2025
Legal Printed Name: Radhika Lakhani by Rupal Mehta	
Legal's Title: General Counsel by Senior Counsel	
Fiscal Signatur: [REDACTED]	Date: 03/03/2025
Fiscal's Printed Name: Mary Feagans	
Fiscal's Title: Chief Fiscal Officer	

Reviewed as to legal  
clause sufficiency:  
WAW 2/28/25

**AGENCY USE ONLY**

**NOT PART OF CONTRACTUAL PROVISIONS**

- BidBuy #: 25-448DOIT-ADMIN-B-43460
- Project Title: JPMC – SAP Products and Services
- Contract #: P-70597
- Procurement Method: IFB
- BidBuy / Bulletin Reference #: B-43460
- BidBuy / Bulletin Publication Date: 06/06/2024
- Award Code: A
- Subcontractor Utilization?  Yes  No      Subcontractor Disclosure?  Yes  No
- Funding Source: State
- Obligation #:
- Small Business Set-Aside?  Yes  No      Percentage:
- Minority Owned Business?  Yes  No      Percentage: 100%
- Women Owned Business?  Yes  No      Percentage:
- Persons with Disabilities Owned Business?  Yes  No      Percentage:
- Veteran Owned Small Business?  Yes  No      Percentage:
- Other Preferences? None

## 1. DESCRIPTION OF SUPPLIES AND SERVICES

- 1.1. **GOAL:** This Contract establishes an indefinite quantity, Joint Purchase Master Contract (“JPMC”), which will be available to all governmental units and qualified not-for-profit agencies for the State of Illinois, as further described herein, with an SAP Public Services, Inc. authorized government reseller for the purchase of SAP software licenses (perpetual and term subscription), maintenance and support (to include legacy), cloud services, professional services, and training (individually and cumulatively “SAP Products”).
- 1.2. **SUPPLIES AND/OR SERVICES REQUIRED:** Vendor shall provide and must maintain the resale rights to offer multiple lines of SAP Products, including but not limited to, the following SAP Products and/or Professional Services offerings; On-Premise Licenses, Cloud Licenses, Professional Services and Perpetual Software Maintenance and Support. **All pricing for the duration of the term of this Contract shall be based on the most recent SAP list price for available products and services in each of the following categories: On Premises Licenses, SAP Cloud Licensing and Services, Professional Services.**

### 1.2.1 SAP PRODUCTS AND SERVICES

#### **Software Based Solutions (This includes both On Premise Licenses and SAP Cloud Licensing and Services )**

- Enterprise Resource Planning (“ERP”) - SAP solutions that provide the ability to integrate and automate business processes such as finance, human resources, manufacturing, supply chain and procurement. Enterprise Resource Planning is commonly referred to as ERP.
- Financial Management – SAP solutions that provide ability for financial planning and analysis; accounting; cash management; governance, risk, compliance, and cybersecurity.
- Customer Relationship Management & Customer Experience – SAP solutions that provide ability to integrate CRM (Customer Relationship Management) functions such as e-commerce, customer data, sales, service, and marketing.
- Spend Management – SAP solutions that provide insight into budget/spending to help customers reduce costs and align costs to business strategy.
- Supply Chain Management – SAP solutions that provide ability to manage the planning, logistics, manufacturing, product lifecycle management and enterprise asset management.

- Human Capital Management – SAP solutions that provide ability to manage human resource functions such as timekeeping, payroll, talent management, employee experience management, analytics, and workforce planning.
- Business Technology Platform – SAP solutions that provide ability to manage data and analytics; artificial intelligence; application development; automation; and integration.

### 1.2.2 Professional Services

- Professional Services – SAP services that can assist in the planning, design, implementation, usage, and advanced support of SAP solutions. This includes virtual, remote, and onsite professional services. This may also include installation, consulting, training, etc. for existing products and products purchased in the above categories. Training may include virtual, remote, and onsite training.

