COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

January 11, 2018

MEMORANDUM

TO: The Honorable Thomas K. Norment, Jr.
        Co-Chairman, Senate Finance Committee

        The Honorable Emmett W. Hanger, Jr.
        Co-Chairman, Senate Finance Committee

        The Honorable S. Chris Jones
        Chairman, House Appropriations Committee

        Daniel Timberlake
        Director, Department of Planning and Budget

FROM: Cynthia B. Jones
        Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on the Replacement of the Medicaid Management Information System – Contract
           Awarded to Accenture State Healthcare Services, LLC- Operations Services Solution
           Contract

The 2017 Appropriation Act, Chapter 836, 310 L, states:

*2. Within 30 days of awarding a contract or contracts related to the replacement project, the
Department of Medical Assistance Services shall provide the Chairmen of the House
Appropriations and Senate Finance Committees, and the Director, Department of Planning and
Budget, with a copy of the contract including costs.*

On January 3, 2018, the Department of Medical Assistance Services awarded the Medicaid Enterprise
System Operations Services Solution Contract to Accenture State Healthcare Services, LLC. Please find
the completed contract including costs provided with this letter.

Should you have any questions or need additional information, please feel free to contact me at
(804) 786-8099.

CBJ/

Enclosure

pc: The Honorable William A. Hazel, Jr., MD, Secretary of Health and Human Resources

Operations Services Solution Contract

between

The Department of Medical Assistance Services

and

Accenture State Healthcare Services, LLC

OPERATIONS SERVICES SOLUTION CONTRACT
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OPERATIONS SERVICES SOLUTION CONTRACT

THIS Operations Services Solution CONTRACT ("Contract") is entered into by and between the Virginia Department of Medical Assistance Services (DMAS), pursuant to §2.2-2012 of the Code of Virginia, and Accenture State Healthcare Services, LLC ("Supplier"), a corporation headquartered at 1501 South MoPac Expressway, Suite 300, Austin, Texas 78746 to be effective as of January 3, 2017 ("Effective Date").

1. PURPOSE AND SCOPE

This Contract sets forth the terms and conditions under which Supplier agrees to provide and implement for DMAS an Operations Services Solution (OPSS) as described in Exhibit A, Requirements. If Supplier proposes a Supplier hosted solution, then Exhibit G – Software as a Service - Additional Terms and Conditions shall apply and be incorporated into the governing contract.

2. DEFINITIONS

A. Acceptance

Successful delivery and performance by the Supplier of its contractual commitments at the location(s) designated in the Contract, including completed and successful Acceptance testing in conformance with the Requirements as determined by DMAS and Supplier in the mutually agreed upon Acceptance Criteria.

B. Agent

Any third party independent agent or vendor of DMAS.

C. Business Day/Hour

Normal operating hours for the Commonwealth of Virginia: Monday-Friday, 8 a.m.-5 p.m. Eastern Standard/Daylight Time, unless otherwise specified in the contract documents, excluding Commonwealth-designated holidays.

D. Center for Medicare and Medicaid Services (CMS)

CMS is the federal agency responsible for administering the Medicare, Medicaid, SCHIP (State Children's Health Insurance), HIPAA (Health Insurance Portability and Accountability Act), CLIA (Clinical Laboratory Improvement Amendments), and several other health-related programs. Additional information regarding CMS and its programs is available at http://www.cms.hhs.gov/.

E. Component

Software or Deliverable delivered by Supplier under this Contract.

F. Computer Virus

Any malicious code, program, or other internal component (e.g., computer virus, computer worm, computer time bomb, or similar component), which could damage, destroy, alter or disrupt any computer program, firmware, or hardware or which could, in any manner, reveal, damage, destroy, alter or disrupt any data or other information accessed through or processed by such software in any manner.

G. Confidential Information

Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary"; (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party; (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party; (iv) is identifiable or should be reasonably considered as protected health information; or (v) any personally identifiable information, including information about DMAS' employees, contractors, and customers, that is protected by statute or other applicable law.

H. Deliverable
The tangible embodiment of the work performed or Services, Maintenance Services, Licensed Services, Solution, Component, Software, plans, reports, data, Product, Supplier Product and Updates provided by the Supplier in fulfilling its obligations under the Contract, including the development or creation of Work Product, if Work Product is authorized under the Contract.

I. Department of Medical Assistance Services
The Department of Medical Assistance Services (DMAS) is the Medicaid "single state agency" in Virginia tasked with the administration of the Title XIX Program and other state and locally funded health financing programs.

J. Desktop Productivity Software
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K. Documentation
Those materials (including user manuals, training materials, guides, product descriptions, technical manuals, product specifications, supporting materials and Updates) detailing the information and instructions needed in order to allow DMAS and its Agents to make productive use of the Application, Software, Solution, Component, Product, Service, Licensed Services or Deliverable, and to implement and develop self-sufficiency by a knowledgeable resource with regard to the Application, Software, Solution, Component, Product, Service, Licensed Services or Deliverable, provided by Supplier in fulfilling its obligations under the Contract.

L. Electronic Self-Help
Any use of electronic means to exercise Supplier's license termination rights, if allowable pursuant to the Contract, upon breach or cancellation, termination or expiration of this Contract.

M. Health Record
"Health record" means any written, printed or electronically recorded material maintained by a health care entity in the course of providing health services to an individual concerning the individual and the services provided. "Health record" also includes the substance of any communication made by an individual to a health care entity in confidence during or in connection with the provision of health services or information otherwise acquired by the health care entity about an individual in confidence and in connection with the provision of health services to the individual. (§ 32.1-127.1:03, Code of Virginia)

M.1 Intellectual Property
"Intellectual Property" means all patents, rights in inventions, rights in designs, trademarks, trade and business names and all associated goodwill, rights to sue for passing off or for unfair competition, copyright, moral rights and related rights, rights in databases, topography rights, domain names, rights in information (including know-how and trade secrets), tools and methodologies and all other similar or equivalent rights subsisting now or in the future in any part of the world, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights for the full term.

N. Maintenance Coverage Period (MCP)
The term during which Maintenance is to be provided for a unit of Software or Product.

O. Maintenance Level
The defined parameters of Maintenance Services, including the times during which and time-frames in which Supplier shall respond to a request for Maintenance Services. The available Maintenance Levels shall be as defined in Exhibit A.. The actual Maintenance Level for a unit of Software or Product shall be set forth in Contract and/or subsequent change orders.

P. Maintenance Services (or "Maintenance" or "Software Maintenance")
If authorized by the Contract, means those services, preventive and remedial, provided or performed by Supplier under the Contract in order to ensure continued operation of the Software or Product, including Software Updates. Maintenance Services shall include support services. Software Maintenance Services may include the development of Work Product, if so authorized in the Contract.

Q. Party
Supplier or DMAS.

R. Protected Health Information
Protected health information (PHI) means individually identifiable health information that is (i) transmitted in electronic media, (ii) maintained in electronic media, or (iii) transmitted or maintained in any other form or medium. Protected health information excludes individually identifiable health information in (i) education records covered by the Family Educational Rights and Privacy Act, as amended, (20 U.S.C. § 1232g); (ii) in records of any student who is 18 years of age or older, or is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his professional or paraprofessional capacity, or assisting in that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student and are not available to anyone other than persons providing such treatment, except that such records may be personally reviewed by a physician or other appropriate professional of the student's choice; (iii) in employment records held by a covered entity in its role as employer; and (iv) regarding a person who has been deceased for more than 50 years. (45 CFR 160.103)

S. Receipt
When DMAS has physically received or has unfettered access to any Deliverable at the correct location.

T. Requirements
The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Product, Software, Solution, Component, Service(s), Application and Licensed Services and Deliverables, as authorized by the Contract and as set forth in Exhibit A and to any subsequent Statement of Work issued hereunder and such other parameters, characteristics, or performance standards that may be agreed upon in writing by the Parties.

U. Services
Any work performed or service provided by Supplier in fulfilling its obligations under the Contract including design, and development of software and modifications, software updates, solution, products, implementation, installation, maintenance, support, testing, training, or other provision authorized by the Contract scope. As permitted by the scope of the Contract, may include the discovery, creation, or development of Work Product, if any. If Work Product is authorized, refer to definition for Work Product. For details about the work and services to be provided by Supplier under this Contract, see Exhibit A. This definition does not include Licensed Services.

V. Software
If Software is authorized under the Contract, means the programs and code provided by Supplier under the Contract as a component(s) of any Deliverable or Component of any Solution, and any subsequent modification of such programs and code, excluding Work Product. For COTS (boxed) software, means the programs and code, and any subsequent releases, provided by Supplier under this Contract.as set forth in Exhibit B or as described on Supplier's US and International price lists in effect. For Software Maintenance contracts, Software also includes the programs and code provided by Supplier under the Contact.

W. Software Publisher

If Software is authorized under the Contract, means the licensor of the Software, other than Supplier, provided by Supplier under this Contract.

X. Solution

The Supplier's contractually committed technical approach for solving a technology business objective and associated Requirements as defined and authorized by the scope of the Contract. Solution means all Supplier and Supplier's third-party providers' Components making up the Solution, including but not limited to Software, Product, configuration design, implementation, Supplier-developed interfaces, Services and Work Product.

Y. Supplier

Means the Supplier and any of its Affiliates (i.e., an entity that controls, is controlled by, or is under common control with Supplier).

