



DEPARTMENT OF BUILDINGS AND GENERAL SERVICES

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<http://bgs.vermont.gov/purchasing>

SEALED BID

REQUEST FOR PROPOSAL

RE-BID

BUSINESS TRANSFORMATION:

ENTERPRISE RESOURCE PLANNING (ERP) MODERIZATION AND INNOVATION

ISSUE DATE	March 18, 2024
QUESTIONS DUE	March 27, 2024 – 4:30 PM (EST)
RFP RESPONSES DUE BY	April 15, 2024 – 4:30 PM (EST)

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND ADDENDUMS ASSOCIATED WITH THIS RFP WILL BE POSTED AT:

<http://www.bgs.state.vt.us/pca/bids/bids.php>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT INTERESTED PARTIES WITH UPDATED INFORMATION. IT IS THE RESPONSIBILITY OF EACH BIDDER TO PERIODICALLY CHECK THE ABOVE WEB PAGE FOR ANY AND ALL NOTIFICATIONS, RELEASES AND ADDENDUMS ASSOCIATED WITH THIS RFP.

STATE CONTACT:	KYLE EMERSON
E-MAIL:	kyle.emerson@vermont.gov <u>USE SUBJECT: ERP MODERNIZATION</u>

1. OVERVIEW:

1.1. SCOPE:

Through this Request for Proposal (RFP), the Agency of Administration within the Executive branch of Vermont State government (hereinafter the “State”) is seeking to establish contracts with one or more companies that can provide Business Transformation: Enterprise Resource Planning (ERP) Modernization and Innovation assistance.

1.2. Background

The Agency of Administration within the Executive branch of Vermont State government (hereinafter the “State”) is seeking a Business Transformation Partner (hereinafter “BTP”) to collaborate with stakeholders to define, build and execute in the areas of organizational readiness and business process re-engineering throughout the enterprise.

Business process re-engineering: After more than 30 years the State is moving from an on-premise Oracle suite (see detail below) to the Workday (WD) SaaS cloud. Guidance around reimagining process, transitioning from a payroll focused solution to become a more modern organization; while retaining internal controls for Federal, and Single Audits, as well as in compliance with Federal, State, Local laws, and the State Collectively Bargained agreements (See detail below).

The ERP SaaS BTP chosen resulting from this RFP will be expected to provide highly qualified, experienced, and capable staff who have gained considerable expertise from previous complex Workday (WD) implementation efforts. The BTP will provide industry leading ERP and functional (HR Administration, Performance, Payroll, Accounting, Budgeting) expertise related information, insights, best practices, and perspectives to State of Vermont (SOV) leadership, program stakeholders and subject matter experts.

The State is embarking on a large project to consolidate, modernize and innovate its ERP System. The State’s vision for the ERP is a comprehensive, fully integrated solution that creates efficiencies across the organization. The State has a multi-year implementation roadmap¹, focusing on Human Capital Management (HCM), Payroll, Performance Management, and Budget for Phase 1 of the project; Financials, including Transportation and Labor in Phase II of the project.

¹Implementation Roadmap

Tasks	2021	2022-2023	2023	2024			2025			2026		
Platform initiatives	Oct-Dec	January-December	January-December	Jan-Mar	Apr-Jun	July-Sept	Oct-Dec	Jan-Mar	Apr-Jun	July-Sept	Oct-Dec	Jan-Mar
VTNR to WD HCM, Budget to WD Adaptive Planning												
Project Planning- Procure business Transformation Specialist, PM, BA, Discovery, OCM RFP, Vendor Selection Contracting.		Project Planning/Contracting										
Implementation HCM					PS 9.1 VTHR Replacement to Workday HCM Core/ Perf Mgmt & Payroll							
Integration Effort VISION - HCM					VISION Integration							
RFP-Implementaion					CGI Replacement to Workday Adaptive Planning							
Annual Batch Integration with VISION					VISION Integration							
Contract with SAP ends									SAP can renew through 2025			
Contract with Cornerstone LMN ends									LMS extended to March 2026			
Decision to Add LMS & SAP ro WD HCM								SAP & LMS requirements				
F&M, STARS, FARS												
Requirements Gathering for Workday CORE Financials			Requirements for STARS, FARS, F&M									
RFP-Implementaion Workday CORE Financials					Common Financial Data Model							
RFP-Implementaion Workday CORE Financials -Stars												
RFP-Implementaion Workday CORE Financials -FARS			TBD								Order of Implementation TBD	
RFP-Implementaion Workday CORE Financials -F&M												

Please note: the roadmap listed in this document will start no earlier than the dates listed and may be amended at the sole discretion of the State. Core Financials phase II will commence immediately following Core HCM and Payroll launch. Learning Management and Talent Acquisition/Recruitment will be addressed in later phases.

The State understands this transformation requires more than merely adopting new technology or working with new processes. The transformation extends to multiple tiers of the state organization. A successful transformation is critical to the business outcomes of the state enterprise on a daily and significant basis.

Beginning with the end-user perspective from within each of the identified business functions, to mid-management, to data exchange with shadow processes and systems, there will be many people and components that must be identified and simultaneously supported in this transformation effort to achieve the goal of successfully modernizing the State's core administrative business functions.

Where the State's valued human resources are concerned, there is a need to create an open atmosphere that is welcoming of transformation. This includes at the leadership level, where solidifying an understanding of the need for extra care and attention to the management of the transformation is vital.

The State seeks to 1) mitigate the significant risk of its employees not being aligned with the transformation and 2) posture its employees to successfully complete the transformation and achieve sustained adoption of the new ERP.

To accomplish the State's goals, the State requires a - BTP firm with demonstrated experience and expertise in SaaS solutions; and subject matter experts in enterprise-level, public sector transformation for an ERP implementation.

