

ATTACHMENT A

CONTRACT

FOR

Kentucky Unemployment Insurance Portal (KY UI)

BETWEEN

THE COMMONWEALTH OF KENTUCKY

**The Finance and Administration Cabinet
On Behalf of
The Education and Labor Cabinet (ELC)**

AND

Deloitte Consulting LLP

MA 758 2400000505

Vendor Contact Information:

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PROGRAMMATIC QUESTIONS / ISSUES MUST BE DIRECTED TO THE AGENCY CONTACT(S).

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This Master Agreement (“Contract”, “Award” or “Agreement”) is entered into, by and between the Commonwealth of Kentucky, **Education and Labor Cabinet** (“the Commonwealth”, “Customer”, or “**ELC**”) and **Deloitte Consulting LLP** (“Contractor” or “Vendor”) as the Prime Vendor.

The Commonwealth and Contractor agree to the following:

I. Scope of Contract

This Contract is for services to provide a full designed, developed, and implemented Information Technology (IT) Solution for the operation of Unemployment Insurance (UI).

UI benefits, employer contributions, adjudication case management, appeals case management, state, and federal reporting system shall be included in this Solution.

The UI Solution will be the primary IT Solution supporting the UI system in the Commonwealth. It will replace the existing internal and external Unemployment Insurance solutions for Salesforce, Siebel and Mainframe system, web solution for UI benefits, UI tax, UI appeals, Correspondences, Federal & State Reporting and all associated interfaces. The Kentucky Office of Unemployment Insurance (KYOUI) will be the owner of the solution and COT/OTS shall act as an agent of KYOUI through its capacity as the provider of IT service for agencies of the Commonwealth and the Cabinet. The Vendor will also be responsible for the conversion of historical data, as well as solution operations training for end-users and administrators. The Solution must facilitate solution changes and enhancements without making significant changes to proposed system architecture. All references to benefits and employer contributions shall include adjudication case management, appeals case management as well as state and federal reporting. Services shall be delivered in accordance with the Contract and Appendices found herein.

II. Negotiated Items

1. *Section 30.2.B – Commonwealth Information Technology Policies and Standards*

Original Language

The Commonwealth posts changes to COT Standards and Policies on its Commonwealth Office of Technology - Home - Commonwealth Office of Technology (Kentucky)

website. Vendors and subcontractors shall ensure their solution(s) shall work in concert with all posted changes. Vendors or subcontractors that cannot comply with changes must, within thirty (30) days of the posted change, request written relief with the justification for such relief. The Commonwealth may 1) deny the request, 2) approve an exception to the policy / standard, or 3) consider scope changes to this Contract to accommodate required changes. Vendors or subcontractors that do not provide the response within the thirty (30) day period shall be required to comply within ninety (90) days of the change.

Negotiated Language

The Commonwealth posts changes to COT Standards and Policies on its Commonwealth Office of Technology - Home - Commonwealth Office of Technology (Kentucky) website. Vendors and subcontractors shall ensure their solution(s) shall work in concert with all posted changes. Vendors or subcontractors that cannot comply with changes must, within thirty (30) days of the posted change, request written relief with the justification for such relief. The Commonwealth may 1) deny the request, 2) approve an exception to the policy / standard, or 3) consider scope changes to this Contract to accommodate required changes. Vendors or subcontractors that do not provide the response within the thirty (30) day period shall be required to comply within ninety (90) days of the change. **Vender's obligation under this Attachment A to comply with any Commonwealth standard and/or policy is as to the version in effect at the time of execution of the applicable statement of work or change order. Changes to the services as a result of any change to a standard or policy will be addressed through a mutually agreed change order if the standard or policy creates a material change in the scope of work.**

2. *Section 30.5 – Compliance with Industry Accepted Reporting Standards Based on Trust Service Principles and Criteria*

Original Language

The vendor must employ comprehensive risk and threat management controls based on defined industry standards for service organizations such as AICPA TSP section 100, Trust Services Principles and Criteria. The vendor must annually assert compliance and engage a third party certification registrar to examine such assertions and controls to provide a Report, such as AT101 SOC 2 type 2, on Controls at a Service Organization Relevant to Security **and** Availability, which contains an opinion on whether the operating controls effectively support the assertions. All such reports, including publicly available reports (i.e. AT 101 SOC 3) shall be made available to the Commonwealth for review.

Negotiated Language

The vendor must employ comprehensive risk and threat management controls based on defined industry standards for service organizations such as AICPA TSP section 100, Trust Services Principles and Criteria. The vendor must annually assert compliance and engage a third party certification registrar to examine such assertions and controls to provide a Report, such as AT101 SOC 2 type 2, on Controls at a Service Organization

Relevant to Security **and** Availability, which contains an opinion on whether the operating controls effectively support the assertions. All such reports, including publicly available reports (i.e. AT 101 SOC 3) shall be made available to the Commonwealth for review, **provided that the Commonwealth hereby agrees to maintain the confidentiality of such reports, subject to Commonwealth and Federal public information disclosure laws.**

3. *Section 30.6 – System Vulnerability and Security Assessments*

Original Language

The Commonwealth reserves the right to conduct, in collaboration with the vendor, non-invasive vulnerability and security assessments of the software and infrastructure used to provide services prior to implementation and periodically thereafter. Upon completion of these assessments, the Commonwealth will communicate any findings to the vendor for action. Any cost relating to the alleviation of the findings will be the responsibility of the vendor. Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls that will reduce risk to an acceptable and agreed upon level. An accredited third-party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

The vendor shall provide an independent third-party penetration test of the solution prior to go live. Results of that assessment shall be provided to the Commonwealth for review. The Commonwealth shall hold the responsibility of acceptance of risk and granting the authority to operate for the system.

Negotiated Language

The Commonwealth reserves the right to conduct, in collaboration with the vendor, non-invasive vulnerability and security assessments of the software **deliverables provided by vendor under this Contract** prior to implementation and periodically (not more frequently than annually or upon a major system change) thereafter. Upon completion of these assessments, the Commonwealth will communicate **any deviations from the security requirements for software deliverable** to the vendor for action. Any cost relating to the alleviation of the **deviations from the applicable security requirements** will be the responsibility of the vendor **if identified to vendor during any applicable deliverable acceptance or warranty period**. Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls that will reduce risk to an acceptable and agreed upon level. An accredited third-party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

The vendor shall provide an independent third-party penetration test of the solution prior to go live. Results of that assessment shall be provided to the Commonwealth for review **provided that the Commonwealth hereby agrees to maintain the confidentiality of such results. subject to Commonwealth and Federal public information disclosure laws.** The Commonwealth shall hold the responsibility of acceptance of risk and granting the authority to operate for the system.

4. *Section 30.7 – Privacy Assessments*

Original Language

The Commonwealth reserves the right to conduct Privacy assessments of the collection, use, maintenance and sharing of Commonwealth data by any vendor services, software, and infrastructure used to provide services prior to implementation and periodically thereafter. Upon completion of this assessment, the Commonwealth will communicate any findings to the vendor for action. Any cost relating to the alleviation of the findings will be the responsibility of the vendor. Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls or privacy practices that will reduce risk to an acceptable and agreed upon level. An accredited third-party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

Negotiated Language

The Commonwealth reserves the right to conduct Privacy assessments of the collection, use, maintenance and sharing of Commonwealth data by any **of the software deliverables provided by vendor under this contract** prior to implementation and **annually or upon a major system change** thereafter. Upon completion of this assessment, the Commonwealth will communicate any **deviations from the privacy requirements for software deliverable** to the vendor for action. Any cost relating to the alleviation of the **deviations from the applicable security requirements** will be the responsibility of the vendor **if identified to vendor during any applicable deliverable acceptance or warranty period.** Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls or privacy practices that will reduce risk to an acceptable and agreed upon level. An accredited third-party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

5. *Section 30.17 – No Surreptitious Code Warranty*

Original Language

The Contractor represents and warrants that no copy of licensed Software provided to the Commonwealth contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this contract as the "No Surreptitious Code Warranty".

As used in this contract, "Self-Help Code" means any back door, time bomb, drop-dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access) for purposes of maintenance or technical support.

As used in this contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the Commonwealth.

The vendor shall defend the Commonwealth against any claim and indemnify the Commonwealth against any loss or expense arising out of any breach of the No Surreptitious Code Warranty.

Negotiated Language

The contractor represents and warrants that no copy of licensed Software provided to the Commonwealth contains or will contain any Self-Help Code or any Unauthorized Code as defined below **as a result of Contractor's intentional or negligent acts or omissions**. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty".

As used in this contract, "Self-Help Code" means any back door, time bomb, drop-dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access) for purposes of maintenance or technical support.

As used in this contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access

to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the Commonwealth.

The vendor shall defend the Commonwealth against any claim and indemnify the Commonwealth against any loss or expense arising out of any breach of the No Surreptitious Code Warranty.

6. *Section 40.9 – Changes in Scope*

Original Language

The Commonwealth may, at any time by order, make changes within the general scope of this Contract. No changes in scope are to be conducted except at the written approval of the Commonwealth.

Negotiated Language

The Commonwealth may, at any time by **written** order, make changes within the general scope of this Contract. No changes in scope are to be conducted except at the written approval of the Commonwealth **and the Contractor**.

7. *Section 40.17 – Confidential Information*

Original Language

The Contractor shall comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Commonwealth, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by the Commonwealth in writing to the Contractor. The Contractor shall have an appropriate agreement with its employees, and any subcontractor employees, to that effect, provided however, that the foregoing will not apply to:

- A. Information which the Commonwealth has released in writing from being maintained in confidence;
- B. Information which at the time of disclosure is in the public domain by having been printed and published and available to the public in libraries or other public places where such data is usually collected;
- C. Information, which, after disclosure, becomes part of the public domain as defined above, through no act of the Contractor.

Negotiated Language

The Contractor shall comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential

information concerning client data, the business of the Commonwealth, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by the Commonwealth in writing to the Contractor. **The Contractor shall abide by all applicable Federal and State Regulations and Statutes related to confidentiality.** The Contractor shall have an appropriate agreement with its employees, and any subcontractor employees, to that effect, provided however, that the foregoing will not apply to:

- A. Information which the Commonwealth has released in writing from being maintained in confidence;
- B. Information which at the time of disclosure is in the public domain by having been printed and published and available to the public in libraries or other public places where such data is usually collected;
- C. Information, which, after disclosure, becomes part of the public domain as defined above, thorough no act of the Contractor;
- or**
- D. Information required to be disclosed by applicable law, rule, regulation, subpoena or summons.**

8. *Section 40.31 – Limitation of Liability*

Original Language

The liability of the Commonwealth related to contractual damages is set forth in KRS 45A.245.

Negotiated Language

The liability of the Commonwealth related to contractual damages is set forth in KRS 45A.245. **Except for Claims (as defined below) for damages arising from the bad faith, recklessness or willful misconduct of the Contractor, and damages for bodily injury (including death) and damages for physical injury to tangible personal property or real property, Contractor shall not be liable to the Commonwealth for any claims, liabilities, or expenses relating to this Contract (“Claims”) for an aggregate amount in excess of the fees paid by the Commonwealth to Contractor under this Contract. Subject to any contrary provisions in the Kentucky Model Procurement Code, in no event shall the measure of damages payable by the Contractor include, nor shall Contractor be liable for, any amounts of loss of income, profit or savings, or indirect, incidental, consequential, exemplary, punitive or special damages of the Commonwealth, unless a court of competent jurisdiction deems this provision to be an unconstitutional indemnification or assumption of legal risk of another party by the Commonwealth.**

9. Section 50.6.3 – Key Personnel

Original Language

5. The Vendor is to ensure Key Resources (Project Manager, Technical Architect, Security Architect, Data Architect, Lead Business Analyst, QA manager) are available onsite during the following business hours: Monday – Friday from 8:00 a.m. to 4:30 p.m. Eastern Time. All Online Meetings/collaborations between vendor personnel and state personnel should happen during the business hours. Any business travel is expected to be performed outside of these times. Deviation from this requires UI approval. The Commonwealth shall not be responsible for travel expenses. The Commonwealth reserves the right to allow work remotely on a case by case basis. The vendor shall provide the computers for their personnel to do their work. Minimum protection standards for the vendor provided hardware shall be provided to, and approved by, the Commonwealth Office of Technology. However, all data of the system would remain in the Commonwealth approved servers (on site or cloud). The Commonwealth will provide secure access to the Commonwealth systems and infrastructure. Commonwealth reserves the right to call the Project manager/key staff to be available onsite for a specific period.

Negotiated Language

5. The Vendor is to ensure **the appropriate project resources** are available onsite during **key meeting and generally Tuesday – Thursday** from 8:00 a.m. to 4:30 p.m. **EST in accordance with the project plan**. All Online Meetings/collaborations between vendor personnel and state personnel should happen during the business hours **Monday – Friday 8:00am to 4:30pm EST**. Any business travel **by individuals should be planned to not impede productive collaboration between the teams**. Deviation from this requires UI approval. The Commonwealth shall not be responsible for travel expenses. The Commonwealth reserves the right to allow work remotely on a case by case basis. The vendor shall provide the computers for their personnel to do their work. Minimum protection standards for the vendor provided hardware shall be provided to, and approved by, the Commonwealth Office of Technology. However, all data of the system would remain in the Commonwealth approved servers (on site or cloud). The Commonwealth will provide secure access to the Commonwealth systems and infrastructure. Commonwealth reserves the right to call the Project manager/key staff to be available onsite for a specific period.

10. Section 50.6.23 - Penalties

Original Language

Penalties may be associated with each deliverable and will be leveraged by reducing the Contractor's invoiced amount by the amount of the associated penalty for delays caused solely and exclusively by Contractor. If a penalty, or combination of penalties, exceeds the invoiced amount, the remaining penalty will be applied against the next invoiced amount.

Penalties are separate from any retainage and retainage recovery. Commonwealth has the sole discretion to impose the penalties or waive the penalties.

The retainage and Penalties are associated within the project implementation of the phase and SLA shall be adhered to in the maintenance and operations of the system.

Negotiated Language

Penalties may be associated with each **Requirement Category as outlined in Section 50.6.24 below and if assessed**, will be leveraged by reducing the Contractor’s invoiced amount by the amount of the associated penalty for delays **or failures** caused solely and exclusively by Contractor. If a penalty, or combination of penalties, exceeds the invoiced amount, the remaining penalty will be applied against the next invoiced amount.

Penalties are separate from any retainage and retainage recovery. Commonwealth has the sole discretion to impose the penalties or waive the penalties.

The retainage and Penalties are associated within the project implementation of the phase and SLA shall be adhered to in the maintenance and operations of the system.

The Penalties set forth below and any payment reduction in Attachment J shall be the Commonwealth’s sole and exclusive monetary remedy for failures by the Vendor to achieve the required performance metrics (as defined in Section 5.6.24 below) and/or the SLAs in Attachment J; provided however that, in the event that the Commonwealth chooses not to reduce for such failures, such Penalties and/or payment reductions shall not prevent the Commonwealth from exercising its right to terminate this Contract or pursue any other remedies under this Contract. Nothing herein shall waive either parties’ rights or obligations pursuant to Section 40.31, Limitation of Liability.

11. Section 50.6.24 – Performance-Based Penalties

Original Language

The Commonwealth sees value in the partnership with the awarded vendor. These performance-based penalties are included to protect the Commonwealth’s investment. At the sole discretion of the Commonwealth and KYOUI, penalties incurred for missed performance maybe reduced or waived on a case-by-case basis.

Contractor shall not be liable for failures outside their sole control.