Z. Update

As applicable, any update, modification or new release of the Software, System Software, Application, Documentation or Supplier Product that Supplier makes generally available to its customers at no additional cost. Software Updates include patches, fixes, upgrades, enhancements, improvements, or access mode, including without limitation additional capabilities to or otherwise improve the functionality, increase the speed, efficiency, or base operation of the Software.

AA. Virginia Information Technologies Agency (VITA)

Virginia Information Technologies Agency (VITA) is an agency of the Commonwealth of Virginia pursuant to Chapter 20.1 of Title 2.2 (§§2.2-2005 et seq.) of the Code of Virginia.

BB. Work Product

Inventions, combinations, machines, methods, formulae, techniques, processes, improvements, software designs, computer programs, strategies, specific computer-related know-how, data and original works of authorship (collectively, the "Work Product") discovered, created, or developed by Supplier, or jointly by Supplier and DMAS in the performance of this Contract. Work Product shall also include configuration and design specifications & documentation. All Services performed hereunder shall include delivery of all (re)useable source and object code and all executables and documentation for all Work Product.

BB.1. NOTE: COTS products and Software as a Service (SaaS) solutions are designed, developed and licensed by the vendor, and the Commonwealth is not entitled to ownership rights to the core program. When CMS enhanced matched is used for COTS configuration or customization, those elements become subject to existing regulation at 45 CFR §95.617 regarding state and federal ownership and royalty-free licensing. The requirement for a royalty-free, non-exclusive and irrevocable license to software referenced in that regulation applies only to software related to the customization and configuration of a COTS product for Commonwealth use (Work Product as described above) and does not apply to the core product. The Commonwealth, and other states, could freely share and re(use) the resulting COTS software configuration and customization (Work Product), subject to the licensing of the core COTS software products.

3. TERM AND TERMINATION

A. Contract Term

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding with the Contract Term defined by a Design, Development and Implementation Phase (s) from the Effective Date (January 3, 2018) for twenty-three (23) full months (ending November 30, 2019) and an Operations and Maintenance Phase that begins on the first day of the twenty-fourth (24th) month (running from December 1, 2019 through November 30, 2023). DMAS, in its sole discretion, may

extend this Contract with up to four (4) one-year option periods that would run from December 1 through November 30 for each period, with the last option year expiring November 30, 2027. DMAS will issue a modification to this Contract stating the extension period, not less than thirty (30) days prior to the expiration of any current term.

B. **Termination for Convenience**
DMAS may terminate this Contract, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason.

C. **Termination for Breach or Default**
DMAS shall have the right to terminate this Contract, in whole or in part, for breach and/or default of Supplier. Supplier shall be deemed in breach and/or default in the event that Supplier fails to meet any material obligation set forth in this Contract.

If DMAS deems the Supplier to be in breach and/or default, DMAS shall provide Supplier with written notice of breach and/or default and allow Supplier to cure the breach and/or default in a time period determined by DMAS, which shall be appropriate to the complexity and severity of the matter and generally shall not be less than thirty (30) days. If Supplier fails to cure the breach as noted, DMAS may immediately terminate this Contract, in whole or in part. Any such termination shall be deemed a Termination for Breach or Termination for Default. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352 or if Supplier becomes a party excluded from Federal Procurement and Non-procurement Programs, DMAS may immediately terminate this Contract, in whole or in part, for breach, and DMAS shall provide written notice to Supplier of such termination. Supplier shall provide prompt written notice to DMAS if Supplier is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Supplier.

D. **Termination for Non-Appropriation of Funds**
All payment obligations from public bodies under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, DMAS may terminate this Contract, in whole or in part, for those goods or services for which funds have not been appropriated. Written notice will be provided to the Supplier as soon as possible after legislative action is completed.

E. **Termination Because of Financial Instability**
If DMAS determines that there are verifiable indicators that the Supplier will become financially unstable to the point of threatening the ability of DMAS to obtain the Solution, Services or Licensed Services provided for under the Contract, DMAS will require verification of the Suppliers financial situation. If from the information DMAS determines the Supplier will inevitably become financially unstable, DMAS may terminate the Contract before this occurs. If the Supplier ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, DMAS may, at its option, immediately terminate this Contract effective at the close of business on a date specified by DMAS. In the event that DMAS elects to terminate the Contract under this provision, the Supplier shall be notified in writing, by either certified or registered mail, specifying the date of termination. The Supplier shall submit a written waiver of the licensee's rights under the federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a subcontractor, the Supplier shall immediately so advise DMAS. The Supplier shall ensure that all tasks that have been delegated to its subcontractor(s) are performed in accordance with the terms of this Contract.

F. **Effect of Termination**
In the event of termination pursuant to Section 3B, DMAS will pay Supplier (i) a pro rata portion of the fee for Deliverables in progress, subject to any deficiencies reasonably determined by the

Parties, and (ii) expenses incurred up until the date of notice of termination. Upon such termination, DMAS will also pay Supplier for any actual demonstrated out-of-pocket costs, including Quality Maintenance Payments and CMS Certification Quality Maintenance Payments earned by Supplier at the time of termination. In no event will DMAS have any obligation to pay for any Service or Deliverable to the extent that it does not meet the Requirements, including SLAs achievable at the time of termination. Termination of this Contract for Convenience shall not affect any perpetual license granted pursuant to this Contract, provided fees for such license have been paid. Upon termination, neither the Commonwealth, nor DMAS, shall have any future liability except for Deliverables accepted by DMAS or Services, including as applicable, Licensed Services and Maintenance Services, rendered by Supplier and accepted by DMAS prior to the termination date. The effect of termination of the Contract will be to discharge both the Supplier and DMAS from future performance of the Contract, but not from the rights and obligations of each Party that existed at the time of termination, and are intended to survive such termination including those contained in Section 27.L.

In the event of a Termination for Breach or Termination for Default, Supplier shall accept return of any Deliverable that was not accepted by DMAS, and Supplier shall refund any monies paid by DMAS for such Deliverable, and all costs of de-installation and return of Deliverables shall be borne by Supplier.

G. Termination by Supplier
Termination by Supplier will not be considered.

H. Transition of Services
Prior to or upon expiration or termination of this Contract and at the request of DMAS, Supplier shall provide all assistance as DMAS may reasonably require to transition the Supplier's contractual obligations, or any portion thereof, as requested by DMAS to any other supplier with whom DMAS contracts for provision of same. This obligation may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months, pursuant to the *Code of Virginia* § 2.2-4309. In the event of a termination for breach and/or default of Supplier, Supplier shall provide such assistance at no charge or fee to DMAS; otherwise, Supplier shall provide such assistance at the hourly rate or a charge agreed upon by Supplier and DMAS.

I. Contract Kick-Off Meeting
Within 30 days of Contract award, Supplier may be required to attend a contract orientation meeting, along with the DMAS contract manager/administrator, the DMAS and/or other agency project manager(s) or authorized representative(s), technical leads, DMAS representatives for SWaM, as applicable, and any other significant stakeholders who have a part in the successful performance of this Contract. The purpose of this meeting will be to review all contractual obligations for both parties, all administrative and reporting requirements, and to discuss any other relationship, responsibility, communication and performance criteria set forth in the Contract. The Supplier may be required to have its assigned account manager as specified in Exhibit A, Requirements, and any other significant Supplier stakeholders who have a part in the successful performance of this Contract in attendance. The time and location of this meeting will be coordinated with Supplier and other meeting participants by the DMAS contract manager.

J. Contract Closeout
Prior to the contract's expiration date, Supplier may be provided contract close out documentation and shall complete, sign and return to DMAS Contract Administrator within 30 days of receipt. This documentation may include, but not be limited to: Patent/Royalty Certificate, Tangible Property/Asset Certificate, Escrow Certificate, SWaM Reports Completion Certificate, other required Small Business (SWaM) Procurement Plan compliance/variance and non-SWaM spend documentation as described in the Reporting section of this Contract, and Final Payment Certificate. Supplier is required to process these as requested to ensure completion of close-out administration and to maintain a positive performance reputation with the Commonwealth of Virginia. Any closeout documentation not received within 30 days of Supplier's receipt of the

Commonwealth's request will be documented in the contract file as Supplier non-compliance. Supplier's non-compliance may affect any pending payments due the Supplier, including final payment, until the documentation is returned.

4. SUPPLIER PERSONNEL

A. Selection and Management of Supplier Personnel

Supplier shall take such steps as may be necessary to ensure that all Supplier personnel performing under this Contract are competent and knowledgeable of the contractual arrangements between DMAS and Supplier. Supplier shall be solely responsible for the conduct of its employees, agents, and subcontractors, including all acts and omissions of such employees, agents, and subcontractors, and shall ensure that such employees and subcontractors comply with the DMAS site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. DMAS reserves the right to require the immediate removal from DMAS' premises of any employee, subcontractor or agent of Supplier whom such DMAS believes has failed to comply with the above or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

B. Supplier Personnel Supervision

Supplier acknowledges that Supplier or any of its agents, contractors, or subcontractors, is and shall be the employer of Supplier personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of, provide (to the extent required by law) health care and other benefits for, and terminate the employment of Supplier personnel. DMAS shall have no such responsibilities for Supplier or subcontractor personnel.