The State is seeking a BTP that has demonstrated knowledge and experience assisting government entities successfully transition platforms to Workday (WD) Software-as-a-Service from locally hosted PeopleSoft 9.1 & 9.2 with custom bolt-ons.

*Please note: the State will have a separate contract for implementation services. The expectation of the BTP will be assisting the state in the redesign of business capabilities that will inform the implementation. Implementation of the software is slated to begin on or around April 1st, 2024, Business transformation contract is targeted to begin late summer/early fall 2024.later. Please include in your response, potential benefits or pitfalls with the current contract/s overlap, phasing timeline.

1.3. Current State

The State currently relies on several customized and aging information systems that limit the State's ability to transform and modernize business operations. The current software is used for tracking payroll related HR transactions and was set up to ensure internal controls of such, the focus of

system-maintained processes. Several of the frequently used business processes are not contained within the current solution or are captured and maintained through manual process and customization.

As such, the State requires the BTP to be well versed in PeopleSoft 9.1 & 9.2 capabilities while understanding how those capabilities are used or transformed into the Workday (WD) suite of services.

1.3.1. Human Resources

Vermont Department of Human Resources (DHR) was an early adopter of the PeopleSoft solution, its first implementation occurring in 1994. The department has added additional capabilities over the years, but the system is mostly used for transactions that result in employee records and proper pay.

The HCM is the State's system of record for employee's employment data.

The HCM, Oracle PeopleSoft, was implemented in 1994, and upgraded 4 times. The current system is PeopleSoft v.9.1 for Workforce Administration, Position Management, Self Service, Benefits Administration, Base Benefits, Time & Labor, FMLA Tracker, and Payroll.

There is integration to the Finance Department's GL State of Vermont which uses Oracle Peoplesoft 9.2 Financials. Oracle Integration broker is utilized between these two databases; as well as used for the connection between SAP Success Factors Recruiting and PeopleSoft Human Capital Management (HCM) v9.1. DHR considers this functionality to be a core system solution.

State of Vermont Executive Branch entities include seven different agencies and about 50 standalone departments. There are approximately 10,000 employees paid in the Executive Branch, and an additional 700 paid in the Legislative and Judicial Branches. Of the 10,000 Executive Branch employees, over approximately 8,000 are considered permanent full-time, while the remainder are mostly temporary employees. In addition to PeopleSoft Human Capital Management (HCM) v9.1, the State uses manual processes, and customized pages and tables to support the administrative functions for each of the three branches.

In 2016, DHR implemented the CornerStone on Demand solution for its Learning Management solution.

In 2018, DHR implemented SAP Success Factors for Talent Acquisition, replacing the Oracle PeopleSoft 9.1 Recruiting modules.

The Vermont Department of Human Resources is a centralized entity with all active employee benefit and payroll operations utilizing the current HCM. All employees use the current HCM system to enter and approve time with one exception: the Vermont Agency of Transportation uses a side system to capture and approve time; once approved by AOT, it is fed to the HCM through a once a pay period interface.

The Executive Branch has 5 distinct bargaining contracts and several side agreements used to create the time and labor rules, compensation rules and eligibility for benefits. The Judiciary Branch as well as the State's Attorney's each have bargaining contracts.

1.3.2. Finance and Management

Accounting

The State of Vermont financial accounting system is known as VISION. VISION stands for Vermont Integrated Solution for Informational and Organizational Needs.

VISION was first implemented by the State of Vermont with version 7.5 on July 1, 2001, and has been upgraded several times. VISION is currently using 9.2 on premise last updated in February 2019 for all modules currently being used by the State. The system is managed by the Department of Finance and Management in conjunction with the Agency of Digital Services' (ADS) ERP Technical Services team.

- Travel & Expense
- General Ledger
- Accounts Payable
- Purchasing
- Accounts Receivable
- Billing
- Asset Management
- Subrecipient Grant Tracking (VT custom module).

As the system of record for the State's financial data, as well as maintenance of the State's vendor master file, VISION allows the State to meet its statutory responsibility of providing a system of centralized accounting of income and disbursement. It supports approximately 7,000 travel and expense users and 700 users of the other system modules: within all three branches of government.

Financial Accounting in the State is highly decentralized. There are over 70 business units that utilize Oracle PeopleSoft Financials. Each unit has its own business requirements. The same accounting step will likely have multiple business processes that are used within the State.

The DHR HCM foundational tables that identify cost centers and state departmental structure inherit this information from VISION through PeopleSoft integration broker. The state of Vermont utilizes a 1 to 1 business unit set up between the two systems.

Budget

The Division of Budget and Management ("BudMan") within the Department of Finance and Management assists in the development of the Governor's recommended budget, monitors and defends the passage of the budget through the legislature and manages the adopted budget throughout the fiscal year.

BudMan utilizes a commercial off-the-shelf (COTS) government budgeting software called PB Advantage. The existing Budget, Planning & Management system was implemented in 2011. The current system, version 3.09, lacks functionality found in newer versions such as dashboards.

1.4. Future State:

The modernization and innovation project will replace the existing HCM System with a SaaS solution.