Penalty #	Requirement Category	Contract Requirement	Penalty/Reduction
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<p>1</p>	<p>Key Milestone Dates</p>	<p>Accomplishment of certain specified activities by the key milestone dates, as defined in the work plan, shall be necessary to ensure project(s) are on track. If, for any reason, the Contractor is delayed in meeting these key milestone dates and a Contract modification or a change request for work plan change is not approved, a reduction in compensation may be assessed.</p> <p>If the Vendor is delayed or the Vendor contributes to a delay for another Contractor's performance or key milestones, UI shall assess a reduction in compensation.</p> <p>Approval of a contract modification or change request for work plan change does not waive the Commonwealth's ability to impose damages and/or reductions in compensation, if warranted by other terms of this Contract.</p>	<p>The Commonwealth may reduce compensation up to two thousand dollars (\$2,000.00) per calendar day, or any part thereof, for each of the first ten (10) calendar days of delay in meeting a milestone date or contributing to a delay for another Contractor's performance. The Commonwealth may reduce compensation up to four thousand dollars (\$4,000.00) per calendar day, or any part thereof, for each of the next twenty (20) calendar days of delay in meeting a milestone date or contributing to a delay for another Contractor's performance. The Commonwealth may reduce compensation up to six thousand dollars (\$6,000.00) per calendar day, or any part thereof, for each additional calendar day of delay in meeting a milestone after thirty (30) calendar days or contributing to a delay for another Contractor's performance.</p>
<p>2</p>	<p>Deliverables</p>	<p>Copies of each deliverable, as defined in the approved UI Detailed Work Plan, shall be delivered to UI, in final form, on or before the date specified in the approved Commonwealth UI Detailed Work Plan. UI may require one</p>	<p>The Commonwealth may assess and reduce compensation one thousand dollars (\$1,000.00) for each calendar day, or any part thereof, that a deliverable is late, which includes delivery on incorrect media.</p> <p>The Commonwealth may assess and reduce compensation an additional one thousand dollars</p>

		<p>(1) paper copy and one (1) electronic copy of all deliverables. The electronic copy shall be compatible with Microsoft Word, or other application software, as requested by UI, and submitted on the Commonwealth specified media and stored in UI SharePoint. All deliverables shall be in a format approved by UI, and meet content and accuracy requirements specified or as subsequently defined by UI. If the Vendor deviates without seeking UI approval, a penalty shall be assessed.</p>	<p>(\$1,000.00) for each calendar day, or any part thereof, that a deliverable continues not to meet minimum content requirements or the approved format after its formal rejection by UI when appropriate.</p>
<p>3</p>	<p>Key Personnel</p>	<p>Key personnel commitments contained in the Vendor's proposal for all phases of the contract shall not be changed without a 30-day advanced notice and prior written approval of the UI Contract Administrator, unless the changes are due to the death, disability, resignation, termination, or military recall of any key individual. If an individual listed in the Contractor's proposal becomes unavailable prior to award, the Commonwealth shall be notified immediately and a replacement of equal or greater qualifications shall be in place within thirty (30) days. The replacement individual shall be approved by the UI</p>	<p>The Commonwealth May assess up to thirty thousand dollars (\$30,000.00) in reduction in compensation for each key personnel proposed in the Vendor's response to the RFP who is changed for reasons other than death, disability, resignation, termination, or military recall. If an individual listed in the Contractor's proposal becomes unavailable prior to award, the Commonwealth shall be notified immediately and a replacement of equal or greater qualifications shall be in place within thirty (30) days. The replacement individual shall be approved by the Division Director prior to placement on the project.</p> <p>The Commonwealth may assess up to an additional one thousand dollars (\$1,000.00) in reduction in compensation, per business day, for each key personnel after the</p>

		<p>Project Director prior to placement on the project.</p> <p>As UI Contractors are on boarded, the Vendor shall reassess project-staffing needs at no additional cost to the Commonwealth.</p> <p>Staffing includes the staff proposed for all key positions required in this RFP, at the levels of effort proposed, or as specified in the Contract.</p> <p>The Vendor shall maintain staffing levels throughout the project at ninetypercent (90%) or more of the staffing plan agreed to during project planning.</p>	<p>initial thirty (30) business days allowed for Vendor to identify and receive UI approval on an acceptable replacement for the key personnel and an acceptable replacement has not been provided.</p> <p>If the Vendor fails to maintain ninety percent (90%) of the mutually agreed-to staffing plan for a period exceeding thirty (30) contiguous calendar days, the Commonwealth shall assess up to an additional one thousand dollars (\$1,000.00) in reduction in compensation, per business day, for each percentage point under 90%. replacements to maintain the ninetypercent (90%) staffing level.</p>
4	Lack of Collaboration	<p>The Vendor shall fully cooperate with all other Commonwealth Contractors (including IV&V) and Commonwealth employees. The Vendor shall not commit or permit any act that shall interfere with the performance of work by any other Contractor or by Commonwealth employees. If the Vendor fails to demonstrate effective collaboration, the Commonwealth may assess the situation and take appropriate actions.</p>	<p>UI shall provide formal, written notice with details for correction including action(s) to be taken, if action(s) are not taken, within five (5) business days, then the report card penalty may be assessed. If action(s) are not resolved in thirty (30) business days, then the Commonwealth shall reduce compensation up to ten thousand dollars (\$10,000.00) per calendar day.</p>
5	Documentation	<p>The Vendor shall be responsible for providing the Commonwealth with complete, accurate, and timely documentation of all modifications made to the operational Commonwealth UI</p>	<p>The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) for each business day, or any part thereof (beginning the next business day after the documentation due date), that the required documentation has not been</p>

		<p>modules. Such documentation shall be defined through the Deliverable Management Process, be in accordance with specifications approved by UI and delivered according to the project schedule.</p> <p>Any changes that occur to the operational system shall be documented according to specifications approved by UI.</p> <p>Documentation of any such changes shall be provided to UI based on the project schedule.</p>	<p>provided to the Commonwealth.</p> <p>The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) for each business day, or any part thereof, during which the documentation is unacceptable as to format, accuracy, and completeness, based on UI review. Reduction in compensation may be imposed until the Vendor provides the Commonwealth with acceptable documentation.</p>
6	Monthly Reportable status	<p>The Vendor shall produce within the first ten (10) calendar days of the end of the previous month a Monthly Project Status report that detail the accomplishments, and completion of project milestones.</p> <p>Due to the changing environment, report card performance standard contract requirements and Vendor-supplied Measurements shall be re-evaluated quarterly for appropriateness, and any additions to the report card shall be finalized through joint negotiation between the Commonwealth and the Vendor.</p>	<p>The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) per calendar day, starting on calendar day 11 through calendar day 20, or any part thereof, that the Report Card has not been supplied to the Commonwealth.</p> <p>The Commonwealth may reduce compensation up to one thousand dollars (\$1000.00) per calendar day, or any part thereof, for each additional calendar day of delay after the first twenty (20) calendar days, and continuing thereafter, that the Report Card has not been supplied to the Commonwealth.</p>
7	Turnover	<p>The Vendor shall be required to provide full support for contract turnover strategy and activities in accordance with the UI-approved Vendor Turnover Plan, as follows:</p> <ol style="list-style-type: none"> 1. Transfer of the Vendor's duties and 	<p>The reductions in compensation below shall be in addition to any amounts assessed for delays in meeting the operational start date.</p> <p>The Commonwealth may reduce compensation up to five thousand dollars (\$5,000.00) per calendar day, or any part thereof, for each of the first ten (10) calendar days of delay in</p>

		<p>responsibilities.</p> <ol style="list-style-type: none">2. Transfer of standard processes, procedures, business processes, and organizational contacts necessary for day-to-day operations.3. Training plans, training materials, and training delivery to support the transition and on-going work.4. Technical assistance with interfaces, information architecture, and IT and technical governance.5. Transfer of information, experiences, and processes related to the measurement and reporting of performance standards.6. Transfer of, and assistance on, all existing documentation.7. Transfer of all work in progress.8. Transfer of any tools and licenses under the contract to a Commonwealth approved location or person. <p>Accomplishment of certain specified turnover activities by key milestone dates, as established in the Commonwealth-</p>	<p>meeting a milestone date.</p> <p>The Commonwealth may reduce compensation up to ten thousand dollars (\$10,000.00) per calendar day, or any part thereof, for each of the next twenty (20) calendar days of delay in meeting a milestone date.</p> <p>The Commonwealth may reduce compensation up to fifteen thousand dollars (\$15,000.00) per calendar day, or any part thereof, for each additional calendar day of delay in meeting a milestone after thirty (30) days.</p>
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		<p>approved Vendor Turnover Plan, shall be necessary to ensure full compliance.</p> <p>If, for any reason, the Vendor is delayed in meeting these key milestone dates, and a Contract Modification to the Vendor Turnover Plan is not approved, a reduction in compensation may be assessed.</p> <p>Approval of a Contract or Vendor Turnover Plan modification does not waive the Commonwealth's ability to impose damages and/or reductions in compensation, if warranted by other terms of the Contract.</p>	
8	Security	<p>The Vendor shall create and maintain security controls and services listed in this RFP at all times.</p>	<p>Failure to deliver the security controls and services, including, but not limited to, services as listed under Section 50.6.20, Security Services, shall result in a penalty of five thousand dollars (\$5,000) per occurrence as a result of the Vendor, their tools, or technology. The Commonwealth shall reduce compensation up to thirty thousand dollars (\$30,000.00) per event (multiple occurrences during a single event) in which the Vendor's solution fails to meet a security requirement, control, or service. The Commonwealth may also pursue consequential or liquidated damages.</p>
9	UAT Testing	<p>The Vendor shall plan, coordinate, and manage UAT (Commonwealth is responsible for executing UAT and providing sign off) to ensure end-to-end quality of the entire UI enterprise by</p>	<p>The Commonwealth may reduce compensation up to one thousand dollars (\$1,000.00) for each business requirement missed during UAT or if any of the following are missed (each occurrence): quality attributes, such as reliability,</p>

		including quality attributes, such as reliability, security, interoperability, and maintainability in the test plan and execution strategy.	security, interoperability, and maintainability in the test plan and execution strategy.
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Negotiated Language

The Commonwealth sees value in the partnership with the **Vendor**. These performance-based penalties are included to protect the Commonwealth’s investment. At the sole discretion of the Commonwealth and KYOUI, penalties incurred for missed performance maybe reduced or waived on a case-by-case basis.

Contractor shall not be liable for failures outside their sole control.

Penalty #	Requirement Category	Contract Requirement	Penalty/Reduction
1	Key Milestone Dates	<p>Accomplishment of certain specified activities by the key milestone dates, as defined in the work plan, shall be necessary to ensure project(s) are on track. If, for any reason, the Contractor is delayed in meeting these key milestone dates and a Contract modification or a change request for work plan change is not approved, a reduction in compensation may be assessed.</p> <p>If the Vendor is delayed or the Vendor contributes to a delay for another Contractor’s performance or key milestones, UI shall access a reduction in compensation.</p> <p>Approval of a contract modification or change</p>	<p>The Commonwealth may reduce compensation up to two thousand dollars (\$2,000.00) per calendar day, or any part thereof, for each of the first ten (10) calendar days of delay in meeting a milestone date or contributing to a delay for another Contractor’s performance.</p> <p>The Commonwealth may reduce compensation up to two thousand, five hundred dollars (\$2,500.00) for each of the next ten (10) calendar days of delay in meeting a milestone date or contributing to a delay for another Vendor’s performance.</p>

		request for work plan change does not waive the Commonwealth's ability to impose damages and/or reductions in compensation, if warranted by other terms of this Contract.	
2	Deliverables	Copies of each deliverable, as defined in the approved UI Detailed Work Plan, shall be delivered to UI, in final form, on or before the date specified in the approved Commonwealth UI Detailed Work Plan. UI may require one (1) paper copy and one (1) electronic copy of all deliverables. The electronic copy shall be compatible with Microsoft Word, or other application software, as requested by UI, and submitted on the Commonwealth specified media and stored in UI SharePoint. All deliverables shall be in a format approved by UI, and meet content and accuracy requirements specified or as subsequently defined by UI. If the Vendor deviates without seeking UI approval, a penalty shall be assessed.	The Commonwealth may assess and reduce compensation one thousand dollars (\$1,000.00) for each calendar day, or any part thereof, for each of the first ten (10) calendar days that a deliverable is late, which includes delivery on incorrect media.
3	Key Personnel	Key personnel commitments contained in the	The Commonwealth May assess up to fifteen thousand dollars (\$15,000.00) in reduction in

		<p>Vendor 's proposal for all phases of the contract shall not be changed without a 30-day advanced notice and prior written approval of the UI Contract Administrator, unless the changes are due to the death, disability, resignation, termination, or military recall of any key individual. If an individual listed in the Contractor's proposal becomes unavailable prior to award, the Commonwealth shall be notified immediately and a replacement of equal or greater qualifications shall be in place within thirty (30) days. The replacement individual shall be approved by the UI Project Director prior to placement on the project.</p> <p>As UI Contractors are on boarded, theVendor shall reassess project-staffing needs at no additional cost to the Commonwealth.</p> <p>Staffing includes the staff proposed for all key positions required in the RFP, at the levels of effort proposed,or as specified in this Contract.</p>	<p>compensation for each key personnel proposed in the Vendor's response to the RFP or as modified during negotiations who is changed for reasons other than death, disability, resignation, termination, or military recall.</p> <p>If an individual listed in the Contractor's proposal becomes unavailable prior to award, the Commonwealth shall be notified immediately. The replacement individual shall be approved by the Division Director prior to placementon the project.</p> <p>The Commonwealth may assess up to an additional one thousand dollars (\$1,000.00) in reduction in compensation, per business day up to fifteen (15) business days, for each key personnel after the initial thirty (30) business days allowed for Vendor to identify and receive UI approval on an acceptable replacement for the key personnel and an acceptable replacement has not been provided.</p>
4	Lack of Collaboration	The Vendor shall fully cooperate with all other Commonwealth Contractors (including IV&V) and Commonwealth employees. The Vendor shall not commit or	UI shall provide formal, written notice with details for correction including action(s) to be taken, if action(s) are not taken, within five (5) business days, then the report card penalty may be assessed. If action(s) are not resolved in thirty (30) business days,

		<p>permit any act that shall interfere with the performance of work by any other Contractor or by Commonwealth employees. If the Vendor fails to demonstrate effective collaboration, the Commonwealth may assess the situation and take appropriate actions.</p>	<p>then the Commonwealth shall reduce compensation up to five thousand dollars (\$5,000.00) per calendar day, up to fifteen (15) calendar days.</p>
5	Documentation	<p>The Vendor shall be responsible for providing the Commonwealth with complete, accurate, and timely documentation of all modifications made to the operational Commonwealth UI modules. Such documentation shall be defined through the Deliverable Management Process, be in accordance with specifications approved by UI and delivered according to the project schedule. Any changes that occur to the operational system shall be documented according to specifications approved by UI. Documentation of any such changes shall be provided to UI based on the project schedule.</p>	<p>The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) for each business day, up to ten (10) business days, or any part thereof (beginning the next business day after the documentation due date), that the required documentation has not been provided to the Commonwealth.</p> <p>The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) for each business day up to ten (10) business days, or any part thereof, during which the documentation is not in accordance with specifications mutually agreed to in the project schedule and have been deemed unacceptable as to format, accuracy, and completeness via Deliverable Management Process.</p>
6	Monthly Reportable status	<p>The Vendor shall produce within the first ten (10) calendar days of the end of the previous month a Monthly Project Status report that detail the accomplishments, completion of project milestones,</p> <p>Due to the changing environment, report card performance standard contract requirements and Vendor-supplied Measurements shall be re-evaluated quarterly</p>	<p>The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) per calendar day, starting on calendar day 11 through calendar day 20, or any part thereof, that the Report Card has not been supplied to the Commonwealth.</p> <p>The Commonwealth may reduce compensation up to one thousand dollars (\$1,000.00) per calendar day, or any part thereof, for each additional calendar day, up to ten (10) calendar days, of delay after the first twenty (20) calendar days, and continuing</p>

		<p>for appropriateness, and any additions to the report card shall be finalized through joint negotiation between the Commonwealth and the Vendor.</p>	<p>thereafter, that the Report Card has not been supplied to the Commonwealth.</p>
7	Turnover	<p>The Vendor shall be required to provide full support for contract turnover strategy and activities in accordance with the UI-approved Vendor Turnover Plan, as follows:</p> <ul style="list-style-type: none"> • Transfer of the Vendor’s duties and responsibilities. • Transfer of standard processes, procedures, business processes, and organizational contacts necessary for day-to-day operations. • Training plans, training materials, and training delivery to support the transition and on-going work. • Technical assistance with interfaces, information architecture, and IT and technical governance. • Transfer of information, experiences, and processes related to the measurement and reporting of performance standards. • Transfer of, and 	<p>The Commonwealth may reduce compensation up to five thousand dollars (\$5,000.00) per calendar day, or any part thereof, for each of the first twenty (20) calendar days of delay in meeting a milestone date.</p>

		<p>assistance on, all existing documentation.</p> <ul style="list-style-type: none"> • Transfer of all work in progress. • Transfer of any tools and licenses under the contract to a Commonwealth approved location or person. <p>Accomplishment of certain specified turnover activities by key milestone dates, as established in the Commonwealth-approved Vendor Turnover Plan, shall be necessary to ensure full compliance.</p> <p>If, for any reason, the Vendor is delayed in meeting these key milestone dates, and a Contract Modification to the Vendor Turnover Plan is not approved, a reduction in compensation may be assessed.</p> <p>Approval of a Contract or Vendor Turnover Plan modification does not waive the Commonwealth's ability to impose damages and/or reductions in compensation, if warranted by other terms of this Contract.</p>	
8	Security	<p>The Vendor shall create and maintain security controls and services listed in this contract at all times.</p>	<p>Failure to deliver the security controls and services, including, but not limited to, services as listed under Section 50.6.20, Security Services, shall result in a penalty of five thousand dollars (\$5,000) per occurrence as a result of the Vendor, their tools, or technology.</p>

9	UAT Testing	The Vendor shall plan, coordinate, and manage UAT (Commonwealth is responsible for executing UAT and providing sign off) to ensure end-to-end quality of the entire UI enterprise by including quality attributes, such as reliability, security, interoperability, and maintainability in the test plan and execution strategy.	The Commonwealth may reduce compensation up to one thousand dollars (\$1,000.00) for each business requirement missed during UAT or if any of the following are missed (each occurrence): quality attributes, such as reliability, security, interoperability, and maintainability in the test plan and execution strategy.
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12. Section 50.6.26 - Retainage

Original Language

1. The Commonwealth shall require a payment retention (retainage) in the amount of ten percent (10%) per invoice based on the payment methodology. Each month, the Commonwealth will review the performance report card for performance during the preceding month. The Commonwealth will notify the Contractor of its determination related to any retainage to be forfeited, and any consequential and/or liquidated damages to be assessed. Retainage amounts shall be deducted from the invoice payment. Penalties are not capped at the retainage amount. The Commonwealth or its designee(s) will reserve the right to audit records and data related to the KYOUI Contractor's performance at any time during the Contract period.
2. **Release of Retainage:**
 - a. In the event of multiple or incremental deliveries, the retainage portion of the deliverables will be released upon KYOUI acceptance of the go-live of those deliverables.
 - b. Examples: The 10% retainage of the Tax System would be released upon delivery, go-live, and Performance Period of Acceptance (PPA) (180 days) of the Tax System. The 10% retainage of Benefits deliverable shall be released upon complete system go-live and Performance Period of Acceptance (180 days).
3. No retainage will be held on License Fees, Hosting Fees and on Software licensing, subscriptions, and 3rd party maintenance fees.

Negotiated Language

1. The Commonwealth **may** require a payment retention (retainage) in the amount of ten percent (10%) per invoice based on the payment methodology. Each month, the Commonwealth will review the performance report card for performance during the preceding month. The Commonwealth will notify the

Contractor of its determination related to any retainage to be forfeited. Retainage amounts **may** be deducted from the invoice payment. Penalties are not capped at the retainage amount. The Commonwealth or its designee(s) will reserve the right to audit records and data related to the KYOUI Contractor's performance at any time during the Contract period.