### 1.2.3 Maintenance

- **Perpetual Software Maintenance and Support** – SAP annual software maintenance and support for new and legacy SAP solutions. This may include but is not limited to legacy family products such as Business Objects and Crystal Reports. The markup on Perpetual Software Maintenance and Support by the Vendor shall not exceed 12% of the price charged by SAP for that Perpetual Software Maintenance and Support. The ordering entity may, at their own discretion, verify the markup calculations on all orders placed against this Contract for Perpetual Software Maintenance and Support by contacting SAP directly. .

### 1.2.4 SOFTWARE LICENSING

- Purchasing entities using the SAP Software must comply with the terms of the mutually agreed upon end user license agreement between the State and SAP
- **LICENSE DOWNGRADE** - There is no fee for downgrading the number of licenses or transfers with a lower number of users as long as the same operating system is running.
- **TEMPORARY TRANSFER OF LICENSE** - Vendor Agrees not to charge the ordering entity for temporary transfer of any existing licenses in the event that a licensed user interface is inoperable.

### 1.2.5 Reporting

Reporting dates shall run concurrently with the State's fiscal year beginning July 1st and ending June 30<sup>th</sup>. Reports must be received no later than 15 calendar days from the reporting requirement dates. Monthly reports should be received no later than the 15<sup>th</sup> day of the following month that is being reported and annual reports should be received no later than July 15<sup>th</sup> of each year. The State reserves the right to request the addition or removal of required information subject to the separate report types listed below. All reports shall be sent to an email address to be determined prior to Contract execution

Monthly Reporting: Vendor shall provide monthly order reports to DoIT including, but not limited to, the following information:

- Ordering Entity
- Order Date
- Fulfillment Date
- Products Ordered
- Quantities Ordered
- Pricing for line items (before and after application of discounts)
- Separate cumulative totals for all orders invoiced and for all orders that have not yet been invoiced
- Separate cumulative totals for all orders placed to date in the Fiscal Year (before and after application of discounts)

Annual Reporting: Vendor shall provide annual reports to DoIT including, but not limited to, the following information:

- Total number of orders placed by each entity (does not need to be itemized since this will be captured in the monthly reports)
- Total cost amounts for each entity (before and after application of discounts)
- Cost totals for all orders placed in the Fiscal Year (before and after application of discounts)
- Total cost amounts for the entire Contract term (before and after application of discounts)

### 1.2.6 General Provisions

**1.2.6.1** All SAP Products furnished shall be new, unused, of most recent manufacture and not discontinued. If an item becomes discontinued or otherwise not available during the term of this Contract, Vendor may

propose to substitute an equivalent or better product at no additional cost to the State, subject to approval by DoIT.

- 1.2.6.2** SAP Professional Services used by the State of Illinois is intended to provide advanced support and assistance in cases of critical systems being at risk both from an IT infrastructure and IT application development perspective; implementation and engineering advise; implementation, integration, and migration assistance; and mentoring to customer staff. SAP Professional Services are not intended to be used for acquiring long term services for IT application development, application maintenance and/or routine daily IT and business operations. Work efforts will require a Statement of Work (“SOW”) with responsible parties, hourly and/or daily rates, defined deliverables and/or task milestones that will be completed. This SOW must be submitted along with the customer order.
- 1.2.6.3** The State recognizes that the manufacturer may make changes to service offerings at any time during the Contract term (including optional renewals). Vendor is responsible for notifying buyer of such changes. Discount levels/pricing structure shall remain consistent across all product categories for the term of the Contract regardless of changes to the pricing list including, but not limited to, the addition of new products, renamed products, updated products, discontinued products, etc. Vendor shall pass on to the customer any price decreases that take effect during the term of the Contract, including optional renewals.
- 1.2.6.4** Vendor, either directly or in collaboration with manufacturer, shall provide the State a copy of any applicable SOC2 report related to cloud subscriptions for State review and approval prior to Contract execution. Vendor shall provide any overall licensing terms that may be applicable to the Contract in Microsoft Word format that govern the use of these products prior to Contract execution.
- 1.2.6.5** 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”), BidBuy Purchase Order (“PO)) on an as needed, if needed basis. All government units and qualified non-for-profit agencies will submit their own purchase forms. Orders written through and including the last day of the Contract shall be honored. This excludes orders for services as no services may last past the last day of the Contract

other than normal prepaid annual maintenance, under the “Perpetual Software Maintenance and Support category”. No services shall be entered into for the renewal term until the renewal is executed. Each individual order will have its own ship to/bill to information.