The implementation of Workday (WD) includes the following functionality and modules:

- HCM
- Prism Analytics
- Payroll
- Performance Management
- Time and Attendance
- Absence Management
- Adaptive Planning
- Workday Core Finance and Management
- Benefits Management

- 1.5. **CONTRACT PERIOD:** Contracts arising from this RFP will be for a period of **three years** with an option to renew for up to two additional **one-year** renewals periods. The State anticipates the start date for such contract(s) during the third quarter of 2024.
- 1.6. **SINGLE POINT OF CONTACT:** All communications concerning this RFP are to be addressed in writing to the State Contact listed on the front page of this RFP. Actual or attempted contact with any other individual from the State concerning this RFP is strictly prohibited and may result in disqualification.
- 1.7. **QUESTION AND ANSWER PERIOD:** Any bidder requiring clarification of any section of this RFP or wishing to comment on any requirement of the RFP must submit specific questions in writing no later than the deadline for questions indicated on the first page of this RFP. Questions may be e-mailed to the point of contact on the front page of this RFP. Questions or comments not raised in writing on or before the last day of the question period are thereafter waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site <http://www.bgs.state.vt.us/pca/bids/bids.php> . Every effort will be made to post this information as soon as possible after the question period ends, contingent on the number and complexity of the questions.
- 1.8. **CHANGES TO THIS RFP:** Any modifications to this RFP will be made in writing by the State through the issuance of an Addendum to this RFP and posted online at <http://www.bgs.state.vt.us/pca/bids/bids.php> . Modifications from any other source are not to be considered.
- 1.9. **SOURCE OF FUNDS:** This project is being funded in whole or in part using federal monies. If a bidder requires assistance in preparing their proposal, registering with SAM.gov or needs guidance on socioeconomic certifications, the bidder may contact the Agency of Commerce & Community Development (ACCD), Department of Economic Development (DED), APEX Accelerator. The Vermont APEX Accelerator (formerly the Procurement Technical Assistance Center (PTAC)) specializes in helping small businesses navigate the documentation associated with State and Federal procurement. There is no cost to the Contractor for assistance provided by APEX Accelerator. Their website is: <https://accd.vermont.gov/economic-development/programs/ptac>

2. DETAILED REQUIREMENTS/DESIRED OUTCOMES:

The State of Vermont is seeking bids for Business Transformation Partner (BTP). The BTP chosen as a result of this RFP will be expected to provide highly qualified, experienced, and capable staff who have gained considerable expertise from previous complex SaaS implementation efforts. The BTP will provide industry leading ERP and functional (Human Resource, Administration, Accounting, and Budgeting) expertise related information, insights, best practices, and perspectives to State of Vermont leadership, program stakeholders and subject matter experts. The successful bidder will become part of the core team and work closely with functional business areas, business analysts, project managers and consultants. To avoid potential or perceived conflicts of interest the State of Vermont does not anticipate awarding this contract to any entity who is otherwise engaged in the ERP Modernization for Workday software implementation.

The BTP, along with State and contracted resources, will translate existing business processes into innovative Workday supported business process workflows.

- The BTP will act as an advocate for the State with the implementation partner throughout the implementation process.
- The BTP will ensure that current business processes are adequately documented.
- The BTP will conduct a needs analysis to identify where capabilities fall short of meeting business requirements.
- The BTP will assist the State in identifying workable and reasonable alternative solutions for required processes not met by Workday.
- The BTP will assist the State in the following organizational change management activities:
 - Change readiness assessment.
 - Stakeholder analysis and engagement
 - Provide guidance to solidify the scope of the change.
 - Organization wide communications
 - Business case development to engage stakeholders.
- The BTP will assist the State in setting a structure for sponsorship, communications, training, coaching, and sustainment.

The BTP will work with the State in defining and building testing and training plans, and training templates which meet the State's need for go-live readiness, as well as the resourcing to overcome constraints encountered in a typical train- the trainer rollout.

2.1. Business Transformation Examples of Work

- Evaluate the recommendations from an implementer for Workday solution or alternate third-party solution suggested for the State's Human Capital Management System, Performance Management, and Budget in Phase I and Core Financials, including integrations with Agency of Transportation STARS and Department of Labor FARS for Phase II of the project.
- Guide operational staff from the Oracle Peoplesoft and highly customized current state processes to Workday and selected alternate solutions, explaining how current requirements are met by the new solutions, and walking through, step- by- step, how the new solutions operate.

- Organizational readiness: Assess and verify the State’s readiness to change and business transformation. Define a timeline from the current baseline to the target for successful adoption of changes throughout the enterprise.
- Support the business specifications and ERP Implementation activities that will prepare the program for ERP Implementation.
- Provide interpretation for implementation vendor’s recommendations and refine requirements of the state using software expertise to ensure the State’s best interests are represented.
- Work with all business stakeholders to document all business requirements to create a Requirement Traceability Matrix for use by the State.
- Translate existing business capabilities into innovative, successful processes for implementation within the Workday platform.
- Facilitate in depth process reviews to create innovative solutions in Workday.
- Identify and document state mandated obligations that will not fit into the Workday solution and facilitate coordinating efforts to roadmap the plan for how to accommodate those obligations.
- Participate in or lead cross organizational meetings to elicit opportunities for innovation to best utilize the Workday product.
- Maintain “Big Picture” vision, while helping divisions identify and maximize cross organizational opportunities for efficiency.
- Build functional and technical capability for Workday Module Operations:
 - Collaborate with program staff, business analysts, project managers, Agency of Digital Services (ADS) staff, and implementation partners;
 - Assist in developing future business operating models; and
 - Create/review staffing plans.
- Coordinate with business and technology teams to ascertain system requirements, such as program functions, output requirements, input data acquisition, and execution of user acceptance testing.
- Inform change management activities, create strategies and plans that maximize employee adoption and usage.
- Work to ensure alignment of project with overall strategy and plans.

2.2. Desired Business Transformation Partner Skills/Experience

- Demonstrated, strong facilitation skills including but not limited to change management.
- Demonstrated experience supporting large, successful, transformative ERP projects.