2. Release of Retainage:

- a. In the event of multiple or incremental deliveries, the retainage portion of the deliverables will be released upon KYOUI acceptance of the go-live of those deliverables.
 - b. Examples: The 10% retainage of the Tax System would be released upon delivery, go-live, and Performance Period of Acceptance (PPA) of the Tax System. The 10% retainage of Benefits deliverable **may** be released upon complete system go-live and Performance Period of Acceptance.
3. Retainage may not be held on License Fees, Hosting Fees and on Software licensing, subscriptions, and 3rd party maintenance fees.
13. Attachment J, KY SLA Criteria Measure, indicates revisions in red agreed upon by the Commonwealth and Vendor during negotiations.
14. The Commonwealth and Vendor agree that the Commonwealth will utilize existing Commonwealth Master Agreements (MAs) to purchase the hardware and software for this Contract.
15. Attachment R – KY UI Clarifications and Confirmations is agreed upon by all parties and is incorporated into, herein, this Contract.
16. The Commonwealth and Vendor agree the project timeline and go-live date for this Contract will be determined at the 1st JAD Session.

III. Terms and Conditions

SECTION 30 – COMMONWEALTH OFFICE OF TECHNOLOGY (COT) REQUIREMENTS

30.1 Hosting

If the vendor is proposing a cloud solution, the vendor shall propose a Federal Risk and Authorization Management Program (FedRAMP) moderate or higher compliant cloud platform. The proposed solution must accommodate the Commonwealth Office of Technology (COT) oversight that includes an isolated tenant, cloud network access (peering connection) and monitoring solutions.

30.2 Commonwealth Information Technology Policies and Standards

- A. The vendor and any subcontractors shall be required to adhere to applicable Commonwealth policies and standards.
- B. The Commonwealth posts changes to COT Standards and Policies on its Commonwealth Office of Technology - Home - Commonwealth Office of Technology (Kentucky) website. Vendors and subcontractors shall ensure their solution(s) shall work in concert with all posted changes. Vendors or subcontractors that cannot comply with changes must, within thirty (30) days of the posted change, request written relief with the justification for such relief. The Commonwealth may 1) deny the request, 2) approve an exception to the policy / standard, or 3) consider scope changes to this Contract to accommodate required changes. Vendors or subcontractors that do not provide the response within the thirty (30) day period shall be required to comply within ninety (90) days of the change. Vender's obligation under this Attachment A to comply with any Commonwealth standard and/or policy is as to the version in effect at the time of execution of the applicable statement of work or change order. Changes to the services as a result of any change to a standard or policy will be addressed through a mutually agreed change order if the standard or policy creates a material change in the scope of work.

30.3 Compliance with Kentucky Information Technology Standards (KITS)

- A. The Kentucky Information Technology Standards (KITS) reflect a set of principles for information, technology, applications, and organization. These standards provide guidelines, policies, directional statements and sets of standards for information technology. It defines, for the Commonwealth, functional and information needs so that technology choices can be made based on business objectives and service delivery. The vendor shall stay knowledgeable and shall provide a solution that works in concert with these standards for all related work resulting from this Contract. <https://technology.ky.gov/about-the-agency/Pages/kits.aspx>
- B. The vendor and any subcontractors may be required to submit a technology roadmap for any offered solution. Additional roadmaps will be submitted upon request of the Commonwealth. The roadmap shall include, but is not limited to, planned, scheduled and projected product lifecycle dates and historical release/patch or maintenance dates for the technology. In addition, any guidance on projected release/revision/patch/maintenance schedules would be preferred.

30.4 Compliance with Commonwealth Security Standards

The software deployment and all vendor services shall abide by privacy and security standards as outlined in the Commonwealth's Enterprise Information Technology Policies.

Enterprise Security Policies

<https://technology.ky.gov/OCISO/Pages/InformationSecurityPolicies,StandardsandProcedures.aspx>

Enterprise IT Policies

<https://technology.ky.gov/policies-and-procedures/Pages/policies.aspx>

30.5 Compliance with Industry Accepted Reporting Standards Based on Trust Service Principles and Criteria

The vendor must employ comprehensive risk and threat management controls based on defined industry standards for service organizations such as AICPA TSP section 100, Trust Services Principles and Criteria. The vendor must annually assert compliance and engage a third party certification registrar to examine such assertions and controls to provide a Report, such as AT101 SOC 2 type 2, on Controls at a Service Organization Relevant to Security and Availability, which contains an opinion on whether the operating controls effectively support the assertions. All such reports, including publicly available reports (i.e. AT 101 SOC 3) shall be made available to the Commonwealth for review, provided that the Commonwealth hereby agrees to maintain the confidentiality of such reports, **subject to Commonwealth and Federal public information disclosure laws.**

30.6 System Vulnerability and Security Assessments

The Commonwealth reserves the right to conduct, in collaboration with the vendor, non-invasive vulnerability and security assessments of the software deliverables provided by vendor under this Contract prior to implementation and periodically (not more frequently than annually or upon a major system change) thereafter. Upon completion of these assessments, the Commonwealth will communicate any deviations from the security requirements for software deliverable to the vendor for action. Any cost relating to the alleviation of the deviations from the applicable security requirements will be the responsibility of the vendor if identified to vendor during any applicable deliverable acceptance or warranty period. Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls that will reduce risk to an acceptable and agreed upon level. An accredited third-party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

The vendor shall provide an independent third-party penetration test of the solution prior to go live. Results of that assessment shall be provided to the Commonwealth for review provided that the Commonwealth hereby agrees to maintain the confidentiality of such results. **subject to Commonwealth and Federal public information disclosure laws.** The Commonwealth shall hold the responsibility of acceptance of risk and granting the authority to operate for the system.

30.7 **Privacy Assessments**

The Commonwealth reserves the right to conduct Privacy assessments of the collection, use, maintenance and sharing of Commonwealth data by any of the software deliverables provided by vendor under this contract prior to implementation and annually or upon a major system change thereafter. Upon completion of this assessment, the Commonwealth will communicate any deviations from the privacy requirements for software deliverable to the vendor for action. Any cost relating to the alleviation of the deviations from the applicable security requirements will be the responsibility of the vendor if identified to vendor during any applicable deliverable acceptance or warranty period. Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls or privacy practices that will reduce risk to an acceptable and agreed upon level. An accredited third-party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

30.8 **Privacy, Confidentiality and Ownership of Information**

The Commonwealth is the designated owner of all Commonwealth data and shall approve all access to that data. The Vendor shall not have ownership of Commonwealth data at any time. The vendor shall not profit from or share Commonwealth data. The Vendor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy notice statements may be developed and amended from time to time by the Commonwealth and will be appropriately displayed on the Commonwealth portal (Ky.gov). The Vendor should provide sufficient security to protect the Commonwealth and COT data in network transit, storage, and cache. **All Commonwealth data, including backups and archives, must be maintained at all times within the contiguous United States. All Commonwealth data, classified as sensitive or higher, as defined in Enterprise Standards, must be encrypted in-transit from Contractor's network and at rest while stored on Contractor's laptops or other portable media devices.**

30.9 **EU GDPR Compliance**

The Commonwealth of Kentucky requires all vendor contracts to comply to the extent applicable with the European Union's General Data Privacy Regulation [Regulation (EU) 2016/679] (the "GDPR") when the Commonwealth is a "controller" or "processor" of "personal data" from an individual "data subject" located in the European Union, as those terms are defined in the GDPR. The Contractor acknowledges and agrees that it is acting as a "processor" of "personal data" for the Commonwealth under this Agreement and that all applicable requirements of the GDPR are incorporated by reference as material terms of this Agreement. The Contractor represents and warrants that (1) it is aware of and understands its compliance obligations as a "processor" under GDPR; (2) it has adopted a GDPR compliant data privacy compliance policy/program, a summary

of which has been provided to the Commonwealth; (3) it will process “personal data” only in accordance with the Commonwealth’s instructions; and (4) with regard to its obligations under this Agreement, it shall comply with all applicable requirements of the GDPR. Additionally, the Contractor may be found liable to the Commonwealth for damages arising from any violation of applicable requirements of GDPR by the Contractor in its performance of the services hereunder, subject to Section 40.31, entitled Contractor’s Limitation of Liability.

30.10 X-as-a-Service Technical Definitions

Refer to NIST 800-145

30.11 Data Quality

Vendors shall provide proposed levels of data quality per the following dimensions.

Data Quality is the degree to which data is valid, accurate, complete, unique, timely, consistent with all requirements and business rules, and relevant for a given use. The vendor shall provide data quality definitions and metrics for any data elements. Data has to be of the appropriate quality to address the needs of the Commonwealth of Kentucky. The following dimensions can be used to assess data quality:

- Validity – The data values are in an acceptable format.
- Accuracy – The data attribute is accurate.
- Completeness – There are no null values in a data field.
- Uniqueness – There are no duplicate values in a data field.
- Timeliness – The data attribute represents information that is not out-of-date.
- Consistency – The data attribute is consistent with a business rule that may be based on that attribute itself, or on multiple attributes.
- Adherence to business rules – The data attribute or a combination of data attributes adheres to specified business rules.

30.12 Metadata Requirement

The awarded Vendor shall supply the Commonwealth with the logical and physical data model of the proposed solution and the associated data dictionary.

30.13 System Security Compliance Requirements

a. Session Security Lock

Vendor shall configure:

1. The system to initiate a session lock after a maximum of fifteen (15) minutes of inactivity.
2. The system session will remain locked until the user re-established identification and authentication procedures.

b. Session Pattern-Hiding Displays

Vendor shall configure system to conceal information previously visible on the display with a publicly viewable image or blank screen. When a session locks or times out, the system should obfuscate or blank out the displayed screen

and data at the time of the session lock as to not risk exposure after the session lock.

c. **Session Termination**

Vendor shall configure system to terminate a user session automatically after defined conditions trigger events requiring session disconnect. Conditions or trigger events requiring automatic session termination include, but are not limited to:

1. Agency-defined periods of user inactivity,
2. Targeted responses to certain types of incidents, or
3. Time-of-day restrictions on information system use.

30.14 Software Development

Source code for software developed or modified by the vendor specifically for the Commonwealth and provided to Commonwealth as a part of the deliverables shall become property of the Commonwealth. This is not meant to include Vendor IP or modifications to the vendor software to configure the software for Commonwealth use. Commonwealth acknowledges that in performing Services under this Agreement Vendor may use Vendor's proprietary methodology, processes, ideas, know-how and technology any product, independent utilities, tools, programs or components that are or were developed or owned by Vendor prior to or independent of the Services or any enhancements or improvements thereof made as part of the services hereunder ("Vendor IP"). Notwithstanding anything to the contrary contained in this Agreement, Vendor shall continue to retain the ownership and title to Vendor IP and nothing contained herein shall be construed as preventing or restricting Vendor from using Vendor IP in any manner and the assignment provisions set forth in this Agreement shall not apply to, Vendor IP. All pre-existing intellectual property shall belong to the Vendor including any customization, modification, or improvements thereof.

30.15 License Agreements

Software provided by the vendor to the Commonwealth should contain a provision for perpetual licensing with all upgrade options. License agreements should also contain a provision for the Commonwealth to maintain a version of the software in escrow in the event the vendor is unable to continue business for financial or other business reasons.

Any escrow agreement shall be negotiated by all parties.

Any third-party software licenses and cloud resources necessary for the proposed solution may be procured via the Commonwealth's existing contracts.

30.16 Software Version Requirements

All commercially supported and Commonwealth approved software components such as Operating system (OS), Database software, Application software, Web Server software, Middle Tier software, and other ancillary software must be kept

current. In the event that a patch interferes with the solution, the vendor must present a plan for compliance to the Commonwealth outlining the constraints and an appropriate plan of action to bring the solution in to compliance to allow this patch to be applied in the shortest timeframe possible, not to exceed three months, unless otherwise negotiated with the Commonwealth.

The Vendors shall keep software in compliance with industry standards to support third party products such as Java, Microsoft Edge, Mozilla Firefox, etc. at latest supported version, release, and patch levels, when such dependencies exist. In the event that a third-party dependency interferes with the solution, the vendor must present a plan for compliance to the Commonwealth outlining the constraints and an appropriate plan of action to bring the solution into compliance to allow this third party dependency to be updated in the shortest timeframe possible, not to exceed three months, unless otherwise negotiated with the Commonwealth.

30.17 **No Surreptitious Code Warranty**

The contractor represents and warrants that no copy of licensed Software provided to the Commonwealth contains or will contain any Self-Help Code or any Unauthorized Code as defined below as a result of Contractor's intentional or negligent acts or omissions. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty".

As used in this contract, "Self-Help Code" means any back door, time bomb, drop-dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access) for purposes of maintenance or technical support.

As used in this contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the Commonwealth.

The vendor shall defend the Commonwealth against any claim and indemnify the Commonwealth against any loss or expense arising out of any breach of the No Surreptitious Code Warranty.

30.18 Network Connection Requirements

- A. Vendor shall work with COT to establish any network connections. If a secure site-to-site connection is required, the vendor shall employ a secure site-to-site connection procured by the Agency from COT.
- B. Vendor shall notify COT of network bandwidth requirements and if caching is required for implementation vendor shall resolve caching requirements, in coordination with COT.
- C. Vendor shall, at COT's discretion, provide appropriate access to enable the Commonwealth to perform additional security measures, such as decryption of the network traffic if required for inspection. If the proposed solution does not have the ability to meet this requirement, the vendor must provide an alternative such as audit reporting of this function.
- D. Vendor shall provide notifications to the Commonwealth Service Desk for unplanned outages within 5 minutes.
- E. Vendor shall notify COT Change Management, through the Commonwealth Services Desk, a minimum of two (2) business days prior to any planned outage.
- F. Vendor, in conjunction with the agency, shall provide a Business Impact Assessment (BIA) to appropriately classify all data before production/go-live.
- G. Vendor shall include a Web Application Firewall when application houses any data classified as sensitive or higher as defined in KITS standards.
- H. Vendor shall provide Recovery Time Objective (RTO) and Recovery Point Objective (RPO) services. Vendor shall provide those services to achieve those SLAs.

30.19 OS Requirements

- a. Non-On Prem Solutions
 - 1. No Commonwealth data shall be co-mingled with another entity, without the prior approval of the Commonwealth.
 - 2. Vendor shall provide a solution to move data to the Commonwealth, if required by the Commonwealth.
 - a. At the end of this Contract, the Vendor shall provide all agency data in a useable standard data format (such as ascii, csv, etc.) that can be converted to a subsequent system. The Vendor shall cooperate to this end with the Agency and/or a Vendor of the agency's choice, in a timely and efficient manner. KYOUI owns the data. KYOUI reserves the right to copy the database, database schema, and data backups and have them transferred intact to KYOUI servers or cloud environment and platform of KYOUI's

choosing.

- b. Vendor shall address the destruction of Commonwealth data as defined in CIO-092 and provide a certification of the complete and permanent deletion the Commonwealth data.

B. Infrastructure As A Service

1. Vendor shall work with the Agency and COT to establish all administrative personnel engagements.
2. All virtual environments must run on VMC (VMWare Cloud) with OS version compliant with KITS, unless explicitly approved by COT.
3. VMC shall provide an enterprise class malicious code protective solution that is currently supported by the vendor and up to date
4. Vendor shall meet certification requirements for classification of data being stored.
5. Vendor shall, at COT's request, provide appropriate access to enable the Commonwealth to perform additional security measures in compliance with Commonwealth Enterprise Policies, Standards, and/or any Federal or State requirements.
6. Vendor shall provide an Exit Strategy, to move all data to the Commonwealth Data Center, if required by the Commonwealth.
 - a. At the end of this Contract, the Vendor shall provide all agency data in a form that can be converted to any subsequent system of the agency's choice. The Vendor shall cooperate to this end with the Vendor of the agency's choice, in a timely and efficient manner.
 - b. Vendor shall provide certification of the complete and permanent deletion of Commonwealth data and backups from all vendor storage.

30.20 Project Governance

Vendor shall work with the Agency and appropriate COT offices, when needed, in the cases of data governance, security aspects, hosting, integration, etc., provided that such work does not expand the scope of the services as described in Section 50 absent a corresponding change order agreed to by the parties reflecting such expansion.

30.21 Monitoring Requirements for On Premise and Cloud (SaaS)

The monitoring solution shall be negotiated with the highest ranked vendor. Vendors shall provide a view into their environment either by providing a COT approved comprehensive dashboard or allow COT to install their KITS compliant monitoring solution; to include but not limited to performance and availability.

30.22 Application and Service Requirements

A. Current Enterprise Applications and Services

1. COT provides a number of Enterprise Shared Services to State agencies. Vendor shall use published IT Applications and Services provided on KITS for: Enterprise Service Bus, Enterprise Content Management, Data

Warehousing, Data Analytics and Reporting, Business Intelligence, Web Services, GIS, unless explicitly approved by COT.

2. Vendor provided dedicated application components (i.e., Application Servers, Databases, etc.) shall comply with KITS or if the technology is not included in KITS, the technology must be accepted by the Commonwealth for inclusion in KITS or granted a written exception to KITS according to COT Information Technology Standards Policy currently CIO-051.
 3. Vendor applications must describe in detail all available features and functionality accessible via APIs.
 4. All business applications must support the ability to use modern authentication for authentication and authorization. Modern authentication technologies would include SAML 2.0, WSFED, OAuth, or OpenID Connect.
- B. Vendor shall comply with Commonwealth of Kentucky fingerprint requirements for PII/FTI/HIPAA data systems hosted outside Central Data Center. The current standard is included in the IRS publication 1075 which can be found here: <https://www.irs.gov/pub/irs-pdf/p1075.pdf>. Vendor shall agree to the inclusion of exhibit 7 as defined in the current release of IRS publication 1075 at the time of the award as an addendum to the final contract.

30.23 **Project Management Requirements**

The COT Division of Governance and Strategy (COT-DGS) is responsible for overseeing large and complex technology projects throughout the Commonwealth. The vendor shall adhere to Project Management standards and reporting requirements established by COT-DGS, which are posted at <https://technology.ky.gov/services-and-support/Pages/About-the-Project-Management-Branch.aspx>. These include, but are not limited to, having a documented project schedule, risk management, issue management and reporting project status to the CIO monthly in the format defined by COT-DGS. In addition to the project management standards required by COT-DGS, agency specific requirements may be defined in Section 50 of this Contract.