C. Key Personnel

The Supplier designates certain of Supplier's personnel as Key Personnel or Project Managers. Supplier's obligations with respect to Key Personnel and Project Managers shall be described in Exhibit A, Requirements. Failure of Supplier to perform in accordance with such obligations may be deemed a default of this Contract.

D. Subcontractors

Except for Supplier's affiliates, non-material subcontractors or subcontractors Supplier uses as ancillary indirect support services, which have no access to Confidential Information or PHI/PII, Supplier shall not use subcontractors to perform its contractual obligations under the Contract unless specifically authorized in writing to do so by DMAS. Such authorization shall not be unreasonably withheld. If a part of this Contract is supported in whole or in part with federal funds, Supplier shall not subcontract to any subcontractor that is a party excluded from Federal Procurement and Non-procurement Programs. In no event shall Supplier subcontract to any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

If Supplier subcontracts the provision of any performance obligation under this Contract to any other party, Supplier will (i) act as prime contractor and shall be the sole point of contact with regard to all obligations under this Contract, and (ii) hereby agrees that any authorized subcontractors shall perform in accordance with the warranties and applicable laws set forth in this Contract as applicable to such subcontractor's obligations.

5. NEW TECHNOLOGY

A. Access to New Technology

Supplier will bring to DMAS' attention any new products or services within the scope of the Contract that it believes will be of interest to DMAS and will work to develop proposals for the provision of any such products or services as DMAS requests.

B. New Service Offerings Not Available from Supplier

If new or replacement product or service offerings become available to DMAS under the scope of the Contract, and cannot be competitively provided by the Supplier, DMAS may purchase such new or replacement products or services from a third party, and Supplier will reasonably assist DMAS to migrate to such products or services in accordance with the contract modification process (if necessary), if DMAS elects to use such new or replacement product or service offerings.

If DMAS elects to acquire new products or services as described in the above paragraph and such services replace existing Supplier-provided services, discount tiers and any commitments (as applicable per the Contract) will be reduced to reflect reductions in purchases of the replaced products or services.

6. SOFTWARE LICENSE

DMAS is a state agency of the Commonwealth of Virginia, and therefore, any license purchased shall be held by the Commonwealth.

A. License Grant

i. Supplier grants to DMAS a fully paid, perpetual, worldwide, nonexclusive, nontransferable (except to other agencies of the Commonwealth of Virginia), irrevocable object code license to use, copy, transmit and distribute the Software and Documentation identified on one or more Schedule L of the cost proposal contained in Exhibit B, including any subsequent revisions, in accordance with the terms and conditions set forth herein and subject only to the limitations and/or restrictions explicitly set forth in this Contract. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Software to DMAS and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract. The Software is the property of Supplier, and no title or ownership of the Software or any of its parts, including Documentation, shall transfer to DMAS.

ii. DMAS or its Agents shall have the right to use, copy, configure, transmit and distribute the Software for the Commonwealth's benefit, for government use and purposes only.

iii. DMAS may allow access to the Software by third party vendors who are under contract with DMAS to provide services or by other entities as required for conducting the business of government provided, however, that similar data protection provisions are incorporated therein (such as a Business Associate Agreement and/or a Data Exchange Agreement). Access includes loading or executing the Software on behalf of DMAS or their Agents.

iv. The license fee includes a test system copy, which consists of the right to use the Software for non-production test purposes, including but not limited to, problem/defect identification, remediation, and resolution, debugging, new version evaluation, Software interface testing, and disaster recovery technique analysis and implementation.

v. In the event that all DMAS' copies of the Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other disaster, Supplier shall provide to DMAS, at no additional cost, replacement copies of the Software and Documentation. Nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the Software.

vi. DMAS may make a reasonable number of copies of the Software and Documentation for use in training, support, demonstrations, backup, archiving, disaster recovery and development, and may run the Software concurrently at a back-up site, for no additional license fees or costs. DMAS agrees that any copies of the Software or Documentation that it makes under this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier. DMAS may add its own copyright or other proprietary notice, or copyright or other proprietary notice of DMAS, to any copy of the Software or Documentation, which contains modifications to which DMAS has ownership rights pursuant to this Contract.

vii.   Except as expressly authorized, DMAS shall not distribute the Software to any third party without Supplier's prior written consent.

viii.   Except as provided or allowed by law, no Party shall reverse engineer, decompile, disassemble, or otherwise attempt to derive source code or other trade secrets from any software or other intellectual property of any other Party.

B. License Type

All licenses granted, regardless of the type, include all uses set forth above. License type may vary by Software product and shall be set forth in Exhibit B and identified on any order issued pursuant to this Contract.

The Project Specific License authorizes use of the Software on any CPU; system owned or opted by the Commonwealth or DMAS, and by any user, within the Enterprise without limitation as to quantity or location for the Medicaid Enterprise System Project.

C. No Subsequent, Unilateral Modification of Terms by Supplier ("Shrink Wrap")

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for a Solution, the components of which are licensed under this Contract, or the fact that such other agreement may be affixed to or accompany Software upon delivery ("shrink wrap"), the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services hereunder.

7. RIGHTS TO WORK PRODUCT

DMAS is a state agency of the Commonwealth of Virginia, therefore, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with the Commonwealth, except that Work Product shall not include Supplier-Owned or Supplier-Provided Intellectual Property.

A. Work Product

DMAS and Supplier each acknowledge that performance of this Contract may result in Work Product. The Parties shall document all Work Product specifications and such specifications shall be made an incorporated exhibit to this Contract. Supplier agrees that it shall promptly and fully disclose to the Commonwealth or the DMAS any and all Work Product generated, conceived, reduced to practice or learned by Supplier or any of its employees, either solely or jointly with others, during the term and that occurred in performance of its obligations under this Contract, which in any way relates to the business of the Commonwealth or DMAS and the Work Product. Except as authorized in this Contract, Supplier further agrees that neither Supplier nor Supplier's employees, contractors, agents or subcontractors, nor any party claiming through Supplier or Supplier's employees, shall, other than in the performance of this Contract, make use of or disclose to others any proprietary information relating to the Work Product. All Services performed hereunder shall include delivery of all source and object code and all executables and documentation for all Work Product. Supplier shall at no time deny access to the Work Product, regardless of form, by the Commonwealth or the DMAS.

B. Ownership

Supplier agrees that, whether or not the Services are considered "works made for hire" or an employment to invent, all Work Product discovered, created or developed under this Contract shall be and remain the sole property of the Commonwealth and its assignees. Except as specifically set forth in writing and signed by both DMAS and Supplier, Supplier agrees that the Commonwealth shall have all rights with respect to any Work Product discovered, created or developed under this Contract without regard to the origin of the Work Product. In all instances, the Commonwealth of Virginia owns any software designed, developed, installed, or enhanced with 90 % Federal Financial Participation (FFP) provided that such software constitutes Work Product. CMS has a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use and authorize others to use for federal government purposes, software,

modifications to software, and documentation that is designed developed, installed or enhanced with 90% FFP and that constitutes Work Product.

If and to the extent that Supplier may, under applicable law, be entitled to claim any ownership interest in the Work Product, Supplier hereby irrevocably transfers, grants, conveys, assigns and relinquishes exclusively to the Commonwealth any and all right, title and interest it now has or may hereafter acquire in and to the Work Product under patent, copyright, trade secret and trademark law in perpetuity or for the longest period otherwise permitted by law. If any moral rights are created, Supplier waives such rights in the Work Product. Supplier further agrees as to the Work Product to assist the Commonwealth, in every reasonable way to obtain and, from time to time, enforce patents, copyrights, trade secrets and other rights and protection relating to the Work Product, and to that end, Supplier and its employees shall execute all documents for use in applying for and obtaining such patents, copyrights, and other rights and protection, and in protecting trade secrets, with respect to such Work Product, as the Commonwealth may reasonably request, together with any assignments thereof to the Commonwealth or entities designated by the Commonwealth.

i. **Licenses Back to Supplier**
DMAS hereby grants to Supplier an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works of the Work Product and (ii) authorize others to do any or all of the foregoing.

C. **Pre-existing Work**
Supplier shall be the sole and exclusive owner of the Intellectual Property owned by Supplier or Supplier Affiliates including, without limitation, all Intellectual Property owned by Supplier prior to the Effective Date or developed independently of this Contract, including any derivatives, modifications, enhancements or improvements thereto ("Supplier–Owned Intellectual Property") or provided to the Commonwealth by Supplier under this Contract (collectively the "Supplier-Provided Intellectual Property"). Supplier-Provided Intellectual Property will be deemed to include any derivatives, modifications, enhancements or improvements to the Supplier-Provided Intellectual Property, to the extent Work Product is excluded. If and to the extent that any pre-existing rights are embodied or reflected in the Work Product, Supplier hereby grants to the Commonwealth the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such pre-existing rights and any derivative works thereof and (ii) authorize others to do any or all of the foregoing solely in connection with the Commonwealth's efforts to maintain, operate, and utilize the MES Environment and not as a "stand-alone" product or separately from such Work Product in which it is embedded. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Solution Deliverables and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract. Notwithstanding such license, Supplier, its Affiliates and licensors will be the sole and exclusive owner of any modifications, enhancements and improvements to, or derivatives of, any embedded Supplier-Provided Intellectual Property made by the Commonwealth or the Commonwealth's third party vendors pursuant to such license (the "Supplier-Provided Intellectual Property Enhancements"), to the extent Work Product is excluded. The Commonwealth hereby assigns to Supplier without further consideration the Commonwealth's rights in and to such Supplier-Provided Intellectual Property Enhancements. All such Supplier-Provided Intellectual Property Enhancements will be deemed part of the license granted to the Commonwealth pursuant to this Section 7C.