- Demonstrated business acumen in the following functional areas:
 - Human Resources
 - Payroll
 - Budgeting
 - Accounting
 - Cost allocation
 - Reporting
 - Performance Management

- Knowledge and experience with one or both HCM Platforms (Oracle PeopleSoft and Workday); Workday experience is highly preferred.
 - A thorough understanding of PeopleSoft HCM 9.1 & 9.2 workforce administration, position management, self-service, benefits administration, base benefits, time & labor, FMLA Tracker, and payroll for North America.
 - A thorough understanding of PeopleSoft 9.2 Financials
 - Experience with PeopleSoft HCM 9.1 & 9.2 /PeopleTools 8.60.10 and integration broker used to map and integrate with PeopleSoft 9.2 financials.
 - Experience in the functional, configuration, and implementation aspects of PeopleSoft 9.1 and Workday HCM Core, payroll, and Workday Adaptive Planning.
 - Experience in the functional, configuration, and implementation aspects of PeopleSoft 9.2 and Workday Financials.
 - Experience in implementing complex cost allocation methodologies as required by Federal Government

- Experience with reporting technologies such as prism, Power BI and Excel.
- Experience in defining and implementing requirements.
- Experience with data warehouse, lake or other historical oracle data storage options.
- Experience in designing and managing intelligent workflows.
- Ability to communicate convincingly and effectively with different parts of the organization and to make recommendations on ERP usage and configuration based on best practices and experience.

3. GENERAL REQUIREMENTS:

- 3.1. **PRICING:** Bidders must price the terms of this solicitation at their best pricing. Any and all costs that Bidder wishes the State to consider must be submitted for consideration. If applicable, all equipment pricing is to include F.O.B. delivery to the ordering facility. No request for extra delivery cost will be honored. All equipment shall be delivered assembled, serviced, and ready for immediate use, unless otherwise requested by the State.

- 3.1.1. Prices and/or rates shall remain firm for the initial term of the contract. The pricing policy submitted by Bidder must (i) be clearly structured, accountable, and auditable and (ii) cover the full spectrum of materials and/or services required.
 - 3.1.2. **Cooperative Agreements.** Bidders that have been awarded similar contracts through a competitive bidding process with another state and/or cooperative are welcome to submit the pricing in response to this solicitation.
 - 3.1.3. **Retainage.** In the discretion of the State, a contract resulting from this RFP may provide that the State withhold a percentage of the total amount payable for some or all deliverables, such retainage to be payable upon satisfactory completion and State acceptance in accordance with the terms and conditions of the contract.
- 3.2. **STATEMENT OF RIGHTS:** The State shall have the authority to evaluate Responses and select the Bidder(s) as may be determined to be in the best interest of the State and consistent with the goals and performance requirements outlined in this RFP. The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Failure of bidder to respond to a request for additional information or clarification could result in rejection of that bidder's proposal. To secure a project that is deemed to be in the best interest of the State, the State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause, and to waive technicalities in submissions. The State also reserves the right to make purchases outside of the awarded contracts where it is deemed in the best interest of the State.
- 3.2.1. **Best and Final Offer (BAFO).** At any time after submission of Responses and prior to the final selection of Bidder(s) for Contract negotiation or execution, the State may invite Bidder(s) to provide a BAFO. The state reserves the right to request BAFOs from only those Bidders that meet the minimum qualification requirements and/or have not been eliminated from consideration during the evaluation process.
 - 3.2.2. **Presentation.** An in-person or webinar presentation by the Bidder may be required by the State if it will help the State's evaluation process. The State will factor information presented during presentations into the evaluation. Bidders will be responsible for all costs associated with providing the presentation.
- 3.3. **WORKER CLASSIFICATION COMPLIANCE REQUIREMENTS:** In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), Bidders must comply with the following provisions and requirements.
- 3.3.1. Self-Reporting: For bid amounts exceeding \$250,000.00, Bidder shall complete the appropriate section in the attached Certificate of Compliance for purposes of self-reporting information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification of workers. The State is requiring information on any violations that occurred in the previous 12 months.
 - 3.3.2. Subcontractor Reporting: For bid amounts exceeding \$250,000.00, Bidders are hereby notified that upon award of contract, and prior to contract execution, the State shall be provided with a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act

No. 54). This requirement does not apply to subcontractors providing supplies only and no labor to the overall contract or project. This list **MUST** be updated and provided to the State as additional subcontractors are hired. A sample form is available online at <http://bgs.vermont.gov/purchasing-contracting/forms>. **The subcontractor reporting form is not required to be submitted with the bid response.**

3.4. EXECUTIVE ORDER 05-16: CLIMATE CHANGE CONSIDERATIONS IN STATE PROCUREMENTS:

For bid amounts exceeding \$25,000.00 Bidders are requested to complete the Climate Change Considerations in State Procurements Certification, which is included in the Certificate of Compliance for this RFP.

After consideration of all relevant factors, a bidder that demonstrates business practices that promote clean energy and address climate change as identified in the Certification, shall be given favorable consideration in the competitive bidding process. Such favorable consideration shall be consistent with and not supersede any preference given to resident bidders of the State and/or products raised or manufactured in the State, as explained in the Method of Award section. But such favorable consideration shall not be employed if prohibited by law or other relevant authority or agreement.

3.5. METHOD OF AWARD: Awards will be made in the best interest of the State. The State may award one or more contracts and reserves the right to make additional awards to other compliant bidders at any time if such award is deemed to be in the best interest of the State.

3.5.1. Evaluation Criteria: Consideration shall be given to the Bidder’s project approach and methodology, qualifications and experience, ability to provide the services within the defined timeline, cost, and/or success in completing similar projects, as applicable, and to the extent specified below.