**1.3. MILESTONES AND DELIVERABLES: If applicable, at the request of an authorized entity, orders for services that include Milestones and Deliverables shall be addressed in a Statement of Work (“SOW”) pursuant to orders against the Contract.**

**1.4. VENDOR / STAFF SPECIFICATIONS:**

- Vendor must be an SAP Public Services, Inc. government reseller authorized to resell SAP Products and Services and remain an authorized reseller throughout the term of this Contract and any renewals.
- DoIT is aware that, in the IT industry manufacturers often make products, support and services available to customers via an indirect channel. Those channel participants may be referred to as resellers, distributors, partners, providers, or other designations. DoIT is unable to research, distinguish and define the various types of manufacturer sales programs for all products, support, and services on the market; therefore, Vendors responding to this bid must provide sufficient verification (for example, written documentation from the manufacturer) indicating their ability and authorization to provide/perform the goods/services outlined in this solicitation, on behalf of the manufacturer. Please submit verification under required bid attachment “Manufacturer Authorization”.
- Vendor is to maintain throughout the term of the Contract and any renewal options, a pre-sales support team, on staff, that can help the State evaluate projects and confirm best practices for utilizing various lines of SAP Products and Services.

**1.5. TRANSPORTATION AND DELIVERY:** The State prefers electronic downloads. **Vendor will make efforts to deliver products within ten (10) working days from receipt of order.** If product does not arrive within (10) working days from receipt of order, the buyer has the option to cancel the order at no charge. Vendor will deliver to all Purchasing Entity locations as specified on each order.

**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 \$100,000 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 where the annual value of the subcontract is greater than \$50,000 must include Standard Illinois Certifications completed by the subcontractor.

- 1.6.2. If the annual value of any the subcontracts is more than \$100,000, then the Vendor must provide to the State the Financial Disclosures and Conflicts of Interest for that subcontractor.
- 1.6.3. 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. All State/End-User data must be hosted in the continental United States unless agreed otherwise in writing.

- Location where services will be performed: United States

Value of services performed at this location: 100%

**2. PRICING**

**2.1 FORMAT OF PRICING:** Vendor’s price shall serve as the basis for the compensation of this Contract.

<u>Catalog Category</u>	<b>Price</b>
On Premise Licenses	16% Discount
SAP Cloud Licensing and Services	11% Discount
Professional Services	2.5% Discount

**Illinois Toll Highway Authority**

<b>Category</b>	<b>Price</b>
On Premise Licenses	5% Discount
SAP Cloud Licensing and Services	3% Discount
Professional Services	1% Discount

**Bulk Order Discount**

The table below provides for price threshold discounts based on larger than usual quantities on a single order. Orders placed against this contract that exceed the thresholds stated below will receive the additional discount off the full amount of the order and will be reflected in the vendor’s invoice.

<b>License + Support (maintenance/professional services)</b>		
<b>From USD</b>	<b>To USD</b>	<b>Discount (%)</b>
\$2,500,000	And Greater	1%

**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 N/A % discount for payment within N/A days of receipt of correct invoice. This discount will not be a factor in making the award.

**2.5 VENDOR'S PRICING:** Enter pricing in the Items Tab in BidBuy.

2.5.1 Vendor's Price for the Initial Term: As prescribed in the awarded Vendor's bid.

The State may include in this Contract the BidBuy Purchase Order as it contains the agreed pricing.

**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 initial term of five (5) Years, beginning on the last date of execution.

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.