30.24 **Applicable Security Control Framework Compliance**

The vendor must have an awareness and understanding of the NIST Special Publication 800-53 Security Control Framework and employ safeguards that meet or exceed the moderate level controls as defined within the standard. The respondent must provide sufficient safeguards to provide reasonable protections around the Commonwealth's data to ensure that the confidentiality, integrity, and availability is maintained at an appropriate level. These include but are not limited to:

- *Access Control*

The vendor must employ policy and process that provide for stringent control to limit physical and logical access to systems that house Commonwealth data, on a need to know basis, provide clear separation of duties, and adheres to least privilege principles.

- *Awareness and Training*
The vendor must provide the appropriate role specific training for staff to ensure that there is awareness and understanding of roles and responsibilities as they relate to the protections around the Commonwealth's data.
- *Audit and Accountability*
There must be sufficient auditing capability to ensure that actions are tracked and there is individual accountability for all actions taken by vendor staff.
- *Configuration Management*
The vendor must work within established baselines that provide minimal functionality needed to ensure service delivery without exposing unnecessary risk. The vendor must also employ structured change control processes that provide a level of coordination with the client agreed upon in a Service Level Agreement (SLA).
- *Contingency Planning*
The vendor must employ contingent planning policy and procedures that ensure service delivery based on agreed SLA levels while maintaining all Commonwealth data within the continental United States.
- *Identification and Authorization*
The vendor must employ appropriate identity and access management policies and procedures to ensure that access is appropriately authorized and managed at a level to ensure that access is provisioned and de-provisioned in a timely and efficient manner.
- *Incident Response*
The vendor must employ policy and procedures to ensure that an appropriate response to all identified security incidents are addressed in a timely manner and are reported to the appropriate parties in an agreed upon SLA timeframe. The vendor must also ensure that all staff are sufficiently trained to ensure that they can identify situations that are classified as security incidents.
- *Maintenance*
The vendor must employ policy and procedures that ensure that all maintenance activities are conducted only by authorized maintenance staff leveraging only authorized maintenance tools.
- *Media Protection*
The vendor must employ policy and procedure to ensure that sufficient protections exist to protect Commonwealth data on all storage media throughout the media lifecycle and maintain documentation from media creation through destruction.
- *Physical and Environmental Controls*
The vendor must employ physical and environmental policies and procedures that ensure that the service and delivery infrastructure are located in a physically secure and environmentally protected environment to ensure the confidentiality, integrity, and availability of Commonwealth data.
- *Personnel Security*
The vendor must employ policies and procedures to ensure that all staff that have access to systems that house, transmit, or process Commonwealth data

have been appropriately vetted and have been through a background check at the time of hire and periodically thereafter.

- *System and Communications Protections*
The vendor must employ physical and logical protection that protect system communications and communication media from unauthorized access and to ensure adequate physical protections from damage.

SECTION 40 – PROCUREMENT REQUIREMENTS

40.1 Procurement Requirements

Procurement requirements are listed under “**Procurement Laws, Preference, Regulations and Policies**” and “**Response to Solicitation**” located on the eProcurement Web page at <https://finance.ky.gov/services/eprocurement/Pages/LawsPrefRegsPolicies.aspx> and <http://finance.ky.gov/services/eprocurement/Pages/VendorServices.aspx> respectively. The vendor must comply with all applicable statutes, regulations and policies related to this procurement.

40.2 Contract Components and Order of Precedence

The Commonwealth’s acceptance of the Contractor’s offer in response to the Solicitation, RFP 758 2300000217, indicated by the issuance of a contract award by the Office of Procurement Services, shall create a valid contract between the Parties consisting of the following:

Procurement Statutes, Regulations and Policies

1. Any written Agreement between the Parties;
2. Any Addenda to the Solicitation RFP 758 2300000217;
3. The Solicitation RFP 758 2300000217 and all attachments
4. Any Best and Final Offer;
5. Any clarifications concerning the Contractor’s proposal in response to the Solicitation RFP 758 2300000217;
6. The Contractor’s proposal in response to the Solicitation RFP 758 2300000217.

In the event of any conflict between or among the provisions contained in this Contract, the order of precedence shall be as enumerated above.

40.3 Final Agreement

This Contract represents the entire agreement between the parties with respect to the subject matter hereof. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

40.4 Contract Provisions

If any provision of this Contract (including items incorporated by reference) is declared or found to be illegal, unenforceable, or void, then both the Commonwealth and the Contractor shall be relieved of all obligations arising under such provision. If the remainder of this Contract is capable of performance, it shall not be affected by such declaration or finding and shall be fully performed.

40.5 Type of Contract

This Contract shall be on the basis of a **firm fixed unit price** for the elements listed.

40.6 Contract Usage

The contractual agreement with the Vendor will in no way obligate the Commonwealth of Kentucky to purchase any services or equipment under this Contract. The Commonwealth agrees, in entering into any contract, to purchase only such services in such quantities as necessary to meet the actual requirements as determined by the Commonwealth.

40.7 Addition or Deletion of Items or Services

The Office of Procurement Services reserves the right to add new and similar items, by issuing a contract modification, to this Contract with the consent of the Vendor. Until such time as the Vendor receives a modification, the Vendor shall not accept delivery orders from any agency referencing such items or services.

40.8 Changes and Modifications to the Contract

Pursuant to KRS 45A.210 (1) and 200 KAR 5:311, no modification or change of any provision in this Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Contractor and the Commonwealth, and incorporated as a written amendment to this Contract and processed through the Office of Procurement Services and approved by the Finance and Administration Cabinet prior to the effective date of such modification or change pursuant to KRS 45A.210(1) and 200 KAR 5:311. Memorandum of understanding, written clarification, and/or correspondence shall not be construed as amendments to this Contract.

If the Contractor finds at any time that existing conditions made modification of this Contract necessary, it shall promptly report such matters to the Commonwealth Buyer for consideration and decision.

40.9 Changes in Scope

The Commonwealth may, at any time by written order, make changes within the general scope of this Contract. No changes in scope are to be conducted except at the written approval of the Commonwealth and the Contractor.

40.10 **Contract Conformance**

If the Commonwealth Buyer determines that deliverables due under this Contract are not in conformance with the terms and conditions of this Contract and the mutually agreed-upon project plan, the Buyer may request the Contractor to deliver assurances in the form of additional contractor resources and to demonstrate that other major schedules will not be affected. The Commonwealth shall approve Contractor's plan for the quantity and quality of such additional resources and failure to comply may constitute default by the Contractor.

To the extent that any Deliverable has been approved by the Commonwealth at any stage of Contractor's performance, Contractor shall be entitled to rely on such approval for purposes of all subsequent stages of Contractor's performance regarding that deliverable.

40.11 **Assignment**

This Contract shall not be assigned in whole or in part without the prior written consent of the Commonwealth Buyer.

40.12 **Payment**

The Commonwealth will make payment within thirty (30) working days of receipt of Contractor's invoice or of acceptance of goods and/or services in accordance with KRS 45.453 and KRS 45.454.

Payments are predicated upon successful completion and acceptance of the described work, services, supplies, or commodities, and delivery of the required documentation. Invoices for payment shall be submitted to the agency contact person or his representative.

40.13 **Contractor Cooperation in Related Efforts**

The Commonwealth of Kentucky may undertake or award other contracts for additional or related work, services, supplies, or commodities, and the Contractor shall fully cooperate with such other contractors and Commonwealth employees. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees.

40.14 **Contractor Affiliation**

"Affiliate" shall mean a branch, division or subsidiary that is effectively controlled by another party. If any affiliate of the Contractor shall take any action that, if done by the Contractor, would constitute a breach of this agreement, the same shall be deemed a breach by such party with like legal effect.

40.15 **Commonwealth Property**

The Contractor shall be responsible for the proper custody and care of any Commonwealth-owned property furnished for contractor's use in connections with the performance of this Contract while in Contractor's possession and control. The

Contractor shall reimburse the Commonwealth for its loss or damage, normal wear and tear excepted.

40.16 Confidentiality of Contract Terms

The Contractor and the Commonwealth agree that all information communicated between them before the effective date of this Contract shall be received in strict confidence and shall not be necessarily disclosed by the receiving party, its agents, or employees without prior written consent of the other party. Such material will be kept confidential subject to Commonwealth and Federal public information disclosure laws.

Upon signing of this Contract by all parties, terms of this Contract become available to the public, pursuant to the provisions of the Kentucky Revised Statutes.

The Contractor shall have an appropriate agreement with its subcontractors extending these confidentiality requirements to all subcontractors' employees.

40.17 Confidential Information

The Contractor shall comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Commonwealth, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by the Commonwealth in writing to the Contractor. The Contractor shall abide by all applicable Federal and State Regulations and Statutes related to confidentiality. The Contractor shall have an appropriate agreement with its employees, and any subcontractor employees, to that effect, provided however, that the foregoing will not apply to:

- E. Information which the Commonwealth has released in writing from being maintained in confidence;
- F. Information which at the time of disclosure is in the public domain by having been printed and published and available to the public in libraries or other public places where such data is usually collected;
- G. Information, which, after disclosure, becomes part of the public domain as defined above, through no act of the Contractor;
or
- H. Information required to be disclosed by applicable law, rule, regulation, subpoena or summons.

40.18 Advertising Award

The Contractor shall not refer to the award of contract in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed or preferred by the Commonwealth of Kentucky without the expressed written consent of the agency technical contact person. (see Section 50.4)

40.19 Patent or Copyright Infringement

The Contractor shall report to the Commonwealth promptly and in reasonable written detail, each notice of claim of patent or copyright infringement based on the performance of this Contract of which the Contractor has knowledge.

The Commonwealth agrees to notify the Contractor promptly, in writing, of any such claim, suit or proceeding, and at the Contractor's expense give the Contractor proper and full information needed to settle and/or defend any such claim, suit or proceeding.

If, in the Contractor's opinion, the equipment, materials, or information mentioned in the paragraphs above is likely to or does become the subject of a claim or infringement of a United States patent or copyright, then without diminishing the Contractor's obligation to satisfy any final award, the Contractor may, with the Commonwealth's written consent, substitute other equally suitable equipment, materials, and information, or at the Contractor's options and expense, obtain the right for the Commonwealth to continue the use of such equipment, materials, and information.

The Commonwealth agrees that the Contractor has the right to defend, or at its option, to settle and the Contractor agrees to defend at its own expense, or at its option to settle, any claim, suit or proceeding brought against the Commonwealth on the issue of infringement of any United States patent or copyright or any product, or any part thereof, supplied by the Contractor to the Commonwealth under this agreement. The Contractor agrees to pay any final judgment entered against the Commonwealth on such issue in any suit or proceeding defended by the Contractor.

If principles of governmental or public law are involved, the Commonwealth may participate in the defense of any such action, but no costs or expenses shall be incurred for the account of the Contractor without the Contractor's written consent.

The Contractor shall have no liability for any infringement based upon:

- A. the combination of such product or part with any other product or part not furnished to the Commonwealth by the Contractor
- B. the modification of such product or part unless such modification was made by the Contractor
- C. the use of such product or part in a manner for which it was not designed

40.20 Permits, Licenses, Taxes and Commonwealth Registration

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all Federal, State, and local governments in which work under this Contract is performed.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. Additional local registration or license may be required.

The Contractor shall pay any sales, use, and personal property taxes arising out of this Contract and the transaction contemplated hereby. Any other taxes levied upon this Contract, the transaction, or the equipment or services delivered pursuant hereto shall be borne by the Contractor.

40.21 EEO Requirements

The Equal Employment Opportunity Act of 1978 applies to All State government projects with an estimated value exceeding \$500,000. The Contractor shall comply with all terms and conditions of the Act.

<https://finance.ky.gov/office-of-the-secretary/Pages/finance-forms.aspx>
(Click on Office of the Controller and scroll down to Procurement section.)

40.22 Provisions for Termination of the Contract

This Contract shall be subject to the termination provisions set forth in 200 KAR 5:312.

40.23 Bankruptcy

In the event the Contractor becomes the subject debtor in a case pending under the Federal Bankruptcy Code, the Commonwealth's right to terminate this Contract may be subject to the rights of a trustee in bankruptcy to assume or assign this Contract. The trustee shall not have the right to assume or assign this Contract unless the trustee (a) promptly cures all defaults under this Contract; (b) promptly compensates the Commonwealth for the monetary damages incurred as a result of such default, and (c) provides adequate assurance of future performance, as determined by the Commonwealth.

40.24 Conformance with Commonwealth & Federal Laws/Regulations

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the Commonwealth on this Contract, including but not limited to actions either for breach of contract or for enforcement of this Contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

40.25 Accessibility

Vendor hereby warrants that during the applicable warranty period under this Contract the software deliverables to be provided under this Contract will comply with the approved design requirements related to compliance with the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1194. Vendor further warrants that during the applicable

warranty period under this Contract the software deliverable to be provided under this Contract comply with the approved design requirements related to compliance with existing federal standards established under Section 255 of the Federal Telecommunications Act of 1996 (47 U.S.C. § 255), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1193, to the extent the vendor's software deliverable may be covered by that act. Vendor agrees to promptly respond to and work with the Commonwealth to resolve any complaint regarding accessibility of its products or services which is brought to its attention during the applicable warranty period.

40.26 Access to Records

The state agency certifies that it is in compliance with the provisions of KRS 45A.695, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to this Contract." The Contractor, as defined in KRS 45A.030, agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

40.27 Prohibitions of Certain Conflicts of Interest

In accordance with KRS 45A.340, the Contractor represents and warrants, and the Commonwealth relies upon such representation and warranty, that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services. The Contractor further represents and warrants that in the performance of this Contract, no person, including any subcontractor, having any such interest shall be employed.

In accordance with KRS 45A.340 and KRS 11A.040 (4), the Contractor agrees that it shall not knowingly allow any official or employee of the Commonwealth who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Contract to voluntarily acquire any ownership interest, direct or indirect, in this Contract prior to the completion of this Contract.

40.28 No Contingent Fees

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this Contract, excepting bona fide employees of the offeror or bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business. For breach or violation of this

provision, the Commonwealth shall have the right to reject the proposal or cancel this Contract without liability.

40.29 **Intentionally Omitted**

40.30 **Contract Claims**

The Parties acknowledge that KRS 45A.225 to 45A.290 governs contract claims.

40.31 **Limitation of Liability**

The liability of the Commonwealth related to contractual damages is set forth in KRS 45A.245. Except for Claims (as defined below) for damages arising from the bad faith, recklessness or willful misconduct of the Contractor, and damages for bodily injury (including death) and damages for physical injury to tangible personal property or real property, Contractor shall not be liable to the Commonwealth for any claims, liabilities, or expenses relating to this Contract ("Claims") for an aggregate amount in excess of the fees paid by the Commonwealth to Contractor under this Contract. Subject to any contrary provisions in the Kentucky Model Procurement Code, in no event shall the measure of damages payable by the Contractor include, nor shall Contractor be liable for, any amounts of loss of income, profit or savings, or indirect, incidental, consequential, exemplary, punitive or special damages of the Commonwealth, unless a court of competent jurisdiction deems this provision to be an unconstitutional indemnification or assumption of legal risk of another party by the Commonwealth.

40.32 **Discrimination**

Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this Contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.
3. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.
4. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.
7. The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

40.33 **Intentionally Omitted**

40.34 **Intentionally Omitted**

40.35 **Exception to Required Use of Contract**

The establishment of this Master Agreement or Award Contract is not intended to preclude the use of similar products when requested by the agency. The Commonwealth of Kentucky reserves the right to contract for large requirements by using a separate solicitation.

SECTION 50 – SCOPE OF WORK

50.1 **Agencies to Be Served**

This Contract shall be for use by the **Education and Labor Cabinet**. No shipments shall be made except upon receipt by vendor of an official delivery order from the using agency.

Extending the Contract Use to Other Agencies

The Office of Procurement Services reserves the right, with the consent of the vendor, to offer the Master Agreement resulting from this solicitation to other state agencies requiring the product(s) or service(s).

50.2 **Term of Contract and Renewal Options**

The initial term of this Contract shall be for a period of **six (6) years** from the effective date of the Award of Contract.

This Contract may be renewed at the completion of the initial contract period for **three (3) additional two (2)-year** periods upon the mutual agreement of the Parties. Such mutual agreement shall take the form of a contract modification as described in Section 40.8 of this Contract.

KYOUI will own the data produced by and/or contained in the system. At the end of this Contract, the vendor shall provide all agency data in a form that can be converted to any subsequent system of the agency's choice. The vendor shall cooperate to this end with the vendor of the agency's choice, in a timely and efficient manner. KYOUI reserves the right to copy the database, database schema, and data backups to be transferred intact to KYOUI servers or cloud environment and platform of KYOUI's choosing.

The Commonwealth reserves the right not to exercise any or all renewal options. The Commonwealth reserves the right to extend this Contract for a period less than the length of the above-referenced renewal period if such an extension is determined by the Commonwealth Buyer to be in the best interest of the Commonwealth.

The Commonwealth reserves the right to renegotiate any terms and/or conditions as may be necessary to meet requirements for the extended period. In the event proposed revisions cannot be agreed upon, either party shall have the right to

withdraw without prejudice from either exercising the option or continuing this Contract in an extended period.

50.3 Basis of Price Revisions

PRICE ADJUSTMENTS: Unless otherwise specified, the prices established by this Contract shall remain firm for this Contract period subject to the following:

- A. Price Increases: A price increase shall not occur during the first twelve (12) months of this Contract. A vendor may request a price increase after twelve (12) months of this Contract, which may be granted or denied by the Commonwealth. Any such price increase shall be based on industry wide price changes. This Contract holder must request in writing a price increase at least thirty (30) days prior to the effective date and shall provide firm proof that the price increase(s) is justified. The Office of Procurement Services may request additional information or justification. If the price increase is denied, this Contract holder may withdraw from this Contract without prejudice upon written notice and approval by the Office of Procurement Services. Provided, however, that the vendor must continue service, at this Contract prices, until a new contract can be established (usually within sixty (60) days).
- B. Price Decreases: This Contract price shall be reduced to reflect any industry wide price decreases. This Contract holder is required to furnish the Office of Procurement Services with notice of any price decreases as soon as such decreases are available.
- C. Extended Contract Periods: If this Contract provides for an optional renewal period, a price adjustment may be granted at the time this Contract is renewed, subject to price increase justification as required in Paragraph A "Price Increases" as stated above.