Evaluation Criteria	Max Points
Quality of proposal content & adherence to proposal format	15
Prior Experience with HCM and Finance projects and platforms, such as Workday and PeopleSoft, specific to this project	30
Experience leading large ERP business transformations projects in a unionized environment	30
Cost Proposal	20
Experience with Government Entities	5

3.6. CONTRACT NEGOTIATION: Upon completion of the evaluation process, the State may select one or more bidders with which to negotiate a contract, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision made is in the best interest of the State. In the event State is not successful in negotiating a contract with a selected bidder, the State reserves the option of negotiating with another bidder, or to end the proposal process entirely.

- 3.7. **COST OF PREPARATION:** Bidder shall be solely responsible for all expenses incurred in the preparation of a response to this RFP and shall be responsible for all expenses associated with any presentations or demonstrations associated with this request and/or any proposals made.
- 3.8. **CONTRACT TERMS:** The selected bidder(s) will be expected to sign a contract with the State, including the Standard Contract Form and Attachment C as attached to this RFP for reference. If IT Attachment D is included in this RFP, terms may be modified based upon the solution proposed by the Bidder, subject to approval by the Agency of Digital Services.
- 3.8.1. **Business Registration.** To be awarded a contract by the State of Vermont a bidder (except an individual doing business in his/her own name) must be registered with the Vermont Secretary of State's office <https://sos.vermont.gov/corporations/registration/> and must obtain a Contractor's Business Account Number issued by the Vermont Department of Taxes <http://tax.vermont.gov/>.
- 3.8.2. The contract will obligate the bidder to provide the services and/or products identified in its bid, at the prices listed.
- 3.8.3. **Payment Terms.** Percentage discounts may be offered for prompt payments of invoices; however, such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.
- 3.8.4. **Quality.** If applicable, all products provided under a contract with the State will be new and unused, unless otherwise stated. Factory seconds or remanufactured products will not be accepted unless specifically requested by the purchasing agency. All products provided by the contractor must meet all federal, state, and local standards for quality and safety requirements. Products not meeting these standards will be deemed unacceptable and returned to the contractor for credit at no charge to the State.

4. **CONTENT AND FORMAT OF RESPONSES:** The content and format requirements listed below are the minimum requirements for State evaluation. These requirements are not intended to limit the content of a Bidder's proposal. Bidders may include additional information or offer alternative solutions for the State's consideration. However, the State discourages overly lengthy and costly proposals, and Bidders are advised to include only such information in their response as may be relevant to the requirements of this RFP.

4.1. The bid should include a Cover Letter, Technical Response and Price Schedule.

4.2. **COVER LETTER:**

- 4.2.1. **Confidentiality.** To the extent your bid contains information you consider to be proprietary and confidential, you must comply with the following requirements concerning the contents of your cover letter and the submission of a redacted copy of your bid (or affected portions thereof).
- 4.2.2. All responses to this RFP will become part of the contract file and will become a matter of public record under the State's Public Records Act, 1 V.S.A. § 315 et seq. (the "Public Records Act"). If your response must include material that you consider to be proprietary and confidential under the Public Records Act, your cover letter must clearly identify each page or section of your response that you consider proprietary and confidential. Your cover letter must also include a written explanation **for each marked section** explaining why such material should be considered exempt from public disclosure in the

event of a public records request, pursuant to 1 V.S.A. § 317(c), including the prospective harm to the competitive position of the bidder if the identified material were to be released. Additionally, you must include a redacted copy of your response for portions that are considered proprietary and confidential. Redactions must be limited so that the reviewer may understand the nature of the information being withheld. It is typically inappropriate to redact entire pages, or to redact the titles/captions of tables and figures. Under no circumstances may your entire response be marked confidential, and the State reserves the right to disqualify responses so marked.

- 4.2.3. Exceptions to Contract Terms and Conditions. If a Bidder wishes to propose an exception to any terms and conditions set forth in the Standard Contract Form and its attachments, such exceptions must be included in the cover letter to the RFP response. Failure to note exceptions when responding to the RFP will be deemed to be acceptance of the State contract terms and conditions. If exceptions are not noted in the response to this RFP but raised during contract negotiations, the State reserves the right to cancel the negotiation if deemed to be in the best interests of the State. Note that exceptions to contract terms may cause rejection of the proposal.

5. PROPOSAL RESPONSE

Proposal responses should be structured in the same order as the items below and responses should be labeled with the section/subsection number to indicate the item being addressed. Bidders are encouraged to be succinct and to the point. The bidder should limit unnecessary marketing or advertising, extensive artwork, unusual printing, or other materials not essential to the utility and clarity of its Proposal.

5.1. **TECHNICAL RESPONSE.** Proposal responses should be structured in the same order as the items below and responses should be labeled with the section/subsection number and title to indicate the item being addressed. Bidders are encouraged to be succinct and to the point.

5.1.1. **Bidder Overview:** Provide a brief overview of the Bidder organization that addresses each of the following items:

5.1.1.1. Identify when the firm was established and provide a brief executive summary of the firm's history from establishment to the present.

5.1.1.2. Responses to this section should focus on the Bidder's experience in the area of BTP services and experience in ERP transformational projects moving from on-premise systems to SaaS.

5.1.2. **Proposal:** In response to this section, Bidders should review the requirements, skills, and level of effort expected by the State as outlined in Scope and Background/Detailed Requirements and Desired Outcomes Sections and provide a detailed response about how the bidder proposes to accomplish the work. Bidders should propose a level of work effort for each service category (see Price Schedule, Page 19).

5.1.3. **Proposed Staff Resumes:** Bidder must be able to provide staff who are qualified and experienced resources to meet the needs of the State. The State values a Bidder with a pool of qualified employees who can provide the services described in this RFP.