D. **Return of Materials**
Upon termination of this Contract, Supplier shall immediately return to DMAS all copies, in whatever form, of any and all Confidential Information, Work Product and other properties provided by DMAS, which are in Supplier's possession, custody or control.

E. Residuals

In no event will Supplier be precluded from independently developing for itself, or for others, anything, whether in tangible or non-tangible form, which is competitive with, or similar to, the Work Product. In addition, Supplier will be free to use its general knowledge, skills and experience and any ideas, concepts, know-how, and techniques that are acquired or used in the course of providing the Services.

8. GENERAL WARRANTY

Supplier warrants and represents to DMAS that Supplier will fulfill its contractual obligations and meet all needed requirements during the entirety of the Contract Term as defined in Paragraph 3(A) and as described in Exhibit A as follows:

A. Ownership

Supplier has the right to perform and provide all contractual obligations and provide all needed services and products without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party Intellectual Property Rights.

B. Limited Warranty

Intentionally Left Blank

C. Component Warranty

For any Software or Deliverable ("Component"), the applicable warranty period shall be the period from written acceptance of the Component until final acceptance of the Solution.

D. Interoperability Warranty

Supplier warrants that each Component, regardless of the origin of the Component, delivered under this Contract shall be interoperable with other Components so as to meet or exceed the performance specified in the Requirements and in the mutually agreed upon Acceptance Criteria.

E. Performance Warranty

Supplier warrants and represents the following with respect to Performance:

i.   All contractual obligations shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in Supplier's profession, and Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;

ii.   All contractual obligations and associated Deliverables shall meet the Requirements specified by DMAS in Exhibit A and in this Contract, and Supplier is possessed of superior knowledge with respect to its contractual obligations and is aware that DMAS is relying on Supplier's skill and judgment in providing its contractual obligations;

F. Documentation and Deliverables

Supplier warrants the following as applicable to the Contract:

i.   The Solution or Software shall meet the Requirements specified by DMAS in Exhibit A and in this Contract. Further, Supplier is possessed of superior knowledge with respect to the Solution of Software and is aware that DMAS is relying on Supplier's skill and judgment in providing the Solution or Software;

ii.   If Supplier specifies the hardware equipment DMAS shall use to run the Solution, then Supplier warrants that the Solution, and any subsequent Solution Component Software release provided by Supplier, is compatible with and shall perform properly with such hardware equipment;

iii.   The Solution provided hereunder includes Component Software at the current release level unless DMAS specifies an older version in the contract documents;

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iv.   No corrections, work arounds or future Software or Solution Component Software releases provided by Supplier under the warranty provisions or under maintenance shall degrade the Solution, cause any other warranty to be breached, or require DMAS to acquire additional hardware equipment or software;

v.   Supplier warrants that the Documentation and all modifications or amendments thereto which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow a knowledgeable user/programmer to understand the Solution or Solution Component or to load/use/operate the Solution without reference to any other materials or information.

The warranties set forth in 8B – F shall not apply when: (a) the defect is solely caused by any act or omission of the DMAS or a DMAS third party; (b) a person other than Supplier (or under the express direction of Supplier) makes any revisions or modifications to the Software, Deliverable or Solution after its delivery to the DMAS; (c) the malfunction of any DMAS-supplied Software or equipment; or (d) DMAS operates the Software, Deliverable or Solution item other than in accordance with the applicable documentation or design, or on hardware not recommended, supplied or approved by Supplier;.

vi.   **Third Party Software**
       To the extent that any Deliverable, Software or the Solution includes Third Party Software, Supplier agrees as follows:

   - All Third Party Software will be provided pursuant to a software license agreement, which will include the Third Party Software vendor's warranty for software bugs, defects and post warranty support as set forth in the applicable Third Party Software license agreement; and
   - Supplier will perform its warranty Services and provide the remedies set forth in this Contract.

       Except as expressly set forth in this Contract or any amendment thereto, to the extent a Deliverable, Software, or Solution fails to conform to its Requirements or to any SOW, and such failure is attributable to an undisputed defect in Third Party Software covered by a third party Software warranty, Supplier shall not be responsible for such defect.

G. Malicious Code

Supplier has used its best efforts through quality assurance procedures to ensure that there are no Computer Viruses or undocumented features in any Solution, Solution Component, Deliverables, Product, Software, System Software, Update, Application and/or Licensed Service, as obligated and provided by Supplier at the time of delivery to DMAS. Supplier warrants that the Solution, Solution Components, Deliverables, Product, Software, System Software, Update, Application and/or Licensed Services, as obligated and provided by Supplier does not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the Solution, Solution Components, Deliverables, Product, Software, System Software, Application and/or Licensed Service.

Notwithstanding any rights granted under this Contract or at law, Supplier hereby waives under any and all circumstances any right it may have or may hereafter have to exercise Electronic Self-Help. Supplier agrees that DMAS may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

H. Open Source

Supplier will notify DMAS if the Solution, Solution Components, Deliverables, Product, Software, Updates, Application and/or Licensed Services, as obligated and provided by Supplier, contains any Open Source code and identify the specific Open Source License that applies to any embedded code dependent on Open Source code, provided by Supplier under this Contract.

I. Supplier's Viability

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of a

potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

J. Supplier's Past Experience
Supplier warrants that it has met similar contractual obligations and fulfilled the Requirements as set forth in Exhibit A and in this Contract, in similar or greater complexity, to other customers without significant problems due to Supplier's performance and without causing a contractual breach or default claim by any customer.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

9. DELIVERY AND INSTALLATION
A. Scheduling
Supplier shall deliver the Solution, including any Component parts, and complete performance of Services according to the delivery dates set forth in the Contract or as modified by any Contract Modification agreed to and executed by the parties.

Supplier shall make available all appropriate and/or related Documentation at the time of delivery of the relevant Component of the Solution. Any Solution Component delivered without the appropriate and required Documentation shall be considered "shipped short" until the applicable documentation has been received.

B. Deployment of Solution

i.   Supplier Deployment of Solution
The Solution fee for DDI includes initial deployment of the complete Solution. Supplier is required to deploy the Solution in accordance with the deployment schedule set forth in the Contract. Deployment shall include the installation of any Software Component and, if agreed, any hardware Component, of the Solution. Supplier shall conduct its standard appropriate diagnostic evaluation at the agreed upon site to determine that the Solution is properly deployed and fully ready for productive use, and shall supply DMAS with a copy of the results of the diagnostic evaluation promptly after completion of deployment.
Supplier agrees that failure to deploy the Solution in accordance with the most current mutually agreed upon delivery schedule in the applicable Contract shall constitute a material breach of this Contract which may result in damages to DMAS, provided such failure is due to Supplier's fault or fault of the Supplier's Solution. As an estimate of the damages such DMAS shall suffer, Supplier agrees to credit DMAS an amount equal to one quarter of one percent of the total Solution fee for DDI, for each day after the scheduled deployment date that the Solution has not been deployed for a period of thirty (30) days following the agreed upon delivery date. The estimate of the damages DMAS shall suffer is not a determination of actual damages. The estimate of damages DMAS has been credited will be reconciled following a determination of actual damages. If the delay lasts longer than thirty (30) days, DMAS may immediately cancel the Contract and collect damages for each day of that period of late delivery. DMAS reserves any and all other remedies available at law or in equity for delays lasting longer than thirty (30) days or for non-deployment.

ii.   DMAS Installation of Software
If the Solution includes Software which may be installed by DMAS and DMAS elects to install the Software itself, the Software shall be deemed to be installed when all programs, program libraries and user interfaces are copied to and initialized on the appropriate equipment as executable by having DMAS invoke the primary function of each major Component of the Software or when Acceptance criteria as specified in the

Contract have been met. DMAS shall provide to Supplier written notice of Acceptance upon completion of installation and successful Acceptance testing. Supplier shall proceed with full deployment of the Solution concurrently with or after DMAS' installation of the Software, as agreed between DMAS and Supplier in the Contract.

C. Documentation of Software Configuration

If the Solution includes configuration of Software by Supplier, Supplier shall provide to DMAS documentation containing a description of the configuration. Such documentation shall be sufficiently detailed such that any appropriately trained employee or Agent of DMAS may reconstruct the configuration of the Software.

D. Managed Environment

DMAS is establishing and building a multi-provider, integrated services platform (the "*Integrated Services Platform*") for the delivery of certain IT services to DMAS and the other Business Partners within the IT environments supported by DMAS (collectively, the "*Managed Environment*"), as is further described in **Integration Services** (within Section 3.a.7.3) and by further notice from DMAS to Integrated Supplier from time to time. The Integrated Services Platform is and shall comprise various services provided by various third party suppliers, including the Services and Supplier (each such supplier, an "*Integrated Supplier*"), with which DMAS shall contract from time to time to provide services to DMAS and other Business Partners and Customers. The Managed Environment requires coordination, cooperation and integration among the Integrated Suppliers, notwithstanding that they may otherwise view themselves as competitors, in order to work together toward the common goal of uninterrupted, high quality services to DMAS, Business Partners, and the other Customers. In this regard, Integrated Supplier must perform the Services and its other obligations under this Contract and in connection therewith, interact and cooperate with others within the Managed Environment in a manner that, as a foremost guiding principle, first considers the best interests of DMAS and the other Business Partners. In connection with Supplier's role as an Integrated Supplier within the Managed Environment, Integrator Supplier acknowledges and agrees to the following.