50.4 Notices

All programmatic communications with regard to day-to-day performance under this Contract are to be made to the agency technical contact(s)

Kenneth Jones, Dep Exec Director
EDUCATION AND LABOR CABINET
Office of Technology Services
500 Mero St
Frankfort, KY, 40601
502-229-7503
Kenneth.Jones@ky.gov

All communications of a contractual or legal nature are to be made to the Commonwealth Buyer.

Holly McDonald, KCPM
COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET
Office of Procurement Services
200 Mero Street, 5th Floor
Frankfort, KY 40622
(502) 564-4510
Holly.McDonald@ky.gov

50.5 Subcontractors

The Contractor is permitted to make subcontract(s) with any other party for furnishing any of the work or services herein. The Contractor shall be solely responsible for performance of the entire contract whether or not subcontractors are used. The Commonwealth shall not be involved in the relationship between the Prime Contractor and the subcontractor. Any issues that arise as a result of this relationship shall be resolved by the Prime Contractor. All references to the Contractor shall be construed to encompass both the Contractor and any subcontractors of the Contractor.

50.6 Scope of Work/Technical Requirements

The Business Requirement use cases are in various functionality blocks. Each functional block has its own tabs within the spreadsheet with detailed requirements. (See Attachment O – Function Blocks) All function Blocks shall be designed and implemented.

- Function Block 01 Claims Filing
- Function Block 02 Monetary Determination
- Function Block 03 Claims Maintenance
- Function Block 04 UI Commission Lower Authority
- Function Block 05 UI Commission
- Function Block 06 TRA Filing and Maintenance
- Function Block 07 Reporting a Separation
- Function Block 08 Federal Pension Maintenance
- Function Block 09 Intentionally omitted
- Function Block 10 Adjudicate Claim Issue
- Function Block 11 Profiling & Re-Employment
- Function Block 12 QA BAM Audit
- Function Block 13 QA Federal Audit
- Function Block 14 Chargeability
- Function Block 15 Fraud Tips
- Function Block 16 Employer Liability
- Function Block 17 Maintain Employer Account

- Function Block 18 Contribution, Wage, & Payment Processing
- Function Block 19 Employer Certificates
- Function Block 20 Employer Rate Maintenance
- Function Block 21 Identify Overdue Debt
- Function Block 22 Collection and Repayment Tools
- Function Block 23 Employer Audit
- Function Block 24 Generating 1099G
- Function Block 25 Reports
- Function Block 27 Accounting
- Function Block 28 Assess Other Liabilities
- Function Block 29 Security Roles and Access
- Function Block 30 Benefit Payment Processing
- Function Block 31 Issue Management
- Function Block 32 General Information
- Function Block 35 Claims For Special Programs Disaster UnemploymentAssistance
- Function Block 36 Claims For Special Programs Federal Extension
- Function Block 37 Claims For Special Programs State Extension
- Function Block 38 Claims For Special Programs Trade Act

Function Blocks 9, 26, 33 and 34 are intentionally omitted.

See Attachment K and M for details for the following lists.

- Opentext Documents-Attachment K
- Interfaces List-Attachment M

50.6.1 Number of Years of Experience and in Business

The Vendor shall have been in business for a minimum of five (5) years and shall have a minimum of five (5) years of experience with a project of similar size and scope as the one proposed to the Commonwealth of Kentucky.

50.6.2 Number of Implementations

The Vendor shall have conducted a minimum of one (1) successful implementation of a complex government service IT system of a comparable size and scope in the United States prior to the closing of this solicitation. The Commonwealth prefers a vendor that has experience building a detailed UI system or its prior version equivalent.

The Prime Contractor must not rely solely on subcontractors for technical solutions. The prime must have technical experience and have completed the design, development and implementation of an Unemployment Insurance Solution or some functional or operational component.

50.6.3 Key Personnel

PROJECT MANAGER

Required Qualifications

1. Certified Project Manager shall have a minimum of Five (5) years or more of project management experience in the public sector and currently hold a Project Management Professional credential (“PMP”) from the Project Management Institute.
2. Project management experience shall be in one (1) or more of the following business applications: UI, Financial Accounting, Case Management, Government Revenue, Insurance, or Claim Processing.
3. The Vendor shall submit a plan for project staffing. The staffing Management plan shall describe the Vendor’s staffing approach to complete all phases of work, functions, requirements, roles and duties associated with this project. The vendorstaff are required to possess the necessary knowledge, skills, and abilities to complete the project. The vendor shall provide an organization chart that will account for all key roles and lead roles listed below and where the key resource is located within the US. **ALL resources, key and otherwise, no matter the project/contract role or type of interaction with production or non-production data, must be within the Continental United States. No work or resources shall be offshore.**

Key Personnel / Roles

- a) Project Manager
 - b) Technical Architect
 - c) Technical analyst
 - d) Data Architect
 - e) Data Base Administrator
 - f) System Administrator
 - g) QA Manger
 - h) Lead Business Analyst
 - i) Security Architect
 - j) Senior Software Engineer
 - k) Technical Writer
4. Ensure that the product vendor’s key personnel assigned to this contract may not be replaced without the written consent of KYOUI. Such consent shall not be unreasonably withheld or delayed, provided an equally qualified replacement is offered. Additionally, KYOUI reserves the sole right to approve or disapprove any of the product vendor's proposed changes in staff or to require the removal or reassignment of any product vendor employee found unacceptable by KYOUI. Removal of a product vendor employee shall mean that the individual may no longer work on the project. KYOUI’s request does not require any reason as to the request. There shall be no negotiation relative to the request. Reassignment request(s) from the product vendor

shall include a justification of why the reassignment is beneficial to KYOUI. This substitution/replacement must occur within thirty (30) calendar days once written notice is provided by KYOUI. KYOUI reserves the right to approve all individuals assigned to the project and no substitution of personnel shall be made without the prior written approval of KYOUI. KYOUI agrees to reasonably review substitution requests. Substitutions should possess equivalent or superior qualifications and experience to the original candidate as defined in the proposed resumes.

5. The Vendor is to ensure the appropriate project resources are available onsite during key meeting and generally Tuesday – Thursday from 8:00 a.m. to 4:30 p.m. EST in accordance with the project plan. All Online Meetings/collaborations between vendor personnel and state personnel should happen during the business hours Monday – Friday 8:00am to 4:30pm EST. Any business travel by individuals should be planned to not impede productive collaboration between the teams. Deviation from this requires UI approval. The Commonwealth shall not be responsible for travel expenses. The Commonwealth reserves the right to allow work remotely on a case by case basis. The vendor shall provide the computers for their personnel to do their work. Minimum protection standards for the vendor provided hardware shall be provided to, and approved by, the Commonwealth Office of Technology. However, all data of the system would remain in the Commonwealth approved servers (on site or cloud). The Commonwealth will provide secure access to the Commonwealth systems and infrastructure. Commonwealth reserves the right to call the Project manager/key staff to be available onsite for a specific period.

50.6.4 Functional/Technical Requirements

Recent experience suggests that progressive elaboration will occur and shall be included in the base cost and built into the proposed project schedule. KYOUI has final approval over all requirements resulting from Progressive Elaboration, including functional requirements, interface, reports, etc., during the finalization of System requirements, and under no circumstances will the limitations imposed by the Contractor's base code set, framework, COTS product(s), or any technical base proposed by the Contractor be used to determine finalized **requirements UNLESS KYOUI APPROVES.**

A discrete requirement, such as social security number validation, shall only be counted as one requirement regardless of how many times it is used in the entire System.

Unless otherwise specified, all references in this document to timelines of days shall mean business days. Example: the phase to be reviewed within 5 days, means within 5 business days, unless specified otherwise.

1. **System Requirements Analysis**

The Contractor shall analyze the behaviors, functions, requirements, business rules and needs in order to completely specify a precise set of system functionality from which all development activity shall proceed. This process shall be led by the Contractor but performed in collaboration with KYOUI. The Contractor will utilize the use cases produced by KYOUI. Information and documentation related to these use cases analysis can be found in Attachment O – Function Blocks and are the framework baseline for the analysis process, but they are not Design-Ready requirements.

2. **Functional Business Requirements**

1. The Contractor shall conduct sessions with KYOUI to validate and further document the detailed requirements and business rules for all system functionality, interfaces, reports, notices, correspondence, and data elements. The Contractor shall continue to perform business process regarding engineering during detailed system design and make recommendations to KYOUI for process improvements at the detailed design level.

2. The Contractor's Solution shall encompass, address, design and implement the interfaces specified in, but not limited to, Attachment M - Interface Master List KY.

3. KYOUI Functional Requirements contain broader high level functional requirements and does not include related business rules. (This process will

include analyzing KYOUI use cases and developing them into system usecases with business rules ready for detail design.

4. The Contractor's Solution shall meet and fully satisfy all detailed functional block use cases specified in the Attachment O - Functional Blocks.

5. The Use Cases are organized into functional blocks encompassing the Benefits, Employer Contributions, and Appeals domains. Use Cases and User Stories are used synonymously throughout this document to represent requirements or parts of features.

6. Policy and program changes can happen throughout development. All changes in Federal or State Law will be assessed by KYOUI for delivery during the lifecycle of the project, and shall be implemented, via change controls.

7. KYOUI is amenable to suggested improvements, elaborations, and innovations within the framework of its use case requirements and is receptive to augmentation, alternative approaches, and/or other best practice approaches, as long as they are well-justified, approved by KYOUI, proven as successful, and achievable within the fiscal constraints of the proposed/agreed upon contract services price. The Contractor may define requirements up front and refine during later stages or use an approach in which the higher level requirements are decomposed and finalized during iterative development.

8. The validation evolution of these requirements into design-ready specification shall include, but not limited to, such items as forms, reports, roles definition, and implementation. The result shall be a complete set of documented UI Benefits, Employer Contribution, and Appeals Solution functional and technical requirements that are ready for use in subsequent phases.

9. The Contractor shall produce a design-ready set of functional, technical, and general system requirements exhibiting the following properties and characteristics:

- a) Correctness;
- b) Unambiguousness;
- c) Completeness;
- d) Consistency;
- e) Verifiability (i.e. testability).

10. In addition to establishing a design-ready set of system functionality and non-functionality at the end of this phase, an updated comprehensive Project Plan and Schedule, conforming to COT's and KYOUI's project management standards and guidelines, will be established and used as the basis for iterative development. The Project Plan must account for both contractor and State staff resources.

11. To produce design-ready requirements, the Contractor shall conduct Joint Application Development (JAD) workshop sessions with KYOUI to identify and further document the detailed requirements and business rules for all functionality of Iterations, interfaces, reports, notices, correspondence, notes, messages, workflow items, and data elements as a prelude to detailed design and coding. The Contractor shall provide access to the sandbox with focus for session relevant areas for the JAD workshop. All relevant materials to be discussed during a workshop

session, including requirements artifacts related to an existing base code set, framework, or commercial software, must be made available to Commonwealth attendees at least three (3) business days prior to the commencement of the session, otherwise the workshop may be canceled at the KYOUI Project Director's discretion and the Contractor shall be responsible for rescheduling the session subject to State staff availability, and could be held responsible for costs incurred (e.g., travel, rooms) as a result of the cancellation.

12. The Design-Ready Requirements shall include baseline Use Cases / User Stories with completed business rules, complete enumeration and definition of all data elements, complete set of screen mockups, wireframes or storyboards with clear linkage to Use Cases / User Stories and Use Case steps, defined data elements, relationship of each Use Case to other associated Use Cases, and each Use Case's correspondence, reports, forms, and interfaces. Each module shall have BRD (Business Requirements Document) and FRD (Functional Requirements Document). These documents will be used to prepare for the iterative build processes.

50.6.5 Nonfunctional Requirements

The Contractor's Solution shall provide Nonfunctional Requirements specified below but not limited to:

1. Availability

- a) Production system must be accessible according to SLA-001 except for mutually approved scheduled downtime.
- b) The system must notify users and customers when the function they are accessing is unavailable.
- c) The availability of the system must conform the SLA requirements and subject to the penalties described within the SLA.

2. Audit logs

- a) The KYOUI system must monitor and report access to sensitive data and screens for future auditing.
- b) The system must allow access to audit logs as read only. The logs shall not be editable under any circumstances regardless of user rights.
- c) The proposed solution must leverage industry standard logging

capabilities and formats that can be readily ingested into existing Commonwealth standard solutions for the purposes of troubleshooting, performance metrics, and security monitoring. The monitoring solution shall be negotiated with the highest ranked vendor. Logs shall be made available at the specific log source or in a centralized collections system that ensures the integrity of the log data to prevent modification or erasure.

3. Archive/Purge data

- a) The system shall archive, retrieve, restore to active status and purge records as agreed by KYOUI per configurable business rules.
- b) The Archived data shall be available for on demand on querying for staff.
- c) The system shall retain all information collected, processed, stored, or transported in the proposed solution based on configurable retention requirements.
- d) The system shall perform routine (configurable schedule) review of the archived data to verify no loss of archived records and verify the ability to retrieve these records.

4. Capacity

- a) The system must be capable of scaling in size and performance to accommodate claims that are handled currently. The proper sizing should be done to accommodate the KYOUI defined number of users, claimants and employers.
- b) The system must be capable of scaling in size and performance to accommodate claims doubling every three (3) months for one (1) year in case of a major economic downturn.
- c) The solution must be able to scale dynamically (vertically or horizontally) to meet the varying degree of concurrent computational work threads during normal and peak processing cycles while meeting established SLA and availability requirements. Please refer to details for the SLA requirements and penalties associated with not meeting the SLA requirements in Attachment J – KY SLA Criteria Measure.

5. Multiple Environment Support

- a) The system shall support development, test, training, performance, staging and production areas. In addition, the vendor shall be able to develop in parallel functionalities and provide the requirements for parallel development environments.
- b) The system shall allow authorized users to query system data and create specialized reports for internal use and provide access to data in all supported environments (production, test, development, training).
- c) The testing and performance environments of the solution shall closely simulate the production environment of the solution.

6. System Performance

- a) The system must provide a response time of two (2) seconds or less between the user request and the system response. A longer response time may be acceptable when requesting large reports, uploading files, document images, and external interfaces. The reports shall utilize a reporting database instead of running against the online transaction database. In addition, when the reports are running the online transaction system shall have no impact to its performance.
- b) The system shall provide utilities to analyze and identify bottlenecks in the system.

50.6.6 Requirements Management

- 1. The Contractor shall manage requirements and all requirements need to be documented in a repository (approved by Commonwealth of KY) throughout the development and operational life cycles of the Solution, which shall include all validated use cases and element level functional and nonfunctional system requirements (e.g. use case statements, discrete business rule) residing in validated use cases, business rules, supplemental specifications, storyboards, relevant requirements artifacts, and contract requirements. The Contractor also confirms the following detailed requirements shall be met by the Contractor's repository:
 - a) All configurable system requirements shall be clearly identified as such.
 - b) All system requirements shall be traceable to design, code, and

test, at the element level using traceability matrices.

- c) All requirements changes shall be tracked with traceability to downstream development processes clearly identified.
- d) The requirements repository tool shall be accessible by KYOUI through the use of a software tool that is capable of generating meaningful and current status reports and offers both out-of-the-box and custom reports.
- e) Contractor shall maintain the integrity of the requirements repository throughout development and operations, encompassing all Solution changes that occur under any resulting contracts from this solicitation.

2. **Requirements Validation**

Requirements shall be elaborated and validated during the project through a collaborative JAD (Joint Application Development) Phase with designated KYOUI users, system architects, and subject matter experts, and on-going collaboration with users throughout development as appropriate.

50.6.7 Configuration

1. The solution must be configurable and flexible. Business rules shall be used to avoid customization of code.
2. The solution must provide maintenance screens to allow entry and update of configuration values and business rules. These maintenance screens include edit logs to protect the integrity of the system.
3. Roles based security for staff functionality is required to manage the access and access must be available for help desk (support) staff to support all functionalities within the system.
4. The system must have capability to store multiple U.S. and foreign addresses and telephone numbers per customer.
5. The system must allow multiple addresses for employers and allow TPA (Third Party Administrator)'s address to be stored for employers who are represented by TPA.
6. The system must allow authorized users to enable and disable application alerts, prompts, and cues. This action shall be logged.
7. The system must determine the time zone and automatically change time according to dates and time zones for both internal and external

users.

8. The system must contain entities that will house the unique data-elements for each environment without comingling of production data to other environments.
9. The data in the lower environments must be obfuscated to protect the identifiable information.
10. Values, data types, categories, descriptions, and other metadata must be configurable.
11. The system must allow the configured values to be effectively dated and changed without redeploying the application.
12. The system must allow changes to rates, rules, values, and other data to be scheduled to go into effect at a future date.
13. The system shall allow customized notifications and alerts to staff via dashboard regarding system errors including but not limited to failed interface transmissions.
14. The system must record all data accesses by users in the security audit logrecord. This must conform to the SIEM requirements and using the tool referred in 50.6.5 Nonfunctional Requirements (2) under Audit logs.

50.6.8 Usability

1. Usability of the system is important to the KYOUI user experience and the acceptance of the new system by end users. It consists of ease of access to screens, intuitive movement between screens and configurable views of data to support business needs. Please refer to the links provided for Voluntary product Accessibility Template requirements. The vendor can complete using the latest version of Voluntary product Accessibility Template: <https://www.section508.gov/sell/vpat> and <https://www.itic.org/policy/accessibility/vpat>. The expectation of VPAT is for both section 508 and W3C Web Content Authoring Guide
2. Provide a web-based graphical user interface (GUI) for desktop and responsive design for mobile devices for interaction with the KYOUI system to include:
 - a) A consistent look and feel across all modules that must be able to work with all Commonwealth approved browsers.