5.1.4. Identify the names of all subcontractors you intend to use, the portions of the work the subcontractors will perform, and address the background and experience of the subcontractor(s), as per RFP section 4.3.2 above.

- 5.2. **REFERENCES.** Provide the names, addresses, and phone numbers of at least three companies with whom you have transacted similar business in the last 12 months. You must include contact names who can talk knowledgeably about performance.
- 5.3. **REPORTING REQUIREMENTS:** Provide a sample of any reporting documentation that may be applicable to the Detailed Requirements of this RFP.
- 5.4. **PRICE SCHEDULE:** Bidders shall submit their pricing information in the Price Schedule attached to the RFP.
- 5.5. **CERTIFICATE OF COMPLIANCE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

6. **SUBMISSION INSTRUCTIONS:**

- 6.1. **CLOSING DATE:** Bids must be received by the State by the due date specified on the front page of this RFP. Late bids will not be considered.
 - 6.1.1. The State may, for cause, issue an addendum to change the date and/or time when bids are due. If a change is made, the State will inform all bidders by posting it on the webpage indicated on the front page of this RFP.
 - 6.1.2. There will not be a public bid opening. However, the State will record the name, city, and state for any and all bids received by the due date. This information will be posted as promptly as possible following the due date online at: <https://bgs.vermont.gov/content/opc-bid-tabulation-sheets-0> . Bidders are hereby notified to review the information posted after the bid opening deadline to confirm receipt of bid by the State. Any bidder that submitted a bid, and is not listed on the bid tabulation sheet, shall promptly notify the State Contact listed on the front page of this RFP. Should a bidder fail to notify the State Contact listed on the front page of this RFP within two weeks of posting the bid tabulation sheet, the State shall not be required to consider the bid.

6.2. **BID DELIVERY INSTRUCTIONS:**

- 6.2.1. **ELECTRONIC:** Electronic bids will be accepted.
 - 6.2.1.1. **E-MAIL BIDS.** Emailed bids will be accepted Bids will be accepted via email submission to sov.thepathforward@vermont.gov. Bids must consist of a single email with a single, digitally searchable PDF attachment containing all components of the bid. Multiple emails and/or multiple attachments will not be accepted. There is an attachment size limit of 40 MB. It is the Bidder's responsibility to compress the PDF file containing its bid if necessary, in order to meet this size limitation.
USE SUBJECT: ERP MODERNIZATION

7. ATTACHMENTS:

7.1. Certificate of Compliance

7.2. Price Schedule

7.3. Worker Classification Compliance Requirement; Subcontractor Reporting Form

7.4. Standard State Contract with its associated attachments, including but not limited to, Attachment C: Standard State Provisions for Contracts and Grants (December 07, 2023).

7.5. Attachment D: Information Technology Professional Services Terms and Conditions (rev.01/12/2024)

CERTIFICATE OF COMPLIANCE

For a bid to be considered valid, this form must be completed in its entirety, executed by a duly authorized representative of the bidder, and submitted as part of the response to the proposal.

A. NON-COLLUSION: Bidder hereby certifies that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, bidder understands that this paragraph might be used as a basis for litigation.

B. CONTRACT TERMS: Bidder hereby acknowledges that is has read, understands and agrees to the terms of this RFP, including Attachment C: Standard State Contract Provisions, and any other contract attachments included with this RFP.

C. FORM OF PAYMENT: Does Bidder accept the Visa Purchasing Card as a form of payment?

___ Yes ___ No

D. WORKER CLASSIFICATION COMPLIANCE REQUIREMENT: In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), the following provisions and requirements apply to Bidder when the amount of its bid exceeds \$250,000.00.

Self-Reporting. Bidder hereby self-reports the following information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification of workers, that occurred in the previous 12 months.

Table with 3 columns: Summary of Detailed Information, Date of Notification, Outcome. The table contains three empty rows for reporting.

Subcontractor Reporting. Bidder hereby acknowledges and agrees that if it is a successful bidder, prior to execution of any contract resulting from this RFP, Bidder will provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), and Bidder will provide any update of such list to the State as additional subcontractors are hired. Bidder further acknowledges and agrees that the failure to submit subcontractor reporting in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54) will constitute non-compliance and may result in cancellation of contract and/or restriction from bidding on future state contracts.

E. Executive Order 05 – 16: Climate Change Considerations in State Procurements Certification

Bidder certifies to the following (Bidder may attach any desired explanation or substantiation. Please also note that Bidder may be asked to provide documentation for any applicable claims):

1. Bidder owns, leases or utilizes, for business purposes, space that has received:

- Energy Star® Certification
 - LEED®, Green Globes®, or Living Buildings ChallengeSM Certification.
 - Other internationally recognized building certification:
-

2. Bidder has received incentives or rebates from an Energy Efficiency Utility or Energy Efficiency Program in the last five years for energy efficient improvements made at bidder’s place of business. Please explain:

3. Please Check all that apply:

- Bidder can claim on-site renewable power or anaerobic-digester power (“cow-power”). Or bidder consumes renewable electricity through voluntary purchase or offset, provided no such claimed power can be double-claimed by another party.
 - Bidder uses renewable biomass or bio-fuel for the purposes of thermal (heat) energy at its place of business.
 - Bidder’s heating system has modern, high-efficiency units (boilers, furnaces, stoves, etc.), having reduced emissions of particulate matter and other air pollutants.
 - Bidder tracks its energy consumption and harmful greenhouse gas emissions. What tool is used to do this? _____
 - Bidder promotes the use of plug-in electric vehicles by providing electric vehicle charging, electric fleet vehicles, preferred parking, designated parking, purchase, or lease incentives, etc.
 - Bidder offers employees an option for a fossil fuel divestment retirement account.
 - Bidder offers products or services that reduce waste, conserve water, or promote energy efficiency and conservation. Please explain:
-