In performing the Services, Integrated Supplier shall fully cooperate with and work in good faith with DMAS and the other Business Partners and other Integrated Suppliers, including any Integrated Supplier with which DMAS may contract, from time to time, to provide multisourcing services integration for the Managed Environment (any such Integrated Supplier designated so by DMAS, the "Multisourcing Services Integrator" or "MSI") to support and promote the operation and objectives of the Integrated Services Platform. Such cooperation may include, in addition to other provisions reflected in this Contract or requested by DMAS: (i) timely providing physical access and electronic access to business processes and associated Equipment, Materials and/or Systems to the extent necessary and appropriate for Business Partners, Customers or other Integrated Suppliers to perform the work required of or assigned to them; (ii) timely providing written requirements, standards, policies or other documentation for the business processes and associated equipment, materials or systems procured, operated, supported or used by Integrated Supplier in connection with the Services; (iii) timely providing access to DMAS Data to Business Partners and/or other Integrated Suppliers; (iv) timely providing cooperation and assistance in connection with Transition Out Assistance to facilitate the orderly transfer of terminated Services from Integrated Supplier to Business Partners and/or other Integrated Suppliers and ensuring that there is no degradation in the performance of Services caused by the adjustments made by Integrated Supplier during and following such transfer of Services; (v) establishing procedures and other arrangements with other Integrated Suppliers to ensure continuity of seamless service (including the Services) to the Business Partners and (vi) any other cooperation or assistance reasonably necessary for the Business Partners and/or other Integrated Suppliers to perform their operations and activities. Business Partners, Customers, and other suppliers shall be subject to confidentiality and security requirements. As part of the cooperation and participation of Integrated Suppliers in the Managed Environment, the Integrated Services Platform may include the development and utilization of a Service Management Manual and Operating Level Agreements as follows:

    i.   **Service Management Manual.** As part of the Integrated Services Platform, DMAS

anticipates MSI developing a Service Management Manual standard template (the "**Service Management Manual**") which shall serve as a common document shared (as applicable) among the Integrated Suppliers (including Supplier for this agreement) providing descriptions of the Managed Environment and the performance by each Integrated Supplier of its respective obligations to DMAS in coordination and cooperation with the Business Partners and other Integrated Suppliers. The Services Management Manual is further described in **Section 9.D.2 (Service Management Manual)**. Until the adoption of the Service Management Manual, the Parties shall utilize the Policy and Procedures Manual in accordance with **Section 9.D.1 (Policy and Procedures Manual)**.

ii.   **Operating Level Agreements.** If, when and as requested by DMAS, enter into mutually agreed joint governance and issue resolution document(s), including operating level agreements, between and among MSI, Integrated Supplier and other Integrated Suppliers. Operating Level Agreements are further described in **Section 9.D.3 (Operating Level Agreements)**.

In no event will any provision of this Agreement, or any right or benefit of DMAS or the Business Partners and Customers provided for under this Agreement, be reduced, limited or otherwise adversely affected (including through any increase in cost, charge or expense) as a consequence of the terms of the Service Management Manual or any Operating Level Agreement.

D.1   Policy and Procedures Manual. Without limiting the foregoing, until the Service Management Manual has been implemented by agreement of the Parties in accordance with (e) (Transition to Service Management Manual), the following shall apply.

a)   Policy and Procedures Manual Delivery and Content. Supplier shall deliver to DMAS for its review, comment and written approval (i) a reasonably complete draft of the Policy and Procedures Manual within 6 weeks after the Effective Date, and (ii) a final draft of the Policy and Procedures Manual within 12 weeks after the Effective Date. DMAS shall have at least fifteen (15) Business Days to review each draft Policy and Procedures Manual and provide Supplier with comments and revisions. Supplier shall then incorporate any comments or changes of DMAS into the Policy and Procedures Manual and shall deliver a final revised version to DMAS within fifteen (15) Business Days of its receipt of such comments and changes for DMAS's final written approval.

At a minimum, the Policy and Procedures Manual shall include:

i.   the procedures for Business Partner and Customer/Supplier interaction and communication, including: (A) call lists; (B) procedures for (and limits on) direct communication by Integrated Supplier with Business Partner and Customer personnel; (C) problem management and escalation procedures; (D) priority and project procedures; (E) Acceptance testing and procedures; (F) quality assurance processes and procedures and internal controls; (G) the Project formation and approval process; (H) a schedule, format and required attendees for meetings regarding performance reporting, account relationship management, issues management, risk management, request management and financial management; (I) Change Control Procedures; and (J) Disaster Recovery/Business Continuity plans and (K) detailed procedures for processing, approving and disallowing claims;

ii.   the root cause analysis process; and

iii.   practices, policies and procedures addressing any other issues and matters as DMAS shall require.

Supplier shall incorporate DMAS's then current policies and procedures in the Policy and Procedures Manual.

b)   Compliance. Integrated Supplier shall perform the Services in accordance with Laws applicable to its Services provided under the Solution, DMAS Rules and DMAS's then current policies and procedures until the Policy and Procedures Manual is finalized and

agreed upon by the Parties. Thereafter, Supplier shall perform the Services in accordance with the Policy and Procedures Manual, all Laws applicable to its Services provided under the Solution and all other terms and conditions of this Contract. In the event of a conflict between this Contract and the Policy and Procedures Manual, the Contract shall take precedence.

c) **Maintenance, Modification and Updating.** Integrated Supplier shall promptly modify and update the Policy and Procedures Manual to reflect changes in the operations or procedures described therein, to reflect changes in the work to be performed, and to comply with DMAS Rules. The Integrated Supplier shall provide the proposed changes in the manual to DMAS for review, comment and written approval. Integrated Supplier shall maintain the Policy and Procedures Manual so as to be accessible electronically to DMAS and Business Partner and Customer management and Users via a secure web site in a manner consistent with DMAS's security policies.

d) **Regular Review.** The Parties shall meet to perform reviews of the Policy and Procedures Manual as reasonably requested by DMAS.

e) **Transition to Service Management Manual.** As requested by DMAS, Integrated Supplier shall work with DMAS to supersede the Policy and Procedures Manual with the Service Management Manual in connection with DMAS's further development and operation of the Managed Environment. If and to the extent the Policy and Procedures Manual is superseded by the Service Management Manual, Supplier shall comply with the Service Management Manual and cooperate with DMAS and its designee(s) in its maintenance and development. Until such time as the Service Management Manual shall have superseded the Policy and Procedures Manual in accordance with the foregoing and unless otherwise provided, or the context shall otherwise require, references in this Agreement to the Service Management Manual shall be deemed references to the Policy and Procedures Manual.

f) **Work Product.** As between the Parties, the Policy and Procedures Manual will be deemed to be a Work Product owned by DMAS.

D.2 Service Management Manual

a) Upon its adoption by DMAS, the Service Management Manual will serve as a common document shared among the Integrated Suppliers, which all will operate in accordance with and be subject to the terms therein, as applicable to each such party. Among other things, the Service Management Manual will provide detailed descriptions of the Managed Environment and the manner in which functions will be performed by the Integrated Supplier and each of the other Integrated Suppliers, including:

    i. Equipment, Materials and Systems to be procured, used or supported;

    ii. Documentation (including manuals, user guides and specifications) to be created and/or maintained by the Integrated Supplier and the other Integrated Suppliers, including, as applicable, the MSI;

    iii. specific activities to be undertaken by the Integrated Supplier in connection with each Service, including, where appropriate, the direction, supervision, monitoring, staffing, reporting, planning and oversight activities to be performed by the Integrated Supplier under this Agreement;

    iv. Operational Change Control Procedures and Contract Change Control Procedures;

    v. procedures for DMAS, Business Partners and the Integrated Suppliers to interact, communicate, escalate and resolve issues, exchange information and provide access to each other;

    vi. checkpoint reviews, testing, acceptance, controls and other procedures to be implemented and used to assure service quality;

    vii. processes, methodologies and controls to be implemented and used by the Integrated Suppliers to comply and confirm compliance with (1) DMAS Rules; and (2) other obligations in the applicable agreements, including compliance with Laws; and

    viii. other provisions related to the Managed Environment, as requested by DMAS.

The Service Management Manual will be initially created and continuously updated and enhanced throughout the Term, with the MSI taking overall responsibility for preparing, updating, maintaining and ensuring the accuracy of the Service Management Manual template, with the cooperation and support of the other Integrated Suppliers. The Integrated Supplier will work with the MSI and the other Integrated Suppliers in creating and maintaining the contents of the Service Management Manual, pursuant to a process further described in this Contract. The Service Management Manual, and any updates thereto, will be subject to DMAS's approval.

b) The Integrated Supplier will perform the Services in accordance with the most recent DMAS-approved version of the Service Management Manual.

c) As between the Parties, the Service Management Manual will be deemed to be a Work Product owned by DMAS.