3.1.3 In the event of a termination of an order against this Contract, the State will be entitled to:

(a) a pro-rata refund in the amount of the unused portion of prepaid fees for the terminated subscription calculated as of the effective date of termination; and

(b) a release from the obligation to pay fees due for periods after the effective date of termination.

### **3.2 RENEWAL:**

3.2.1. Any renewal is subject to the same terms and conditions as the original Contract unless otherwise provided in the pricing section. The State may renew this Contract for any or all the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The Contract may neither renew automatically nor renew solely at the Vendor's option.

3.2.2. Pricing for the renewal term(s), or the formula for determining price, is shown in the pricing section of this Contract.

3.2.3. The State reserves the right to renew for a total of five (5) years in any one of the following manners:

3.2.3.1 One renewal covering the entire renewal allowance;

3.2.3.2 Individual one-year renewals up to and including the entire renewal allowance; or

3.2.3.3 Any combination of full or partial year renewals up to and including the entire renewal allowance.

**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 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 the Agency 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 the Agency'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 and are available on the Illinois Department of Labor's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting the Illinois Department of Labor 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. Invoices should be itemized with associated cost breakdown.

Send invoices to: Vendor shall invoice on a per order with the invoice sent to the purchasing entity at the address specified in the ordering document. . 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 with contracts with an annual value exceeding \$100,000 and who are 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 Standard Illinois 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, the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract, and the general type of work to be performed. 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, readily usable 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 Contract. In accordance with Article VIII, Section 1(a), (b) of the Constitution of the State of Illinois, 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:** Vendor 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 five (5) 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 subcontractor's 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 (including all rights provided in the State Lawsuit Immunity Act, 745 ILCS 5) 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 (including all rights provided in the State Lawsuit Immunity Act, 745 ILCS 5);

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 the Indemnification and Liability clause of this Contract;

4.28.7 Vendor's liability shall be governed by the terms and conditions contained in the Indemnification and Liability clause of this Contract; and

4.28.8 Vendor must ensure that all information technology, including electronic information, software, systems and equipment, developed or provided under this Contract complies with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at ([www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa)). 30 ILCS 587.

**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 5, Security and Privacy Controls for Federal Systems and Organizations. <https://doi.org/10.6028/NIST.SP.800-53r>. 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 5 with the Cloud Security Alliance controls at CSA (Cloudsecurityalliance.org).

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.
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## 5. STATE SUPPLEMENTAL PROVISIONS

Agency Definitions

5.1.1 “Chief Procurement Officer” means the chief procurement officer appointed pursuant to 30 ILCS 500/10-20(a)(4).

5.1.2 “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.

5.1.3 “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 ACT: This Contract calls for the construction of a “public work”, within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/.01 et seq. (“the Prevailing Wage Act”). The Prevailing Wage Act requires vendors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current “prevailing rate of wages” (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Code requires vendors that are awarded certain service contracts to pay service workers no less than the general prevailing wage rates of hourly wages (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Illinois Department of Labor publishes the prevailing wage rates on its website at <http://labor.illinois.gov>. The Illinois Department of Labor revises the prevailing wage rates, and Vendor and any subcontractors have an obligation to check the Illinois Department of Labor’s website for revisions to prevailing wage rates. Please refer to the Illinois Department of Labor’s website. Vendor and any subcontractors rendering services under this Contract must comply with all requirements of the Prevailing Wage Act and Code, including but not limited to, all wage requirements and notice and record keeping duties.

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.

PREVAILING WAGE ACT: This Contract is a service contract subject to the prevailing wage requirements of the Illinois Procurement Code, 30 ILCS 500/25-60 (the “Code”). The

Prevailing Wage Act requires vendors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current “prevailing rate of wages” (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Code requires vendors that are awarded certain service contracts to pay service workers no less than the general prevailing wage rates of hourly wages (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Illinois Department of Labor publishes the prevailing wage rates on its website at <http://labor.illinois.gov>. The Illinois Department of Labor revises the prevailing wage rates, and Vendor and any subcontractors have an obligation to check the Illinois Department of Labor’s website for revisions to prevailing wage rates. Please refer to the Illinois Department of Labor’s website. Vendor and any subcontractors rendering services under this Contract must comply with all requirements of the Prevailing Wage Act and Code, including but not limited to, all wage requirements and notice and record keeping duties.