- b) Compliance with industry standard for all browser and internet protocols.
 - c) While the responsive design is needed throughout the system, it shall conform to this design for public facing component of the KYOUI application.
3. Display key information at the top of each screen, including the environment where the user is currently working (e.g., test, production, training).
 4. Allow the user to view multiple screens for the same or different claimants or business accounts and navigate between them without loss of data. Frequent save of pages must occur within system. Also, when network is not available, there are specific requirements defined in Function Block 23 about having offline functionality (Remote Access System) to continue using the system and upload data to database when the network connectivity is available. Please refer to the requirements in the Functional Block 23. (Attachment O – Function Blocks)
 5. Provide lists of data from searches that support sorting, filtering, scrolling, drilling into a particular response and returning to the same location in the list.
 6. Accept direct date entry with the option to select the date from a calendar.
 7. Accept data entry selection from a drop-down list or autofill from the list based on characters entered.
 8. Search on data using industry standard functionality such as “begins with,” “contains,” and “fuzzy searching.”
 9. Provide multiple navigation methods within the, e.g., menu, hotkey, breadcrumbs, icon, command.
 10. The system must provide the ability for an external user to select their preferred language; the default selection is American English. Once selected, the system shall provide all information to that individual in their preferred language. American English and Spanish are mandatory requirements for the language preference.
 11. Provide the full feature tool/plugin capability for configurable spell check and grammar check against text fields entered.

12. Provide the capability for claimant/employer facing screens and artifacts to be available on mobile devices, for example, cellular phones, tablets and laptops via mobile browser only.
13. Provide the capability to attach duration to an action taken by a user. If multiple tabs are open, the duration would be applied to the active tab.
14. Provide the capability for the KYOUI system user to save periodically to avoid the loss of data entry and provide functionality to continue the work offline and upload data to database upon network connectivity.
15. Provide a navigation bar on all user interfaces in order to facilitate navigation within the user interface.

50.6.9 Interfaces

1. Interfaces (real time and batch) are used extensively in the legacy systems in almost every functional area. Inbound interfaces supply data from external sources or allow bulk processing. Real time interfaces must be modernized with end-to-end secure web services and standardized data format and handle exceptions. The web services must be designed to prevent malicious attacks. The staff must be able to review the exceptions and make corrective action so the real time transaction can be successfully processed.
2. The system should replace processing of these inbound and outbound files, retaining functionality and storing data as required. For inbound files, system must handle exception processing and provide a method for correction.
3. For inbound interfaces, retain data received up to mutually agreed timeframe for triaging purposes.
4. Perform all edits on the inbound data and report exceptions.
5. Provide online access to batch processing exceptions to facilitate correction.
6. Create outbound interface files on a scheduled basis.
7. Allow ad hoc creation of outbound files from a list of data.
8. Handle the processing of all interfaces documented in, but not limited to, Attachment M - Interface Master List KY.

50.6.10 Technical Requirements

The vendor shall meet the following:

1. Provide Solution that is consistent with KYOUI's vision in areas including Technology, optimal blend of business process reengineering and customer (Claimant and Business) self-service options.
2. All the technical solution (architecture, framework, tools etc.) shall adhere to Enterprise Architecture and Kentucky Information technology standards (KITS). See Section 30 of this Contract.
3. The delivery of the proposed solution shall be incremental and iterative manner such that the business users can test the components that satisfy the requirements as early as possible.
4. Provide Solution with the ability to function across a variety of environments and domains including Internet, Central Office and contact centers.
5. Provide Solution that is based on a successfully completed Unemployment Insurance framework and supported by technology that is robust, proven, long-lasting, and well supported throughout the IT industry;
6. Provide a solution that promotes configurability at the various levels of the application. Allow KYOUI's IT and business staff and administrators to define or adjust configuration and business rules with limited or no contractor Technical /Development staff's assistance.
7. Provide Solution that is supported by technology hardware platform(s) and software that are standards-based and independent to the largest practical extent with an option to host it on premise or in cloud.
8. Provide Solution that is not dependent on any single contractor in any way that would inhibit free product sharing and collaboration for any subsystem or component.
9. Provide a solution with a strong preference towards service oriented architecture that seamlessly integrates and orchestrates underlying technologies, services, and components, and insulates implementation details to the maximum possible extent.
10. Provide a software design that separates functionality of a program into independent, interchangeable, discrete modules that are seamlessly integrated.
 - a) The proposed Solution shall be easy to maintain, cost effective to support and scalable.

- b) The system and technology shall be sustainable for a minimum of 15 years as these systems are expected to see a long life.
- c) The technologies used must be modern and sustainable with many years of industry use still expected or planned. Technologies must be flexible enough to support changes and upgrades.
- d) The system shall be architected in such a way that it shall be able to withstand the Unemployment rates during that time and be able to makes changes at a faster pace to provide better service throughout the duration.

11. Utilize a Solution development management methodology that stresses management, control, and traceability of requirements throughout the software development lifecycle (SDLC)

12. Requirement to promote ease of maintenance

13. Use of standard software development language(s);

14. Manage version control

15. Source code repository (Approved by Commonwealth of KY)

16. Suggested use of an object-oriented design process to clarify and document the Solution design.

17. Use of web-based technology in design, administration, operational configuration, and management;

18. Minimization of administrative burden;

19. Minimization of production configuration footprint (i.e. minimize the number of hardware and software components, use of disparate equipment, multiple operating systems, etc.);

Configurability where changes can be made by business roles;

20. Use of an n-tier/multi-tier architecture to isolate business logic, presentation, control logic and data; and use of technologies, such as streamed video, to inform clients of the services provided and to educate them regarding the capabilities of self-service features.

21. Provide a solution that will be able to integrate with Single Sign On requirement.

22. Provide protection against contention and data integrity issues caused by multiple users accessing the same record at the same time.
23. Provide internet protocol-network security that complies with IRS Publication 1075 and Commonwealth security requirements for the entire solution.
24. All user input must be validated on the client/end user browser before transmitting it to Server to avoid malicious code injection. All user input data must be inspected before writing it to Sever-side physical storage.
25. Provide a browser-based (supported browsers defined by Commonwealth KITS) system using server-side architecture that is configurable and conforms to technical industry standards and responsive design and support mobile devices.
26. Provide a solution that will require minimum or no installation on the computers for staff or end users to reduce the dependency on the IT help desk support.
27. Provide redundancy and load balancing for firewalls, intrusion prevention, and other critical security elements.
28. Provide a database data model and DB platform solution is built on.
29. Provide a database data dictionary and schema showing table names, field names, field descriptions, key fields and relationships.
30. Provide a scheduling capability for batch processes. This tool must provide the flexibility to run scheduled jobs or on-demand batch runs.
31. Provide the capability to drill down to entity detail or transaction data from search lists.
32. Provide the capability to attach scanned and electronic documents to an entity or transaction.
33. Provide virus/malware scans that conform to Kentucky standards for all documents attached to an entity or transaction. Please refer to the link for enterprise Architecture and Kentucky Information Technology Standards <https://technology.ky.gov/about-the-agency/Pages/kits.aspx> in Section 30 of this Contract.
34. Provide the capability to define custom fields for an entity or transaction based on KYOUI system requirements.

35. Provide the capability to reorder screens as tabs in the GUI and change navigation as desired.
36. Provide compliance for all web pages and modules with the current industry accepted Web Content Accessibility Guidelines developed by the Web Accessibility Initiative of the W3c consortium.
37. Provide compliance with ANSI X3.135-1989 standards for SQL.
38. Provide the capability to collect Claimant information when a telephone call is received and provide Claimant data to the customer service representative upon connection of the call.
39. Provide for batch correspondence production on a periodic basis. This capability is integrally related to the scheduling tool provided. Our objective is to minimize the printing of correspondence and documents and use the electronic delivery and electronic document method to reduce the cost of postage and improve timeliness.
40. The timeliness is a very critical factor in the determination of cases and management of business and for successful operations of the system and has to be met for federal and state UI laws.
41. Provide compliance with the latest HTML5 and XML standards or higher.
42. Provide compliance with Simple Network Management Protocol (SNMP).
43. Provide the capability for 20 designated testers and trainers to have access to test and training instances of the system. The data should be populated in the lower environments for testing and training purposes.
44. Provide the capability to broadcast messages (email, text, and/or system notification messages) to all users and a selected subset of users.
45. Provide the capability to cut, copy, and paste within the KYOUI system.
46. Provide the capability to display an action confirmation box in such instances as, but not limited to, prompting a user to save changes before exiting a screen based on KYOUI Business Rules.
47. Provide the capability and as a best practice display literal values instead of codes on user interfaces.
48. Provide the capability to enforce referential integrity and constraints directly within the database and application tables.

49. Provide the capability to export search results from the KYOUI system to Excel with security or event logging of this activity.
50. Provide the capability to identify and log the sender of all broadcast messages.
51. Provide the capability to perform upgrades and enhancements without major repercussions in KYOUI operating procedures or customized features.
52. Provide the capability to quarantine errors generated in batch processes such that the errors can be corrected at a later time and batch process can continue to run.
53. Provide the capability to restore data from a previous backup to a test environment for triage and investigation of a problem.
54. Ensure that all batch jobs and data manipulating scripts are designed as clean, re-startable jobs, meaning that all jobs will be designed in a manner that they can pick up from where they had failed when the job is re-started. The Vendor must provide routines and scripts to validate the data integrity and consistency at any given time in the database.
55. Provide the capability to restore data from a backup to a test environment with key data scrambled to provide real data that cannot be traced and does not represent a security risk. The system shall function properly from screen to screen with the scrambled data.
56. Provide the capability for any email distributed from the solution to Commonwealth personnel to adhere to KYOUI's acceptable use policies and procedures.
57. Provide the capability to store solution-generated documents in electronic format. These documents shall be added to the document management solution. KYOUI is interested in seeing and considering integrated and cost-effective document management systems.
58. Provide the capability to support paper document storage tracking.
59. Provide visual distinction between mandatory and non-mandatory fields in both claimant/employer facing portal and user portal.
60. Support industry standard web services technologies and standards, including, but not limited to:
 - a) Service-oriented architecture (SOA)
 - b) Universal Discovery, Description and Integration (UDDI)

- c) Simple Object Access Protocol (SOAP)
- d) Web Services Description Language (WSDL)
- e) Web Services-Interoperability (WS-I)
- f) Business Process Execution Language (BPEL)
- g) Security Assertion Markup Language (SAML)
- h) Hypertext Transfer Protocol Secure (HTTPS)
- i) RESTful web Application Programming Interface (API)"

- 61. Use the most updated Secure Socket Layer (SSL) available to safeguard the security of internet transactions.
- 62. Provide the functionality to standardize and validate addresses entered through the user interface and through integration interfaces.
- 63. Provide the capability to support military, foreign and private mailbox (PMB) addresses and phone numbers.
- 64. Provide the capability for a user to override address information after standardization and validation is performed. The system shall track the user, date and time associated with the override.
- 65. Provide the capability to manually override automatically populated zip codes as determined by KYOUI.
- 66. Provide confirmation that unused code and libraries are removed from your system in writing with each upgrade delivery.

50.6.11 Data Migration

The Vendor shall provide conversion of data from current systems. These services shall include but not limited to:

- 1. Analysis of the existing data and the assessment of conversion requirements.
- 2. Assessment and documentation of conversion requirements.
- 3. Collaboration on the planning for conversion.
- 4. Creation of data mapping and plans to perform necessary data creation.
- 5. Development of programs needed to prepare data for loading.
- 6. Target location for the load of data
- 7. Data cleansing should be joint effort between the vendor and state
- 8. Data extraction from Legacy systems will be provided by the state to vendor.
- 9. Load of all converted data in preparation for implementation.
- 10. Performance testing of conversion to estimate implementation weekend timeline.
- 11. Thorough testing of conversion Extract, Transformation and Load processes, including control totals and balancing needed to confirm success.

All of the tasks will be confirmed during conversion planning. These tasks and their requirements that follow refer to all functionality. Conversion will be an iterative process necessary for each phase of the implementation.

50.6.12 Testing Requirements

1. Vendor shall provide testing covering the full range of verification and validation of data (including converted data), security and processes. It includes system integration, interface, conversion, user acceptance, stress and performance testing.
2. Vendor shall provide a comprehensive testing plan for use during the project taking into account project guidelines and timeframes.
3. Vendor shall Perform a thorough system test and integration test ensuring that each module of the solution operates and integrates within the solution prior to the start of User Acceptance Testing (UAT).
4. Vendor shall perform thorough interface testing to ensure that the solution interfaces to and from all external systems according to the approved design specifications prior to the start of UAT.
5. Vendor shall provide comprehensive system test and integration test results documentation that includes a requirements traceability matrix indicating all requirements have been tested.
6. Vendor shall perform internal quality assurance designed to provide a solution that has no Severity Level 1 or 2 defects, as defined in this Contract, prior to the start of UAT.
7. Vendor shall provide a UAT plan with input from KYOUI. The plan should include items such as testing approach, roles and responsibilities, and tentative testing schedules.
8. Vendor shall provide input to and support for scripts and expected results needed for user acceptance testing. The vendor shall provide recommended test cases for UAT. The overall responsibility for completing UAT is KYOUI's. The vendor should be available to discuss business processes and assist with design of scripts and documentation of expected results.
9. Vendor shall provide onsite UAT support and assist KYOUI personnel during User Acceptance Testing.
10. Vendor shall correct any defects identified during UAT, stress, performance, application security vulnerability, and infrastructure vulnerability testing and test appropriate fixes before submitting them to KYOUI for regression testing.

11. Vendor shall perform stress and performance testing.
12. Vendor shall provide documentation on the results of the stress and performance testing performed.
13. Vendor shall provide documentation for all tests performed by the vendor, document the scripts used, the expected results, the actual results, and defects identified. This information and the resulting artifacts should be available and accessible to KYOUI, either in the testing tool environment used or the project management system's documentation.
14. Vendor shall perform the application security vulnerability and penetration test prior to release to UAT.
15. Vendor shall provide documentation on the results of the application security vulnerability and penetration testing performed.
16. Vendor shall perform the infrastructure vulnerability and penetration test prior to release to UAT.
17. Vendor shall provide documentation on the results of the infrastructure vulnerability and penetration testing performed.
18. Vendor shall provide a delivery plan for correction of defects. This plan should show targeting of the prioritized defects including delivery dates,
19. Vendor shall perform testing to confirm that accessibility and usability standards have been achieved prior to the start of UAT.
20. Vendor shall perform fuzz testing. Fuzzing or fuzz testing is an automated software testing technique that involves providing invalid, unexpected, or random data as inputs to a computer program. The program is then monitored for exceptions such as crashes, or failing built-in code assertions or for finding potential memory leaks.
21. The vendor shall provide the testing tools including the security testing tools in compliance with Commonwealth office of technology Enterprise and Architecture standards.
<https://technology.ky.gov/about-the-agency/Pages/kits.aspx>

50.6.13 Organizational Change Management (OCM)

The responsibility for execution of organizational change management, including communication of project progress to the Commonwealth of Kentucky UI staff and impact to job duties and roles due to the change in technology, lies with KYOUI. The Vendor will support and advise agency in

the execution of organizational change management throughout the life of KYOUI project.

Vendor shall develop a detailed OCM Plan and shall perform the following:

- 1) Collaborate with Commonwealth of Kentucky stakeholders to gather inputs for the Plan;
- 2) Prepare an Organizational Readiness Assessment detailing KY's aptitude and capacity for change and recommendations to guide the change program to realize expected outcomes;
- 3) Conduct Change Impact Assessment to identify impacted Staff and Customers; then outline the context of the change as well as its impact on Staff and Customers;
- 4) Perform Gap Analysis to identify the gaps in skills, jobs, and personnel between the as-is and to-be business environments;
- 5) Develop Communication Plan, including a Public Media Campaign and an Internal Communications Plan, to notify Staff and Customers of the changes and to provide them with discussion and feedback forums;
- 6) Create Readiness Checklist and Readiness Kit for each Project phase. The Readiness Checklist contains a detailed list of OCM activities that must be completed prior to Go-Live;
- 7) Store all technical documentation on the KY Commonwealth of Kentucky SharePoint site, as directed by the Commonwealth of Kentucky IT Project Manager. All documentation created during the Project becomes the Property of the Commonwealth.

50.6.14 Training

The successful Vendor shall provide training for Office of Unemployment insurance staff and other system users covering the functional aspects and use of the KYOUI and its peripheral systems, such as Reporting. The KYOUI will use the approach of train the trainer and estimating 20 Train-the-Trainers to be trained. For this purpose, the training site will be in Frankfort KY.

The Vendor shall submit a Master Training Plan to KYOUI for review, comment, and approval prior to the completion of the System Design Phase. The Contractor is responsible for maintaining updates to the Master Training Plan based on actual components developed during the System Design and Development Phases. The Master Training Plan will be used to govern and manage the overall activities, effort, and scope of training. The Master Training Plan will offer a comprehensive, detailed picture of the plan to implement the training effort, and define the approach used to develop and deliver the System training solution to the Commonwealth.