D.3 Operating Level Agreements

a) Among other things, Operating Level Agreements will:

   i. govern how the parties thereto coordinate activities, interact and integrate processes, ensure that there are no gaps or unnecessary duplication of responsibility, and will define at an operating level the demarcation of Functions and the touch points between such parties; and

   ii. otherwise describe key dependencies between such parties.

b) The Integrated Supplier will execute an Operating Level Agreement with the MSI, as well as other Operating Level Agreements with any applicable Integrated Suppliers.

c) The Integrated Supplier will ensure that all Operating Level Agreements to which it is a party current and consistent with all other relevant documentation (e.g., the Service Management Manual, DMAS Rules).

d) Each Operating Level Agreement will be subject to DMAS's review, comments and approval. The Integrated Supplier will bear the responsibility to ensure that the MSI and any other applicable Integrated Suppliers incorporate DMAS's comments, resolve any DMAS concerns, and obtain DMAS's written approval prior to finalization of any such Operating Level Agreement to which the Supplier is a party. Similarly, in order for any amendment to an Operating Level Agreement to become effective, such amendment must be reviewed and approved in writing by DMAS.

10. ACCEPTANCE

A. Software and Deliverable Acceptance Criteria

Software and Deliverables shall be deemed accepted when DMAS determines that such Software and Deliverables successfully operate in accordance with the Contract Requirements, based upon the mutually agreed upon Acceptance Criteria. DMAS shall notify Supplier in writing of its acceptance or rejection. At a minimum, Acceptance Criteria for Software and Deliverables, and for the Solution as a whole, shall provide that all of the functionality described in the Requirements set forth in Exhibit A has been delivered to DMAS, unless DMAS elects to proceed without the full functionality described in the Requirements. Acceptance of any one Deliverable shall not imply DMAS' concurrence that the Deliverable will function properly with or within the Solution. Supplier shall be responsible for ensuring that all Deliverables function properly within the Solution. Should a previously Accepted Deliverable require further modification in order to work properly with or within the Solution, Supplier shall be responsible for all costs associated with such modification.

DMAS agrees to commence Acceptance testing in accordance with the Work Plan and the DMAS approved Test Plan. Acceptance testing will be no longer than such longer period as may be agreed in writing between DMAS and Supplier, for the first instance of each product type set forth in Exhibit B. Supplier agrees to provide to DMAS such assistance and advice as DMAS may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses. Any such travel expenses must be pre-approved by DMAS at the then-current per diem amounts as published by the Virginia Department of Accounts (http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20335_Meals_Lodging_10200 8.pdf), or a successor URL(s)). DMAS shall provide to Supplier written notice of Acceptance

upon completion of successful Acceptance testing. Should DMAS fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Software or Deliverable shall be deemed Accepted.

B. Software and Deliverable Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such non-conforming Software or Deliverable for re-in accordance with the timeframes set forth in the mutually agreed upon Acceptance Criteria regarding non-conformance, or as otherwise agreed between DMAS and Supplier. Should Supplier fail to cure the non-conformity or deliver Software or a Deliverable which meets the Requirements/Acceptance Criteria, DMAS may, in its sole discretion: (i) reject the Software or Deliverable in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Software or Deliverable with an equitable adjustment in the price to account for such deficiency; (iii) conditionally accept the applicable Software or Deliverable while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of the Software or a Deliverable to meet, in all material respects, the Requirements/Acceptance Criteria after the second set of acceptance tests shall constitute a default by Supplier unless DMAS, in its sole discretion, elects to extend the cure period further. In the event of such default, DMAS may, at its sole discretion, terminate the Contract, in whole or in part, for the Solution to be provided thereunder by Supplier; or (iv) Supplier shall accept return of any Deliverables or Software provided to DMAS, and Supplier shall refund any monies paid by DMAS pursuant to the Contract, or portion thereof terminated, the Solution contemplated under the Contract being considered as a whole not as a sum of its parts. All costs of de-installation and return of product or Software shall be borne by Supplier. This remedy is in addition to and not in lieu of any other remedies of Agency set forth herein or available at law or in equity.

C. Solution Acceptance Criteria

Solution shall be accepted when DMAS determines that such Solution successfully operates in accordance with the Requirements/Acceptance Criteria. DMAS agrees to commence Acceptance testing in accordance with the work plan and the DMAS approved Test Plan or such longer period as may be agreed in writing between DMAS and Supplier, after deployment of the Solution. Supplier agrees to provide DMAS such assistance and advice as such DMAS may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses. Any such travel expenses must be pre-approved by DMAS and shall be reimbursable by DMAS at the then-current per diem amounts as published by the Virginia Department of Accounts http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20335_Meals_Lodging_10200 8.pdf, or a successor URL(s)). DMAS shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance testing. Should DMAS fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period or if DMAS makes substantive beneficial use of the Solution, the Solution shall be deemed Accepted.

D. Solution Cure Period

Supplier shall correct any non-conformities identified hereunder and shall thereafter re-submit such previously non-conforming Solution or Component products or Services for re-testing in accordance with the timeframes set forth in the mutually agreed upon Acceptance Criteria regarding receipt of written notice of non-conformance to Supplier, or as otherwise agreed between DMAS and Supplier. Should Supplier fail to deliver a Solution which meets the Requirements/Acceptance Criteria in all material respects, due to the fault/failure of the Supplier or the Supplier's Solution, DMAS may, in its sole discretion: (i) reject the Solution in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Solution with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Solution while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of the Solution to meet, in all material respects, the specifications and performance standards/Acceptance Criteria after the second set of acceptance tests shall

constitute a default by Supplier. In the event of such default, DMAS may, at its sole discretion, terminate its order, in whole or in part, for the Solution to be provided hereunder by Supplier; or (iv) Supplier shall accept return of any products or Software provided to DMAS, and Supplier shall refund any monies paid by DMAS pursuant to the order, or portion thereof terminated, the Solution contemplated under the order being considered as a whole not as a sum of its parts. All costs of de-installation and return of product or Software shall be borne by Supplier. This remedy is in addition to and not in lieu of any other remedies of DMAS set forth herein or available at law or in equity.

11. WARRANTY AND MAINTENANCE SERVICES

Supplier shall provide the following warranty or maintenance services (including unlimited telephonic support and all necessary travel and labor) to maintain the Solution in accordance with the Requirements. During the Warranty Period, such services shall be performed without additional charge to DMAS. During the Maintenance Period, charges shall be in accordance with this Section and Exhibit B.

A. Known Defects

Promptly notify DMAS in writing of any defects or malfunctions in the Solution or Documentation of which it learns from any source, correct any such defects or malfunctions or provide a work around until corrected, within a timeframe that shall be appropriate to the complexity and severity of the matter beginning upon Supplier's knowledge of such defect or malfunction and provide DMAS with corrected copies of same.

B. New Releases

Provide to DMAS no later than the first day of general release, copies of the Software and Documentation revised to reflect any enhancements, including all new releases, upgrades, and access modes, to the Software made by Supplier, including, without limitation, modifications to the Software which can increase the speed, efficiency or base of operation of the Software or add additional capabilities to or otherwise improve the functionality of the Software, with the understanding that new releases for the portions of Supplier's Solution that consist of third party owned, Commercial Off the Shelf (COTS) Software would be made available as part of Supplier's Solution on a mutually agreed upon time frame.

C. Coverage

Twenty-four (24) hours per day, seven (7) days a week, provide to DMAS all reasonably necessary telephone or written consultation requested by DMAS in connection with use, problems and operation of the Solution.

D. Service Levels

Supplier and DMAS shall mutually agree upon the definitions and other aspects of the Service Levels, the Service Level Methodology and severity levels that shall be subject to the Service Level Agreement MCSS-SLA-21, and other applicable service levels requiring clarification, found in Exhibit G, Attachment A via DMAS approval of the Supplier's Quality Management Plan developed during the DDI Phase, but in no case shall be mutually agreed upon less than three months prior to the beginning of the O&M Phase.

E. Software Evolution

Should Supplier or Software Publisher merge or splinter the Software previously provided to DMAS, such action on the part of Supplier or Software Publisher shall not in any way result in DMAS being charged additional license or support fees in order to receive enhancements, releases, upgrade or support for the Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed Software product and provides the same or substantially similar functionality as or within a separate or renamed Software product, then the Commonwealth or DMAS shall be entitled to license such Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older Software product, then Supplier shall offer the Commonwealth or DMAS the option to exchange licenses for such replacement Software product or function at no additional charge.

F. Escalation Procedures

The following escalation procedures shall be followed with respect to risks and/or issues arising out of this Contract by both parties (the "Escalation Procedures"). Risks and issues shall first be surfaced by the personnel for either party; i.e., by either the Department Project Manager or the Supplier Account Manager for the Contract (the "First Level of Escalation"). If the applicable risk and/or issue is not resolved at the First Level of Escalation within ten (10) calendar days from the date that the issue or risk is first documented in writing by one party to the other party, either party may escalate the unresolved risk and/or issue to increasingly higher levels of management within each party based on the individuals within the reporting structure for each party described below:

Level of Escalation	DMAS	Accenture
First	Director of the Enterprise Project Management Office (PMO)	Accenture Account Manager for the Contract
Second	Chief Information Officer	Accenture State Healthcare Services (ASHS) Chief Executive Officer
Third	Deputy Director For Finance	Accenture Health & Public Service North America – Health and Human Services Lead
Fourth	Agency Director	Accenture Health & Public Service North America – Operating Unit Lead

Either party may change the name and/or title of one or more of the Escalation Levels set forth above, where such change shall be effective upon written notice to the other party provided under this Contract.