- EMPLOYMENT OF ILLINOIS WORKERS ON PUBLIC WORKS: In a period of excessive unemployment rates, State vendors (1) constructing or building any public works or (2) cleaning-up and disposing on-site of hazardous waste, and that clean-up or on-site disposal is funded or financed in whole or in part with State funds or funds administered by the State, are required to employ at least 90% Illinois laborers on such project. For projects involving clean-up and on-site disposal of hazardous waste, emergency response or immediate removal activities are excluded. This requirement applies to all labor whether skilled, semi-skilled or unskilled, whether manual or non-manual.

A period of excessive unemployment rates is defined as any month immediately following two consecutive calendar months during which the level of unemployment in the State of Illinois has exceeded 5% as measured by the United States Bureau of Labor Statistics in its monthly publication of employment and unemployment figures.

Any public works project financed in whole or in part by federal funds administered by the State of Illinois is covered under the provisions of this requirement, to the extent permitted by any applicable federal law or regulation. 30 ILCS 570.

Vendors may receive an exception from this requirement by submitting a request and supporting documents certifying that Illinois laborers are either not available or are incapable of performing the particular type of work involved. The certification must: (a) be submitted to the agency within the first quarter of the Contract term; (b) provide sufficient support that demonstrates the exception is met; (c) be signed by an authorized signatory of the vendor; and (d) be approved by the agency.

- ILLINOIS WORKS JOBS PROGRAM ACT (30 ILCS 559/20-1 et seq.): For a contract that utilizes appropriated capital funds in whole or in part, involves the construction of a public work, and has with an estimated total project cost of \$500,000 or more, Vendor must comply with the Illinois Works Apprenticeship Initiative (30 ILCS 559/20-20 to 20-25) and all applicable administrative rules. The “estimated total project cost” is a good faith approximation of the costs of the entire project. The goal of the Illinois Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually

worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. Vendor may seek from the Department of Commerce and Economic Opportunity (“DCEO”) a waiver or reduction of this goal in certain circumstances pursuant to 30 ILCS 559/20-20(b). Vendor must ensure compliance for the life of the entire project, including during the term of the Contract and after the term ends, if applicable, and will be required to report on and certify its compliance.

Agency Specific Terms and Conditions

- 5.1.4 The Chief Procurement Officer for General Services makes this Contract available to all governmental units and qualified not-for-profit agencies.
- 5.1.5 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.
- 5.1.6 The supplies or services subject to this Contract shall be distributed or rendered directly to each governmental unit or qualified not-for-profit agency.
- 5.1.7 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.
- 5.1.8 The credit or liability of each governmental unit or qualified not-for-profit agency shall remain separate and distinct.
- 5.1.9 Disputes between vendors and governmental units or qualified not-for-profit agencies shall be resolved between the affected parties.
- 5.1.10 All terms and conditions in this Contract apply with full force and effect to all purchase orders.

Other (describe)

**Appendix A - Cloud Security**

**DATA PROCESSING AGREEMENT FOR CLOUD SERVICES, SAP SUPPORT AND SAP SERVICES ("DPA") AS MUTUALLY AGREED UPON BETWEEN THE STATE OF ILLINOIS AND SAP**

**MASTER RIDER AGREEMENT BETWEEN THE STATE OF ILLINOIS AND SAP, INC. AS MUTUALLY AGREED UPON BETWEEN THE STATE OF ILLINOIS AND SAP**

**GENERAL TERMS AND CONDITIONS FOR CLOUD SERVICES (“GTC” or “Cloud GTC”) AS MUTUALLY AGREED UPON BETWEEN THE STATE OF ILLINOIS AND SAP**

## **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 Contract. 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 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.