The Contractor shall create, maintain, and update, as required, the approved training plan. At a minimum, the training plan should include the following:

- 1) An overview of the training methodology;
- 2) Training objectives;
- 3) Roles and responsibilities for the Vendor and Commonwealth training staff;
- 4) Assumptions including required tools;
- 5) Training courses and associated course objectives, competency level, and skill set assessment tools including the format and content of all training material to be developed by the Contractor;
- 6) Timelines for the development, review, and completion of all training materials;
- 7) Review and approval process for all training materials by the Commonwealth;
- 8) An overview of the training presentation style and how concepts of Adult Learning will be integrated into the delivery;
- 9) Performance expectations for both instructors and students, and approach to performance measurement and reporting;
- 10) Staffing plan that includes an agreed-upon student-to-instructor ratio for all Instructor-Led Courses;
- 11) The number of role-based training courses necessary to train all identified roles;
- 12) The length of each training course;
- 13) Training schedule and procedures for scheduling end users to their appropriate courses;
- 14) Plan for working cooperatively with and coordinating all training efforts with other contractors as needed and directed by the Commonwealth;
- 15) Procedures for updating course material due to system updates or feedback from the initial rounds of training;
- 16) Methodology for providing technical support for training;
- 17) Methodology for capturing and answering Frequently Asked Questions (FAQs);
- 18) (FAQs);
- 19) Documentation of all training sites and types of training equipment needed, and how the equipment will be deployed and used in the training process;
- 20) Plan for testing and certifying that each training site is technically and physically ready to meet the requirements to conduct training;
- 21) Approach to assure that the training location and delivery is Americans with Disabilities Act (ADA)-compliant;
- 22) An Instructor Checklist that identifies items necessary for the instructor in preparation for classroom training:
 - a. Necessary technical support information
 - b. IDs and Passwords
 - c. Training Materials

d. Onsite Preparation

e. Post-class administrative activities

- 23) These training sessions should be "train the trainer" in preparation for KYOUI to schedule and complete the training for all employees. Training materials are required and should include at least manuals for the instructor and students, visual tools for the instructor in the presentation of the training, and an evaluation mechanism to rate student comprehension.
- 24) Additionally, the Vendor should provide training for KYOUI User Acceptance Testing staff (estimated 20-40) in preparation for the UAT script creation and execution.
- 25) Knowledge Transfer (KT) is the presentation to a small number of targeted end users who will be performing specific tasks. KT usually involves extensive hands-on training. The Vendor must provide KT with training materials, job aids or other documentation with this delivery. (estimated 25 from UI and 5 from IT)
- 26) End user documentation is included in the "training" functional area. This includes items such as user guides, online help, job aids and other support for ongoing production use of the KYOUI.
- 27) Provide a training plan and curriculum to prepare KYOUI staff for the implementation of the KYOUI System and all peripheral systems included e.g., reporting tools.
- 28) Conduct training for "train-the-trainer" and UAT testers.
- 29) Deliver training materials for the recommended curriculum in electronic form and paper that can be replicated as needed by KYOUI trainers.
- 30) Create data needed for hands-on classroom training.
- 31) Deliver end user documentation for the KYOUI system.

50.6.15 Deliverables

Industry project management standards expect formal plans and deliverables during the course of a project.

Commonwealth of Kentucky Milestone document Attachment I is attached for reference as an example document expected for deliverables.

The list of expected documents to be delivered during the course of the project is as follows:

Deliverables will follow an expected path to approval.

- 1) For each deliverable, the appropriate team will prepare a suggested format and a notated table of contents.
- 2) A formal review of the table of contents will be scheduled for the deliverable. This review will be conducted by the Vendor and will include selected team members.

- 3) Using the approved table of contents, the Vendor will create an Acceptance Criteria document for the deliverable that describes the work outputs required for acceptance of the deliverable. This will be used by the reviewers for formal acceptance. The Acceptance Criteria document must be approved by the appropriate management team.
- 4) The deliverable must be formally delivered via an email, which includes a link to the published deliverable and a soft copy attachment.
- 5) Commonwealth of KY project team will have a five (5) day review period to provide feedback on the deliverable.
- 6) The Vendor will respond to any feedback provided within three (3) days.
- 7) Final approval will be requested by the Vendor via an email, which includes a link to the updated document and a soft copy attachment.
- 8) Commonwealth of KY Project Director will approve the content of the deliverable within three (3) days.

50.6.16 Project Management Plan

The Project Management Plan is the basis for tracking and managing the KYOUI project. As defined in industry standards, it includes information on how the project operates. **At a minimum, this document must include:**

- 1) The responsibilities that the Contractor will have for contract obligations are listed below. They include, but are not limited to, deliverables, documentation requirements, reporting, standards/policies, etc.
- 2) Develop, maintain, and provide access to records required by ELC, and state and federal auditors.
- 3) Utilize Commonwealth-provided SharePoint site, or other Commonwealth-approved document management site to which the KYOUI staff will be given access, as the single repository for all Project Management artifacts and activities including: tracking of all risks and issues; submission of deliverables, invoices, and status reports; posting of meeting schedules and meeting minutes, etc.
- 4) Provide reports necessary to show compliance with all performance standards, including documentation requirements (artifacts), and any other contract requirements. Assist with the provision of responses and required activities resulting from the above reviews.
- 5) Provide to Project Steering Committee status reports regarding the Contractor's activities at agreed-upon intervals. The Contractor shall provide reports with content and format agreed upon. The intent of the reports is to provide with reliable, up-to-date information to manage the progress of the project.
- 6) Prepare and submit requests for platform/system changes and notices of

- system problems related to the Contractor's operational responsibilities.
- 7) Prepare and submit for approval suggestions for changes in operational procedures and implement the changes upon approval by Commonwealth.
 - 8) Maintain electronic operational procedure manuals and update the manuals to be approved during the change management process
 - 9) Ensure that effective and efficient communication protocols and lines of communication are established and maintained both internally and with all Commonwealth Staff. Communication protocols should be outlined in the Project Management Plan.
 - 10) Meet regularly (e.g., monthly/quarterly) with key stakeholders in the project to review account performance and resolve issues.
 - 11) Provide progress reports on the selected system Contractor's activity as requested by and outlined in the status report requirements in the Program Project Management Plan.
 - 12) Provide information and support to the IV&V Contractor.

The awarded Contractor shall cooperate with any Third-Party Contractor(s) that the Commonwealth engages for the purposes of Independent Verification and Validation Services (IV&V) of the program, system, and/or platform at any point in the program life cycle. The Contractor shall, upon request and, as required, provide documentation to the IV&V Contractor. The IV&V Contractor will facilitate the independent verification process. The IV&V Contractor will have access to all deliverables and visibility to the Solution. The IV&V consultant Contractor should be able to sample, review, and analyze all parts of the UI Contractor's activities and steering committee oversight of those activities.

The IV&V Contractor will independently produce status reports on the progress of the project and submit them simultaneously to the Steering committee. This action should ensure a checks-and-balances approach to assessment and allow the IV&V consultant Contractor to maintain the independence it needs to do the job for which they were contracted. The review cycle time required for each deliverable/artifact shall be mutually established between the Contractor and KYOUI in the course of finalizing the master project schedule. The Contractor shall be responsible for managing the project schedule for all deliverables/artifacts under the scope of work including the schedule for submission, review, updates, and final approval.

- 13) The Deliverables documentation describes how and to whom the deliverable is delivered, the review process employed, the method of final approval, and the final storage location for the deliverable. Commonwealth will be using Project Online to store all the documentation related to project.

a) Weekly Status Reports

Weekly status reports are required to document tasks and accomplishments for the week, describe planned activities, and summarize current project status for all the stakeholders, steering committee and executive level.

Monthly status to be updated in project online reporting.

b) Issue and Risk Management Plan

The Issue and Risk Management Plan documents the methodology to identify, analyze, resolve and track project issues and risks. The Vendor will execute this plan and communicate issues and risks to KYOUI Team on a scheduled basis and when high priority issues are identified.

50.6.17 Configuration Management Plan

The Configuration Management Plan covers the changes made to production applications and the infrastructure during the life of the implementation and subsequent production managed services. **It includes:**

- a) Methodology and tools to plan, schedule, monitor, and log configuration changes.
- b) Decision and communication processes required before configuration changes are made.

50.6.18 Change Request Review and Approval Plan

The Change Request Review and Approval Plan documents the approach used to request, analyze, approve and track scope changes during the life of the KYOUI implementation and subsequent production managed services. A change control board (CCB) would be established comprising of Project sponsors, Key Stakeholders (both business and IT from state of KY) to decide on the scope changes and approve. The vendor representation of the board would be advisory and provide information to the board (non-voting) and the Commonwealth of Kentucky team would be the voting members. The Commonwealth may include others in the board from time to time like IV&V representation or others within the state government. All change orders would be approved by the CCB.

50.6.19 Technical Design Documentation

- 1) The technical design documentation shall describe the infrastructure to be deployed in support of the KYOUI system. This includes hardware, software, networking, data transfer, and storage. Technical design documentation covers both production and non-production environments. Updated architecture diagrams shall be provided therein. Scheduling tools must be described. The monitoring solution shall be negotiated with the highest

ranked vendor.

- 2) For each functional block (Attachment O), the vendor shall provide detail Business Requirements Document and Functional Requirements documents.
- 3) As noted above, a technology roadmap must be provided for the offered solution.
- 4) The vendor, collaboratively with Commonwealth of Kentucky, must develop an IT Disaster Recovery Plan (DRP) that is designed to reduce the impact of a major disruption of key business functions and processes in the proposed system during the development and operational phases of the proposed solution. The Disaster Recovery Plan must address the alternative processing facility for the solution; resulting recovery capabilities of major IT services, systems, and data; instructions on how stakeholders will be notified of changes to the plan and how it will be distributed to the stakeholders; how the plan will be tested on a regular basis; location of offsite backup storage facilities being used for the solution; how "post-resumption reviews" will be held following the successful resumption of services following a system outage; step-by-step instructions that the Vendor's staff will follow for recovery and resumption of services; maintenance of the plan during development and system maintenance phases of the project; training to its personnel on their assigned roles and responsibilities per the plan. Currently the classification of minor disruption as an outage is expected to last less than 4 hours and a major disruption is lasting more than 4 hours but less than 8 hours. The minor and major disruption discovery is expected to be up to the point of time of disruption. Maximum time from Incident to declaration of disaster is 24 hours. Expected time to bring up alternative system hardware, OS, Database is 24 hours from there it is expected within 48 hours to complete all the recovery and verification for the alternate system to be ready to utilized. The disaster recovery is expected to be up to the point of time of declaration of disaster to prevent any data loss prior to the disaster.
- 5) The vendor must be able to commence data restore in accordance with agreed DRP for any restore from an onsite backup in the event that data needs to be restored from backup and archive.
- 6) The system must allow for redundant data stores and application servers to support business continuity with no data loss.
- 7) The Delivery of the proposed solution shall be incremental and iterative so the business users can verify that it is satisfying the requirements.
- 8) Provide a list of the web services delivered with the solution, including general descriptions. This list must be kept up to date during the life of this

Contract.

50.6.20 Security Requirements

1. Develop Security Specifications

Security involves assignment of access to the system with appropriate roles, hierarchy of approvals, limitations on what claimant or business (employer) or staff can access, and Federal IRS Publication 1075 audit considerations. All business applications must support the ability to use modern authentication for authentication and authorization. Modern authentication technologies would include SAML2.0, WSFED, OAuth, or OpenID Connect.

2. Data Protection and Privacy Compliance Overview

The Contractor shall document how system security and access restraints comply with applicable federal and State laws, regulations, standards, and policies pertaining to the management and protection of information resources including, without limitation to, such laws, regulations, standards, and policies pertaining to the protection of data assets that constitute personal information of individuals. The Contractor shall maintain an updated version of the Overview at all times and shall immediately make it available to the State upon request during business hours. The Overview must be provided to KYOUI for approval.

3. Security Requirements

- a) Handle single sign-on security for businesses, individual claimants and KYOUI users.
- b) Maintain security logs of data accessed and access exceptions that captures at a minimum date/time, user, action, changes, and if possible, location (IP Address).
- c) Create and maintain security roles.
- d) Assign access to a user including start and end date and time.
- e) Deactivate and reactivate user accounts and maintain audit trail and history.
- f) Define and implement approval levels and rules for workflow items, entries, data updates, and tasks in cases.
- g) Apply consistent security across all areas of the system modules and interfaces.
- h) Avoid wasted effort by applying security at the point of initial access. For example, do not allow updates to data and then inform the user that he does not have access to perform them. Where possible, the user shall not have options visible to them to which they do not have access permissions.
- i) Support manual logout from the system.
- j) Log locally printed correspondence that contains FTI and track it to destruction. The FTI data is Federal data and needs to meet the Federal requirements for auditing for access and usage of the data. It has to be restricted.

- k) Identify all actions taken by a user, including creation, maintenance, viewing, deletion, and return of a record on a search list, and record the time spent in each activity.
- l) Prevent audit records from being deleted or altered.

The Contractor and all its subcontractors shall comply throughout the term of this Contract with the most stringent of all applicable state policies and standards that are applicable to the performance of the services including but not limited to, the most current versions of the following:

4. Commonwealth Security Standards

Contractor must comply with State security policies and procedures, including but not limited to:

- a) Acceptable Use of Information Technology Resources Policy
- b) Information Security Policy
- c) Security Logging Standard
- d) Information Security Risk Management Standard
- e) Information Security Controls Standard
- f) Sanitization/Secure Disposal Standard
- g) Mobile Device Security Standard
- h) Remote Access Standard

5. The solution must comply with USDOL, Social Security Administration, and Internal Revenue Service Security Laws and Standards

6. The vendor shall adhere to the National Institutes of Standards and Technology (NIST) Special Publication (SP) 800-18, "Guide for Developing Security Plans for Information Systems". The vendor shall provide a completed system security plan on the FedRAMP moderate template early in the project and maintain that plan throughout the life of the project.

7. The vendor shall adhere to NIST SP 800-26, "Security Self-Assessment Guide for Information Technology Systems" and FIPS 200, with respect to self-assessments, to be performed at least annually, and following critical system updates.

8. The vendor and solution must align to NIST SP 800-53 "Security and Privacy

Controls for Federal Information Systems and Organizations” or leverage a similar framework. If an alternate framework is used, the vendor shall provide a control crosswalk to ensure all components are adequately addressed.

9. The solution must comply with System Administration, Networking, and Security (SANS) Critical Security Controls as specified in <http://www.sans.org/critical-security-controls/> and [http://www.sans.org/critical security controls/vendor-solutions](http://www.sans.org/critical-security-controls/vendor-solutions)

10. The vendor and solution must comply with IRS Publication 1075, "Tax Information Security Guidelines For Federal, State and Local Agencies"

11.

a) All cloud services provided pursuant to this contract must comply with the standards set forth under FedRamp - Moderate Baseline (<https://www.fedramp.gov>) for cloud services, and other applicable federal and/or Kentucky State laws, regulations and requirements.

b) The hosting solution, regardless whether on Commonwealth of Kentucky State premises or in the cloud, must be fully compliant with Federal Tax Information (FTI) TOP (Treasury Offset Program) Benefits and Contributions data safeguards as mandated.

12. Contractor Access Policies

a) The Contractor shall, at KYOUI's discretion, have access to data, including data stored in all databases, environments, and data backups, stored and managed only within the continental United States and that the data accessible to contractor shall be accessed only by their personnel located within the United States except as may be expressly authorized in writing by the Contract Monitor.

b) System access by Contractor and any subcontractors shall be limited to access assigned by the KYOUI Project Director and only those contractor and subcontractor personnel required to perform services under the contract. All contractor and subcontractor personnel with system and/or data access shall sign an individual nondisclosure agreement and a security agreement with KYOUI.

c) The Contractor must comply with all the security policies and procedures of KYOUI, COT, and ELC's Office of Technology Services (OTS) that are applicable to the performance of the services. KYOUI reserves the right to require background checks and security clearances for Contractor's staff and any staff of any subcontractor working on this project.

50.6.21 Operations and SLA Ongoing Maintenance.

Operations activities shall begin after successful implementation and the Commonwealth has determined that requirements are operational. If Go-live is achieved earlier than 6-year base contract, the final Performance Period of Acceptance (PPA) of 180 days will begin prior to the 6-year period. For phased implementation, the warranty period is one hundred and eighty (180) days. Additionally, the vendor will warranty any functionality that happens less frequent than quarterly, for a period of 18 months from Go-live. The Commonwealth seeks to ensure semi-annual and/or annual functions are successfully executed in production and still warranted.

Example: If the employer annual rate calculation is executed for the first time in month 8 after Tax System go-live, the vendor will provide warranty for this process as it is executed for the first time after the PPA but within 18 months. The maintenance and operation shall include defect resolution, enhancements and should include technical support. The monitoring solution shall be negotiated with the highest ranked vendor. The system patching like OS and software patching will be done by the Commonwealth with the recommendation(s) made by the vendor during the maintenance and operation. Commonwealth will have help desk support intake of Severity 1 and Severity 2 and escalation process will be defined for technical support.

- 1) The Service Level Agreement (SLA) has to be established between the Vendor and Education and Labor Cabinet and should contain the tables and descriptions that provide the framework, expectations relating to service level commitments, and the implications of meeting versus failing to meet the requirements and objectives.
- 2) The SLA shall describe performance, management, and reporting requirements for the KYOUI implementation and subsequent post implementation services.
- 3) The SLA terms will be agreed upon between and the Vendor during contract negotiations.
- 4) Attached is Commonwealth of Kentucky SLA requirement criteria and measures document. The list is not an exhaustive list of all measure, provides key guidelines for the SLA document to be provided. (Attachment J)

50.6.22 Turnover Plan

In the event KYOUI requires a transition after a non-renewal or termination by either party, KYOUI shall notify the Contractor at the same time KYOUI serves notice of the non-renewal or termination, as the case may be. Upon receipt of notice of termination of the Contract from KYOUI, the Contractor shall provide any turnover assistance reasonably necessary to enable KYOUI or its designee to effectively close out this Contract and move the work to another Contractor or to perform the work by itself.

Dependent upon the architecture, software, and licensing models, the Commonwealth reserves the right to continue licensing the use of the designed system.