G. Remedies

If Supplier is unable to make the Solution or any Component thereof conform, in all material respects to the Contract, within thirty (30) days following written notification by DMAS, and provided that the failure is due to the Supplier or the Supplier's Solution, Supplier shall, at DMAS' request, accept return of the tangible Solution Components, and (a) during the Warranty Period, return all monies paid by DMAS for the returned Solution Components and Documentation or (b) during any subsequent Maintenance Period, return all monies paid by DMAS for the returned Solution Components and Documentation, pro-rated using the straight-line method for an estimated Solution life cycle of seven (7) years. DMAS shall discontinue use of any Solution Component Software or product.

H. Solution Support Services (Maintenance) and Renewal Options

Supplier shall provide Solution Support Services (Maintenance) during the entirety of the Contract Term(s).

12. FEES, ORDERING AND PAYMENT PROCEDURE

A. Fees and Charges

As consideration for the Solution and any additional products and Services provided hereunder, DMAS shall pay Supplier the fee(s) set forth on Exhibit B, which lists any and all fees and charges. The fees and any associated discounts shall be applicable throughout the term of this Contract; provided, however, that in the event the fees or discounts apply for any period less than the entire term, Supplier agrees that it shall not increase the fees more than once during any twelve (12) month period, commencing at the end of year one (1). No such increase shall exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, as published by the Bureau of Labor Statistics of the Department of Labor (http://www.bls.gov/cpi/home.htm), for the effective date of the increase compared with the same index one (1) year prior. Any such change in price shall be submitted in writing in accordance with the above and shall not become effective for sixty (60) days thereafter. Supplier agrees to offer price reductions to ensure compliance with the Competitive Pricing Section.

B. Reproduction Rights

If applicable to the Supplier's solution, at DMAS' request, Supplier shall provide DMAS with a reproducible diskette or CD. DMAS shall be responsible for making copies and distributing the Software as required. Within thirty (30) days of the end of each calendar-quarter, DMAS shall provide to Supplier a report of the net number of additional copies of the Software deployed during the quarter. Supplier shall invoice DMAS for the net number of new licenses reported as deployed.

C. Reimbursement of Expenses

For travel outside the Contract scope of work or as mutually agreed, DMAS shall pay, or reimburse Supplier, for all reasonable and actual travel-related expenses incurred by Supplier during the relevant period, including transportation, meals, lodging and incidental expenses, that have been authorized by DMAS in advance and which will be reimbursable by DMAS at the then-current per diem amounts as published by the Virginia Department of Accounts (http://www.doa.virginia.gov/, or a successor URL(s)). All reimbursed expenses will be billed to DMAS on a pass-through basis without any markup by Supplier. At DMAS' request, Supplier shall provide copies of receipts for all travel expenses over US$30.00.

D. Change Orders

Any change to the Contract's original technical and functional Requirements or other contractual obligations must be described in a written change request. Any such change request shall be accompanied by a formal quote from the Supplier, based on the authorized fees in Exhibit B, Pricing Schedule. The change request shall include (a) a detailed description of each product or service proposed, including such product and services components, at the Exhibit B line item level, (b) the quantity of each such component, (c) the contract price, (d) any additional percentage discount offered, and (e) an extended price. Supplier's quote shall also include a proposal describing the approach Supplier plans to take in developing, implementing, and maintaining its offering. Either Party may issue a change request that will be subject to written approval of the other Party before it becomes part of this Contract as a formal modification to the Contract. In no event shall any change request or modification thereto require the Supplier to provide any products or services that are beyond the scope of this Contract as such scope is defined in Exhibit A hereto.

E. Ordering

Supplier is required to accept any order placed by DMAS through the eVA electronic procurement website portal (eVA Home Page). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA.
Notwithstanding the foregoing, Supplier shall not accept any order from DMAS if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Supplier is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs.

F. Invoice Procedures

Supplier shall remit each invoice via email to BCMinvoices@dmas.virginia.gov and the identified DMAS Contract Administrator promptly after all Solution, Solution component(s), or Services have been accepted in accordance with the milestone payment schedule, if any, in the applicable Scope/Deliverable Management Plan. Invoicing for Operation & Maintenance shall be monthly in arrears unless otherwise stated herein, or in any order referencing this Contract. No invoice shall include any costs other than those identified in the executed order, which costs shall be in accordance with Exhibit B. Without limiting the foregoing, all shipping costs are the Supplier's responsibility except to the extent such charges are identified in Exhibit B, or as noted in any executed order referencing this Contract. The monthly invoicing from the Supplier must be itemized by type(s) of contractual services performed and in total. Invoices issued by the Supplier shall identify at a minimum:

i). Solution, product/Solution component, or Service type, or project milestone, and description
ii). Quantity, charge and extended pricing for each Solution and/or Service item or milestone
iii). Applicable order date
iv). This Contract number and any applicable order number
v). Supplier's Federal Employer Identification Number (FEIN).

Any terms included on Supplier's invoice shall have no force or effect and will in no way bind DMAS.

G. Purchase Payment Terms

Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices for DDI milestones hereunder until items or milestones have met Acceptance criteria, if any.

Charges for Solutions, products/Solution components, or Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid. Should Supplier repeatedly over bill DMAS, DMAS may assess a one percent (1%) charge for the amount over-billed for each month that such over-billing continues.

In the event any Deliverable is shipped without the applicable Documentation, payment shall not be due until the required Documentation is provided.

If there are any disputed items, DMAS shall pay all undisputed charges and promptly notify Supplier in writing of any disputed amount. Supplier shall thereupon review its records, and, if it does not concur with DMAS, provide DMAS with documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Supplier's written evidence identifying the merit of the disputed amounts, DMAS may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net thirty (30) days after i) Acceptance for DDI milestones and ii) receipt of the invoice for O&M Services.

13. STATUS MEETINGS

If requested by DMAS, the Account Team will be prepared to conduct weekly stewardship meetings with DMAS to provide a broad review of all services, projects and ongoing operations. Supplier should also be prepared to conduct semi-annual meetings/presentations to discuss new products and services and their potential benefit to DMAS.

14. STEERING COMMITTEE

In order to facilitate mutually beneficial contractual relationships with suppliers, DMAS has procedures for establishing a steering committee ("Steering Committee"), consisting of senior management personnel, including personnel involved in the contractual relationship, from DMAS and Supplier.

Roles of the Steering Committee include but are not be limited to a) identifying potential issues which may arise during the performance of a contract, b) discussing and assigning roles and responsibilities, c) establishing methods for quickly resolving potential disputes, d) setting rules for communication and decision making, e) monitoring and measuring the business relationship between the parties, and f) acting as a final decision board for escalated problems.

A meeting of the Steering Committee is intended to be a forum for brainstorming and sharing ideas, emphasizing respect, cooperation, and access, with the end goal of developing relationships to avoid conflict. A facilitator may, but is not required to, conduct a meeting of the Steering Committee.

A Steering Committee for this Contract will be formed at DMAS' option. Meetings may be held at any time during the Contract term, should DMAS, at its sole discretion, determine that a meeting(s) would be beneficial to the contractual relationship, and Supplier agrees to participate in such meeting(s). In addition, Supplier may at any time submit a written request to DMAS for a meeting of the Steering Committee, which DMAS will not unreasonably deny.

Supplier shall ensure the availability of the appropriate personnel to meet with the DMAS contract management team.

15. POLICES AND PROCEDURES GUIDE
Within 60 days of the effective date of the Contract, Supplier will provide DMAS with a policy and procedures guide that describes how the Supplier and DMAS will work together and how performance, including Deliverables and Services, are to be delivered. The guide will provide process diagram details, working activities, interface points with DMAS and Supplier deliverables. Updated versions of the guide will be provided by Supplier to DMAS every 6 months during the term and any extensions of the Contract.

16. TRAINING AND DOCUMENTATION
A. Training
In addition to any online tutorial training Supplier may make available, Supplier's fee, unless expressly excluded, includes all costs for any and all training as agreed upon for the training of up to ten (10) DMAS trainers at DMAS' designated location on the use and operation of the Solution provided to DMAS, to allow full benefit of the applicable Deliverable to DMAS, including instruction in any necessary conversion, manipulation or movement of DMAS' data. Supplier shall provide personnel sufficiently experienced and qualified to conduct such training at a time and location mutually determined by DMAS. Available additional and optional training, and applicable pricing and discounts, are described in Exhibit B.

B. Documentation
Supplier shall deliver to DMAS two (2), or such number as agreed upon between the parties, complete hard copies or electronic media of Documentation applicable to Supplier's Deliverable provided to DMAS, as requested by DMAS. Should Supplier revise or replace the Documentation, or should Documentation be modified to reflect Updates, Supplier shall deliver to DMAS such updated or replacement Documentation, in the same quantity and media format as originally requested by DMAS, or as agreed upon between the parties. DMAS shall have the right, as part of any license grant, to make as many additional copies of the Documentation, in whole or in part, for its own use as required. This Documentation shall include, but not be limited to, overview descriptions of all major functions, detailed step-by-step installation and operating procedures for each screen and activity, and technical reference manuals. Such Documentation shall be revised to reflect any modifications, fixes or updates made by Supplier. DMAS shall have the right, as part of the license granted by Supplier, at its own discretion, to take all or portions of the Documentation, modify or completely customize it in support of the authorized use of the licensed application or software and may duplicate such Documentation and include it in DMAS document or platform. Agency shall continue to include Supplier's copyright notice.