4. Please list any additional practices that promote clean energy and take action to address climate change:

F. Acknowledge receipt of the following Addenda:

Addendum No.: _____ Dated: _____

Addendum No.: _____ Dated: _____

Addendum No.: _____ Dated: _____

Bidder Name: _____ Contact Name: _____

Address: _____ Fax Number: _____

_____ Telephone: _____

_____ E-Mail: _____

By: _____ Name: _____

Signature of Bidder (or Representative)

(Type or Print)

END OF CERTIFICATE OF COMPLIANCE

PRICE SCHEDULE

A. Hourly Labor Rates:

Service Category/Title of Positions	Estimated Hours Per Category/Positions	Hourly Rate	Total Proposed cost of each service category for the 3 year engagement
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Option 3 Year Contract Renewal:

B. This contract can be extended up to two (2) additional 1-year periods, with mutual agreement between both parties.

Optional 3 Year Term Increase: Each annual amount shall Not Exceed 1.4% of the previous contract year.

Name of Bidder: _____

Signature of Bidder: _____

Date: _____

**RFP/PROJECT: BUSINESS TRANSFORMATION: ENTERPRISE RESOURCE PLANNING (ERP)
MODERIZATION AND INNOVATION**

DATE: March 18, 2024

SUBCONTRACTOR REPORTING FORM

This form must be completed in its entirety and submitted prior to contract execution and updated as necessary and provided to the State as additional subcontractors are hired.

The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total project costs exceeding \$250,000.00 requires bidders to comply with the following provisions and requirements.

Contractor is required to provide a list of subcontractors on the job along with lists of subcontractor's subcontractors and by whom those subcontractors are insured for workers' compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor's providing supplies only and no labor to the overall contract or project.

Subcontractor	Insured By		Subcontractor's Sub	Insured By

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Title: _____

Phone Number: _____

E-mail: _____

Fax Number: _____

By: _____

Name: _____

Failure to adhere to Act 54, Section 32 of the Acts of 2009 and submit Subcontractor Reporting: Worker Classification Compliance Requirement will constitute non-compliance and may result in cancellation of contract and/or forfeiture of future bidding privileges until resolved.

Send Completed Form to: Office of Purchasing & Contracting
133 State Street, 5th Floor
Montpelier, VT 05633-8000

STANDARD CONTRACT FOR SERVICES

1. **Parties.** This is a contract for services between the State of Vermont, _____ (hereinafter called “State”), and _____, with a principal place of business in _____, (hereinafter called “Contractor”). Contractor’s form of business organization is _____. It is Contractor’s responsibility to contact the Vermont Department of Taxes to determine if, by law, Contractor is required to have a Vermont Department of Taxes Business Account Number.

2. **Subject Matter.** The subject matter of this contract is services generally on the subject of _____. Detailed services to be provided by Contractor are described in Attachment A.

3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$_____.00.

4. **Contract Term.** The period of Contractor’s performance shall begin on _____, 20__ and end on _____, 20__.

5. **Prior Approvals.** This Contract shall not be binding unless and until all requisite prior approvals have been obtained in accordance with current State law, bulletins, and interpretations.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered, and signed by the duly authorized representative of the State and Contractor.

7. **Termination for Convenience.** This contract may be terminated by the State at any time by giving written notice at least thirty (30) days in advance. In such event, Contractor shall be paid under the terms of this contract for all services provided to and accepted by the State prior to the effective date of termination.

8. **Attachments.** This contract consists of ___ pages including the following attachments which are incorporated herein:
Attachment A - Statement of Work
Attachment B - Payment Provisions
Attachment C – “Standard State Provisions for Contracts and Grants” a preprinted form (revision date 12/07/2023)
Attachment D - Other Provisions (if any)
Additional attachments may be lettered as necessary

9. **Order of Precedence.** Any ambiguity, conflict or inconsistency between the documents comprising this contract shall be resolved according to the following order of precedence:

- (1) Standard Contract
- (2) Attachment D (if applicable)
- (3) Attachment C (Standard State Provisions for Contracts and Grants)

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT

By the State of Vermont:

By the Contractor:

Date: _____

Date: _____

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTACHMENT A – STATEMENT OF WORK

The Contractor shall:

ATTACHMENT B – PAYMENT PROVISIONS

The maximum dollar amount payable under this contract is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually delivered or performed, as specified in Attachment A, up to the maximum allowable amount specified on page 1 of this contract.

1. Prior to commencement of work and release of any payments, Contractor shall submit to the State:
 - a. a certificate of insurance consistent with the requirements set forth in Attachment C, Section 8 (Insurance), and with any additional requirements for insurance as may be set forth elsewhere in this contract; and
 - b. a current IRS Form W-9 (signed within the last six months).
2. Payment terms are **Net 30** days from the date the State receives an error-free invoice with all necessary and complete supporting documentation.
3. Contractor shall submit detailed invoices itemizing all work performed during the invoice period, including the dates of service, rates of pay, hours of work performed, and any other information and/or documentation appropriate and sufficient to substantiate the amount invoiced for payment by the State. All invoices must include the Contract # for this contract.
4. Contractor shall submit invoices to the State in accordance with the schedule set forth in this Attachment B. Unless a more particular schedule is provided herein, invoices shall be submitted not more frequently than monthly.
5. Invoices shall be submitted to the State at the following address: [REDACTED]
6. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are as follows: [REDACTED]

**ATTACHMENT C: STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS
REVISED DECEMBER 7, 2023**

“Attachment C: Standard State Provisions for Contracts and Grants” (revision version dated December 7, 2023) constitutes part of this Agreement and is hereby incorporated by reference as if fully set forth herein and shall apply to the purchase of all goods and/or services by the State under this Agreement. A copy of this document is available online at: <https://bgs.vermont.gov/purchasing-contracting/forms>.