The Contractor shall:

1. Provide detailed transition documents at no additional cost to KYOUI.
2. Be responsible for the orderly transition of work and the accuracy of data in coordination with the new contractor. KYOUI shall ensure the cooperation of the new contractor to facilitate a smooth transition.
3. Within ten (10) calendar days after written notification by KYOUI of the initiation of transition, provide a detailed Transition Document. Upon receipt of the detailed Transition Document by KYOUI, KYOUI shall review the document and within fourteen (14) calendar days provide written instructions to the Contractor as to the packaging, documentation, delivery location, and delivery date of all records, as needed to provide orderly transition. If KYOUI determines upon review that the Transition Document is missing necessary information, KYOUI shall provide the Contractor written instructions as to the information that is still needed, and the Contractor shall amend the Transition Document to include the necessary information.
4. Deliver a full and complete accounting and report as of the date of termination about the status of services. This report shall be provided to KYOUI within twenty-one (21) days of the effective date of termination.
5. Transfer all documents and records of every kind, including electronic, microfilm, paper, or otherwise, in their possession that pertain to this Contract, including but not limited to, all those listed in the Contract, within twenty-one (21) days of the effective date of termination. All documents shall be in a KYOUI-approved format.
6. Provide reasonable and appropriate assistance to KYOUI and its designee(s) regarding the contents of such documents and records, and shall provide reasonable and appropriate reference materials, including data models and file documentation. This assistance shall be provided to the KYOUI within twenty (20) days of the effective date of termination.
7. Pay any and all additional costs incurred by KYOUI that are the result of the Contractor's failure to provide the requested records, documents, data or materials within the time frames agreed to in the Transition Document.
8. The Commonwealth acknowledges SaaS system documentation and proprietary information will not be turned over. However, documentation written specifically to describe and instruct the configurations, settings, and workflows of the SaaS instance designed for the Commonwealth's system will be delivered.

50.6.23 Penalties

Penalties may be associated with each Requirement Category as outlined in Section 50.6.24 below and if assessed, will be leveraged by reducing the Contractor's invoiced amount by the amount of the associated penalty for

delays or failures caused solely and exclusively by Contractor. If a penalty, or combination of penalties, exceeds the invoiced amount, the remaining penalty will be applied against the next invoiced amount.

Penalties are separate from any retainage and retainage recovery. Commonwealth has the sole discretion to impose the penalties or waive the penalties.

The retainage and Penalties are associated within the project implementation of the phase and SLA shall be adhered to in the maintenance and operations of the system.

The Penalties set forth below and any payment reduction in Attachment J shall be the Commonwealth’s sole and exclusive monetary remedy for failures by the Vendor to achieve the required performance metrics (as defined in Section 5.6.24 below) and/or the SLAs in Attachment J; provided however that, in the event that the Commonwealth chooses not to reduce for such failures, such Penalties and/or payment reductions shall not prevent the Commonwealth from exercising its right to terminate this Contract or pursue any other remedies under this Contract. Nothing herein shall waive either parties’ rights or obligations pursuant to Section 40.31, Limitation of Liability.

50.6.24 Performance-Based Penalties

The Commonwealth sees value in the partnership with the Vendor. These performance-based penalties are included to protect the Commonwealth’s investment. At the sole discretion of the Commonwealth and KYOUI, penalties incurred for missed performance maybe reduced or waived on a case-by-case basis.

Contractor shall not be liable for failures outside their sole control.

Penalty #	Requirement Category	Contract Requirement	Penalty/Reduction
1	Key Milestone Dates	Accomplishment of certain specified activities by the key milestone dates, as defined in the work plan, shall be necessary to ensure project(s) are on track. If, for any reason, the Contractor is delayed in meeting these key milestone dates and a Contract modification or a change request for work plan change is not approved,	<p>The Commonwealth may reduce compensation up to two thousand dollars (\$2,000.00) per calendar day, or any part thereof, for each of the first ten (10) calendar days of delay in meeting a milestone date or contributing to a delay for another Contractor’s performance.</p> <p>The Commonwealth may reduce compensation up to two thousand, five hundred dollars (\$2,500.00) for each of the next ten (10) calendar days of delay in meeting a milestone date or contributing to a delay for</p>

		<p>a reduction in compensation may be assessed.</p> <p>If the Vendor is delayed or the Vendor contributes to a delay for another Contractor's performance or key milestones, UI shall access a reduction in compensation.</p> <p>Approval of a contract modification or change request for work plan change does not waive the Commonwealth's ability to impose damages and/or reductions in compensation, if warranted by other terms of this Contract.</p>	<p>another Vendor's performance.</p>
<p>2</p>	<p>Deliverables</p>	<p>Copies of each deliverable, as defined in the approved UI Detailed Work Plan, shall be delivered to UI, in final form, on or before the date specified in the approved Commonwealth UI Detailed Work Plan. UI may require one (1) paper copy and one (1) electronic copy of all deliverables. The electronic copy shall be compatible with Microsoft Word, or other application software, as requested by UI, and submitted on the Commonwealth specified media and stored in UI SharePoint. All deliverables shall be in a format approved by UI, and meet content</p>	<p>The Commonwealth may assess and reduce compensation one thousand dollars (\$1,000.00) for each calendar day, or any part thereof, for each of the first ten (10) calendar days that a deliverable is late, which includes delivery on incorrect media.</p>

		and accuracy requirements specified or as subsequently defined by UI. If the Vendor deviates without seeking UI approval, a penalty shall be assessed.	
3	Key Personnel	<p>Key personnel commitments contained in the Vendor 's proposal for all phases of the contract shall not be changed without a 30-day advanced notice and prior written approval of the UI Contract Administrator, unless the changes are due to the death, disability, resignation, termination, or military recall of any key individual. If an individual listed in the Contractor's proposal becomes unavailable prior to award, the Commonwealth shall be notified immediately and a replacement of equal or greater qualifications shall be in place within thirty (30) days. The replacement individual shall be approved by the UI Project Director prior to placement on the project.</p> <p>As UI Contractors are on boarded, the Vendor shall reassess project-staffing needs at no additional cost to the Commonwealth.</p> <p>Staffing includes the staff proposed for all key positions required in the RFP, at the</p>	<p>The Commonwealth May assess up to fifteen thousand dollars (\$15,000.00) in reduction in compensation for each key personnel proposed in the Vendor's response to the RFP or as modified during negotiations who is changed for reasons other than death, disability, resignation, termination, or military recall.</p> <p>If an individual listed in the Contractor's proposal becomes unavailable prior to award, the Commonwealth shall be notified immediately. The replacement individual shall be approved by the Division Director prior to placement on the project.</p> <p>The Commonwealth may assess up to an additional one thousand dollars (\$1,000.00) in reduction in compensation, per business day up to fifteen (15) business days, for each key personnel after the initial thirty (30) business days allowed for Vendor to identify and receive UI approval on an acceptable replacement for the key personnel and an acceptable replacement has not been provided.</p>

		levels of effort proposed, or as specified in this Contract.	
4	Lack of Collaboration	The Vendor shall fully cooperate with all other Commonwealth Contractors (including IV&V) and Commonwealth employees. The Vendor shall not commit or permit any act that shall interfere with the performance of work by any other Contractor or by Commonwealth employees. If the Vendor fails to demonstrate effective collaboration, the Commonwealth may assess the situation and take appropriate actions.	UI shall provide formal, written notice with details for correction including action(s) to be taken, if action(s) are not taken, within five (5) business days, then the report card penalty may be assessed. If action(s) are not resolved in thirty (30) business days, then the Commonwealth shall reduce compensation up to five thousand dollars (\$5,000.00) per calendar day, up to fifteen (15) calendar days.
5	Documentation	The Vendor shall be responsible for providing the Commonwealth with complete, accurate, and timely documentation of all modifications made to the operational Commonwealth UI modules. Such documentation shall be defined through the Deliverable Management Process, be in accordance with specifications approved by UI and delivered according to the project schedule. Any changes that occur to the operational system shall be documented according to specifications approved by UI. Documentation of any such changes shall be provided to UI based on the project schedule.	The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) for each business day, up to ten (10) business days, or any part thereof (beginning the next business day after the documentation due date), that the required documentation has not been provided to the Commonwealth. The Commonwealth may reduce compensation up to five hundred dollars (\$500.00) for each business day up to ten (10) business days, or any part thereof, during which the documentation is not in accordance with specifications mutually agreed to in the project schedule and have been deemed unacceptable as to format, accuracy, and completeness via Deliverable Management Process.
6	Monthly Reportable status	The Vendor shall	The Commonwealth may reduce

		<p>produce within the first ten (10) calendar days of the end of the previous month a Monthly Project Status report that detail the accomplishments and completion of project milestones.</p> <p>Due to the changing environment, report card performance standard contract requirements and Vendor-supplied Measurements shall be re-evaluated quarterly for appropriateness, and any additions to the report card shall be finalized through joint negotiation between the Commonwealth and the Vendor.</p>	<p>compensation up to five hundred dollars (\$500.00) per calendar day, starting on calendar day 11 through calendar day 20, or any part thereof, that the Report Card has not been supplied to the Commonwealth. The Commonwealth may reduce compensation up to one thousand dollars (\$1,000.00) per calendar day, or any part thereof, for each additional calendar day, up to ten (10) calendar days, of delay after the first twenty (20) calendar days, and continuing thereafter, that the Report Card has not been supplied to the Commonwealth.</p>
7	Turnover	<p>The Vendor shall be required to provide full support for contract turnover strategy and activities in accordance with the UI-approved Vendor Turnover Plan, as follows:</p> <ul style="list-style-type: none"> • Transfer of the Vendor's duties and responsibilities. • Transfer of standard processes, procedures, business processes, and organizational contacts necessary for day-to-day operations. • Training plans, training materials, and training delivery to support the transition and on-going work. • Technical assistance with interfaces, 	<p>The Commonwealth may reduce compensation up to five thousand dollars (\$5,000.00) per calendar day, or any part thereof, for each of the first twenty (20) calendar days of delay in meeting a milestone date.</p>

		<p>information architecture, and IT and technical governance.</p> <ul style="list-style-type: none">• Transfer of information, experiences, and processes related to the measurement and reporting of performance standards.• Transfer of, and assistance on, all existing documentation.• Transfer of all work in progress.• Transfer of any tools and licenses under the contract to a Commonwealth approved location or person. <p>Accomplishment of certain specified turnover activities by key milestone dates, as established in the Commonwealth-approved Vendor Turnover Plan, shall be necessary to ensure full compliance.</p> <p>If, for any reason, the Vendor is delayed in meeting these key milestone dates, and a Contract Modification to the Vendor Turnover Plan is not approved, a reduction in compensation may be assessed.</p> <p>Approval of a Contract or Vendor Turnover Plan modification does not waive the Commonwealth's ability to impose damages</p>	
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		and/or reductions in compensation, if warranted by other terms of this Contract.	
8	Security	The Vendor shall create and maintain security controls and services listed in this contract at all times.	Failure to deliver the security controls and services, including, but not limited to, services as listed under Section 50.6.20, Security Services, shall result in a penalty of five thousand dollars (\$5,000) per occurrence as a result of the Vendor, their tools, or technology.
9	UAT Testing	The Vendor shall plan, coordinate, and manage UAT (Commonwealth is responsible for executing UAT and providing sign off) to ensure end-to-end quality of the entire UI enterprise by including quality attributes, such as reliability, security, interoperability, and maintainability in the test plan and execution strategy.	The Commonwealth may reduce compensation up to one thousand dollars (\$1,000.00) for each business requirement missed during UAT or if any of the following are missed (each occurrence): quality attributes, such as reliability, security, interoperability, and maintainability in the test plan and execution strategy.

50.6.25 Vendor Report card requirements

- 1) Provide Timely Project Schedule Updates:
The Contractor shall supply project schedule according to the Commonwealth-approved timing and based on agreed upon deliverables and milestones.
- 2) Weekly Status Reports/Meetings:
Report progress against the work plan and project through weekly written status reports and/or dashboards (or on a schedule agreed upon by the Commonwealth). Reports include, but are not limited to, milestones, highlights, Gantt chart, performance, delayed tasks/milestones, work planned next period, issues, risks, actions items, changes, decisions, and artifacts.
- 3) Project Documentation:
Maintain all project documentation within KYOUI SharePoint.
- 4) IV&V Involvement:
Provide information and support to the IV&V Contractor. Review IV&V status reports within 5 days of submission and provide feedback.
- 5) System Availability:

If the system is not available for users to complete their work, or large productivity hits have occurred not more than five minutes at a time and not more than 0.01% for the month.

6) **Scheduled Jobs:**

All scheduled jobs will be completed successfully within the scheduled timeframe or within two hours of the scheduled timeframe window.

50.6.26 Retainage

1. The Commonwealth may require a payment retention (retainage) in the amount of ten percent (10%) per invoice based on the payment methodology. Each month, the Commonwealth will review the performance report card for performance during the preceding month. The Commonwealth will notify the Contractor of its determination related to any retainage to be forfeited. Retainage amounts may be deducted from the invoice payment. Penalties are not capped at the retainage amount. The Commonwealth or its designee(s) will reserve the right to audit records and data related to the Contractor's performance at any time during the Contract period.
2. **Release of Retainage:**
 - a. In the event of multiple or incremental deliveries, the retainage portion of the deliverables will be released upon KYOUI acceptance of the go-live of those deliverables.
 - b. Examples: The 10% retainage of the Tax System would be released upon delivery, go-live, and Performance Period of Acceptance (PPA) of the Tax System. The 10% retainage of Benefits deliverable may be released upon complete system go-live and Performance Period of Acceptance.
3. Retainage may not be held on License Fees, Hosting Fees and on Software licensing, subscriptions, and 3rd party maintenance fees.

50.6.27 Travel Expenses

The Vendor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

IV. Pricing

Scheduled Deliverables & Cost

Initiating and Planning

Milestones	Cost Item	Cost
MS 1	Project Initiation and Planning	\$1,563,530
MS 3	High-level Design Architecture	\$1,046,319
MS 4	Infrastructure for Development and Test Environments. Hosting Recommendations	\$1,018,040

Release Cycle 1

Milestones	Cost Item	Cost
MS 2	Development Ready Requirements Elaboration	\$1,131,154
MS 5	Detail Development (includes environment creation, detailed system and architectural design, application coding)	\$9,049,235
MS 6	Migrate Data	\$3,393,463
MS 7	Implement Interfaces	\$1,809,847
MS 8	Implement Reporting	\$1,244,271
MS 9	Plan and Implement OCM	\$1,357,386
MS 10	Implement Automated Testing	\$565,578
MS 11	Conduct System Testing, Performance, and User Acceptance Testing	\$1,696,732
MS 12	Security Assessment and Testing	\$904,924
MS 13	Create and Conduct Training	\$1,018,039
MS 14	Plan and Execute Production Implementation	\$452,462

Release Cycle 2

Milestones	Cost Item	Cost
MS 2	Development Ready Requirements Elaboration	\$1,413,944
MS 5	Detail Development (includes environment creation, detailed system and architectural design, application coding)	\$11,311,543
MS 6	Migrate Data	\$4,241,829
MS 7	Implement Interfaces	\$2,262,309
MS 8	Implement Reporting	\$1,555,338
MS 9	Plan and Implement OCM	\$1,696,732
MS 10	Implement Automated Testing	\$706,972
MS 11	Conduct System Testing, Performance, and User Acceptance Testing	\$2,120,914

MS 12	Security Assessment and Testing	\$1,131,154
MS 13	Create and Conduct Training	\$1,272,550
MS 14	Plan and Execute Production Implementation	\$565,578

Formal Acceptance

Milestones	Cost Item	Cost
MS 17	180 Days PPA and 100 % of requirements met, system is live	\$420,642

Operations and Support

Milestones	Cost Item	Cost
MS 15	Maintenance and Operations Plan Complete	\$565,576
*Total Cost of Scheduled Deliverables		\$55,516,061

*This pricing does not include cost of hardware and software. See Section II, item 13 of Negotiated Items.

Operations & Maintenance Services	Annual Cost
Operations & Maintenance Year 1	\$ -
Operations & Maintenance Year 2	\$ -
Operations & Maintenance Year 3	\$ 5,095,192
Operations & Maintenance Year 4	\$ 4,295,192
Operations & Maintenance Year 5	\$ 4,295,192
Operations & Maintenance Year 6	\$ 3,495,192
Total Operations & Maintenance Costs (6 Years)	\$ 17,180,769

V. Approvals

This Contract is subject to the terms and conditions as stated. By executing this Contract, the parties verify that they are authorized to bind this agreement and that they accept the terms of this agreement.

This Contract may be executed electronically in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Contract.

This Contract is invalid until properly approved and executed by the Finance and Administration Cabinet.

1st Party: Education and Labor Cabinet (“the Commonwealth, “Customer”, or “ELC”)

James W. Link
Printed name

Cabinet Secretary
Title

DocuSigned by:
James Link
Signature 4B8FFEFF81424CD...

5/17/2024
Date

2nd Party: Deloitte Consulting LLP, as Contracting Agent, (“Contractor” or “Vendor”)

Mohan Kumar
Printed name

Managing Director
Title

DocuSigned by:
Mohan Kumar
Signature F2F71D1FBA10485...

5/17/2024
Date

**Approved by the Finance and Administration Cabinet
Office of Procurement Services**

Kathy Robinson
Printed name

Executive Director
Title

DocuSigned by:
Kathy Robinson
Signature 12A54A21C03A4F2...

5/17/2024
Date

Attachments:

- ATTACHMENT A – This Document
- ATTACHMENT B – Intentionally Omitted
- ATTACHMENT C – Intentionally Omitted
- ATTACHMENT D – Intentionally Omitted
- ATTACHMENT E – The Protection of Personal Information Security and Breach Investigation Procedures and Practice Act (KRS 61.931)
- ATTACHMENT F – Intentionally Omitted
- ATTACHMENT G – Intentionally Omitted
- ATTACHMENT H – UI Current System Overview
- ATTACHMENT I – KY Milestone and Deliverables
- ATTACHMENT J – KY SLA Criteria Measure with negotiated items
- ATTACHMENT K – Opentext Documents
- ATTACHMENT L – OUI Org Chart
- ATTACHMENT M – Interface Master List
- ATTACHMENT N – Acronyms & Abbreviations
- ATTACHMENT O – Function Blocks
- ATTACHMENT P – Intentionally Omitted
- ATTACHMENT Q – Intentionally Omitted
- ATTACHMENT R – KY UI Clarifications and Confirmations