ATTACHMENT D
INFORMATION TECHNOLOGY PROFESSIONAL SERVICES
TERMS AND CONDITIONS (rev. 01/12/2024)

4. OWNERSHIP AND LICENSE IN DELIVERABLES

4.1 Contractor Intellectual Property. Contractor shall retain all right, title and interest in and to any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that has been created by Contractor prior to entering into this Contract (“Contractor Intellectual Property”). Should the State require a license for the use of Contractor Intellectual Property in connection with the development or use of the items that Contractor is required to deliver to the State under this Contract, including Work Product (“Deliverables”), the Contractor shall grant the State a royalty-free license for such development and use. For the avoidance of doubt, Work Product shall not be deemed to include Contractor Intellectual Property, provided the State shall be granted an irrevocable, perpetual, non-exclusive royalty-free license to use any such Contractor Intellectual Property that is incorporated into Work Product.

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

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

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

1.3 Work Product. All Work Product shall belong exclusively to the State, with the State having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Contractor shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.

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

conceived, discovered or reduced to practice by Contractor, either solely or jointly with others, pursuant to this Contract. Work Product does not include Contractor Intellectual Property or third party intellectual property.

To the extent delivered under this Contract, upon full payment to Contractor in accordance with Attachment B, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to State all rights in and to all Deliverables, except to the extent they include any Contractor Intellectual Property; and (ii) grants to State a perpetual, non-exclusive, irrevocable, royalty-free license to use for State's internal business purposes, any Contractor Intellectual Property included in the Deliverables in connection with its use of the Deliverables and, subject to the State's obligations with respect to Confidential Information, authorize others to do the same on the State's behalf. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Intellectual Property.

The Contractor shall not sell or copyright a Deliverable without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor Intellectual Property or Contractor Intellectual Property developed outside of this Contract with no assistance from State.

5. CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING

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

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

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

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

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

5. SECURITY OF STATE INFORMATION.

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

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

In addition to the requirements set forth in any applicable Business Associate Agreement as may be attached to this Contract, in the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (a "Security Breach"), the Contractor shall notify the State within 24 hours of its discovery. Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached, revoke access and/or correct weaknesses in physical security. Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what

corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State. Contractor shall analyze and document the incident and provide all notices required by applicable law.

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

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

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

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

4. CONTRACTOR’S REPRESENTATIONS AND WARRANTIES

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

- (i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.
- (ii) There is no pending litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor’s ability to fulfill its obligations under this Contract.
- (iii) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.
- (iv) The Contractor (a) owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the services as set forth in this Contract; (b) shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into its product; and (c) none of the services or other materials or technology provided by the Contractor to the State will infringe upon or misappropriate the intellectual property rights of any third party.
- (v) The Contractor has adequate resources to fulfill its obligations under this Contract.
- (vi) Neither Contractor nor Contractor’s subcontractors has past state or federal violations, convictions or suspensions relating to miscoding of employees in NCCI job codes for purposes of differentiating between independent contractors and employees.

4.2 Contractor’s Performance Warranties. Contractor represents and warrants to the State that:

- (i) Each and all of the services shall be performed in a timely, diligent, professional, and skillful manner, in accordance with the highest professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment.
- (ii) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State. Without limiting the generality of the foregoing, if the State believes that harmful code may be present in any software delivered hereunder, Contractor will, upon State's request, provide a new or clean install of the software. Notwithstanding the foregoing, Contractor assumes no responsibility for the State's negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.
- (iii) To the extent Contractor resells commercial hardware or software it purchased from a third party, Contractor will, to the extent it is legally able to do so, pass through any such third party warranties to the State and will reasonably cooperate in enforcing them. Such warranty pass-through will not relieve the Contractor from Contractor's warranty obligations set forth herein.

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

6. TERMINATION

6.1. Contractor shall reasonably cooperate with other parties in connection with all services to be delivered under this Contract, including without limitation any successor provider to whom State Data, State Intellectual Property or other State information and materials are to be transferred in connection with termination. Contractor shall assist the State in exporting and extracting any and all State data, in a format usable without the use of the Services and as agreed to by State, at no additional cost. Any transition services requested by State involving additional knowledge transfer and support may be subject to a contract amendment for a fixed fee or at rates to be mutually agreed upon by the parties.

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

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

7. DESTRUCTION OF STATE DATA. At any time during the term of this Contract within thirty days of (i) the State's written request or (ii) termination or expiration of this Contract for any reason, Contractor shall securely dispose of all copies, whether in written, electronic or other form or media, of State Data according to National Institute of Standards and Technology (NIST) approved methods, and certify in writing to the State that such State Data has been disposed of securely. Further, upon the relocation of State Data, Contractor shall securely dispose of such copies from the former data location according to National Institute of Standards and Technology (NIST) approved methods and certify in writing to the State that such State Data has been disposed of securely.

Contractor shall comply with all reasonable directions provided by the State with respect to the disposal of State Data.

8. **SOV Cybersecurity Standard Update 2023-01:** Contractor confirms that all products and services provided to or for the use of the State under this Agreement shall be in compliance with *State of Vermont Cybersecurity Standard 2023-01*, which prohibits the use of certain branded products in State information systems or any vendor system that is supporting State information systems, and is available on-line at:

<https://digitalservices.vermont.gov/cybersecurity/cybersecurity-standards-and-directives>