17. DMAS SELF-SUFFICIENCY

In addition to the Turnover and Transition Requirements, prior to or at any time during Supplier's performance of the Contract, DMAS may require that Supplier provide to DMAS a detailed plan to develop DMAS self-sufficiency and to transition operation and management to DMAS, or its Agent, which Agent may be VITA, or an agent of VITA, or a third party provider under contract with DMAS. At DMAS' request for Supplier's Services issued hereunder, Supplier shall provide all assistance reasonably required by DMAS to develop DMAS' self-sufficiency in operating and managing the Solution, Software, Products and/or Services that Supplier provided to DMAS under the applicable Contract, only under the hourly rates set forth in Exhibit B and clarified by Contract Modification and/or mutually agreed upon terms. During and/or after the transition period, DMAS may, at its sole discretion, elect to order or continue Maintenance Services from Supplier, if authorized under the scope of the Contract, for any of the Software or hardware Product, components or Solution Components delivered to DMAS by Supplier.

18. COMPETITIVE PRICING

Supplier warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any commercial or government customer of Supplier, under similar terms and conditions. If Supplier enters into any arrangements with another similarly situated customer of Supplier to provide the products and services, available under this Contract, under more favorable prices, as the prices may be indicated on Supplier's current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Supplier shall immediately notify DMAS of such change.

19. ESCROW AGREEMENT

Supplier shall maintain a copy of all Work Product in a (re)useable format, developed under this Contract for DMAS and any available English language technical and/or user Documentation if any (the "Escrowed Materials"), in an escrow account, and shall maintain with escrow agent the executed agreement attached hereto as Exhibit C (Escrow Agreement). DMAS acknowledges that, prior to the Effective Date of this Contract, Supplier delivered to DMAS and DMAS received a copy of the executed Escrow Agreement naming the Commonwealth of Virginia as a third party beneficiary. DMAS has reviewed Escrow Agreement to ensure that such Escrow Agreement does not impose upon the Commonwealth any requirements other than administrative responsibilities necessary for the operation of the Escrow Agreement. If events give rise to a need for the escrow agent to release the Escrowed Materials to the Commonwealth, as such release conditions are defined in this Contract, the Commonwealth's sole responsibility shall be to request the release of such Escrowed Materials from the escrow agent. Supplier agrees to notify DMAS in writing not less than thirty (30) calendar days prior to termination or any modification of Escrow Agreement Supplier warrants that the information and materials to be kept in escrow in a media safe environment for the benefit of the Commonwealth are specifically identified and listed in Attachment A to the Escrow Agreement and include the most current version used by all DMAS of the Materials.

Supplier warrants that all Escrowed Materials shall be deposited in escrow for DMAS on a rolling semi-annual basis, such that updates or modifications to Escrowed Materials already deposited are added to prior deposits of the Escrowed Materials with that frequency. All Escrowed Material deposits shall be verified by the Escrow Agent within 30 days after deposit to validate the completeness, accuracy and functionality of the Supplier's escrow deposits. The verification process to be performed by the Escrow Agent for the original deposit and subsequent deposits shall be detailed in the Escrow Agreement and a detailed report of all tests of such verification shall be submitted in writing to DMAS or the Authorized User within 10 business days of completion. To perform such verification, Escrow Agent shall conduct a verification process which is limited to the following:

i.   File List Test - To ensure the deposited items are catalogued and confirm they are readable, (re)useable, and virus free

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ii. Inventory and Analysis Test – To provide a complete audit and inventory of the deposit including analysis of deposited media to verify the presence of build instructions, to identify all of materials necessary to recreate the original development environment and to confirm the presence of all build instructions, file classification tables, database schema and listings.

Supplier agrees that the Escrow Agreement provides for, among other items, the release of the list of items on Attachment A of the Escrow Agreement solely upon the happening of Supplier's failure to carry out its support and maintenance obligations imposed by this Contract for a period of sixty (60) days and in the failure to cure such breach within the applicable cure period set forth in the Contract, Supplier's bankruptcy, Supplier's failure to continue to do business in the ordinary course. Supplier agrees to pay all expenses associated with establishing and maintaining the escrow account and the contents mentioned above.

Subject to the information and materials listed on Attachment A of the Escrow Agreement being released to the Commonwealth pursuant to the terms of the Escrow Agreement, Supplier hereby grants to the Commonwealth a royalty-free, perpetual, irrevocable license, that permits disclosure to a third party support-vendor of a complete and accurate copy of the Escrowed Materials along with all related documentation.

20. CONFIDENTIALITY

A. Treatment and Protection
Each Party shall (i) hold in strict confidence all Confidential Information of any other Party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-party. However, DMAS may disclose the Confidential Information as delivered by Supplier to subcontractors, contractors or agents of DMAS with access or potential access to DMAS Confidential Information and/or PHI that are bound by non-disclosure contracts with DMAS. Each Party shall take the same measures to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or confidential information (but in no event shall such measures be less than reasonable care).

B. Exclusions
The term "Confidential Information" shall not include information that is:
i. in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;
ii. obtained independently from a third-party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
iii. developed independently by the receiving Party without reference to the Confidential Information of the other Party; or
iv. required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

C. Return or Destruction
Upon the termination or expiration of this Contract or upon the earlier request of DMAS, Supplier shall (i) at its own expense, (a) promptly return to DMAS all tangible Confidential Information (and all copies thereof except the record required by law) of DMAS, or (b) upon written request from DMAS, destroy such Confidential Information and provide DMAS with written certification of such destruction, and (ii) cease all further use of DMAS' Confidential Information, whether in tangible or intangible form.

DMAS shall retain and dispose of Supplier's Confidential Information in accordance with the Commonwealth of Virginia's records retention policies.

D. Confidentiality Statement
All Supplier personnel, contractors, agents, and subcontractors performing Services pursuant to this Contract shall be required to sign a confidentiality statement or non-disclosure agreement

with Supplier. Any violation covered under the scope of this Contract, of such statement or agreement shall be deemed a breach of this Contract and may result in termination of the Contract in accordance with its terms.

E. Business Associate Agreement (BAA)
The Contractor shall be required to enter into a DMAS-supplied Business Associate Agreement (BAA) with DMAS to comply with regulations concerning the safeguarding of protected health information (PHI) and electronic protected health information (ePHI) attached hereto as Exhibit F (BAA). The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all State and Federal laws and regulations with regards to handling, processing, or using the Department's PHI and ePHI. This includes but is not limited to 45 C.F.R. Parts 160 and 164 Modification to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules Under the Health Information Technology for Economic and Clinical Health Act and the Genetic Information Nondiscrimination Act; Other Modifications to the HIPAA Rules; Final Rule, January 25, 2013 and related regulations as they pertain to this agreement. This also includes the requirements in Virginia Code § 32.1-325.3, DMAS regulations, and federal Medicaid requirements regarding safeguarding information of applicants and recipients as set forth in 42 C.F.R. 431, Subpart F.

The Contractor shall keep abreast of any future changes to the regulations applicable to the Business Associate. The Contractor shall comply with all current and future HIPAA regulations and other applicable state and federal requirements at no additional cost to DMAS, and agrees to comply with all terms set out in the DMAS BAA, including any future changes to the DMAS BAA. The current DMAS BAA template is available on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx

21. INDEMNIFICATION AND LIABILITY
A. Indemnification
Supplier agrees to indemnify, defend and hold harmless the Commonwealth, DMAS, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) breach of any representation, warranty or covenant of Supplier contained herein, (iv) any defect in the Supplier-provided products or services, or (v) any actual or alleged infringement or misappropriation of any third party's Intellectual Property rights by any of the Supplier-provided products or services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases involving the Commonwealth or state agencies, the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth. In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Supplier-provided products or services, including any components thereof, or that the Supplier's performance or delivery of any product or service under this Contract infringes any third party's Intellectual Property rights and Supplier is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Supplier shall immediately notify DMAS in writing, via certified mail, specifying to what extent Supplier believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Supplier shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit DMAS to appear and defend their interests in cooperation with Supplier as is appropriate, including any jurisdictional defenses DMAS may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's Intellectual Property rights by any of the Supplier-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Supplier's performance, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for DMAS the right to continue use of such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof; or (b) replace or modify such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof, with non-infringing Deliverables, Products, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, satisfactory to DMAS. And in addition, Supplier shall provide DMAS with a comparable temporary replacement products and/or services or reimburse DMAS for the reasonable costs incurred by DMAS in obtaining an alternative product or service, in the event DMAS cannot use the affected Deliverable, Product, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, or any component thereof. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing Deliverables, Products, Software, Services, Solution, Solution Component, Application and Licensed Services, as applicable, or any component thereof, along with any other components rendered unusable by DMAS as a result of the infringing component, and refund the price paid to Supplier for such components.

B. Liability

Except for liability with respect to (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) Supplier's confidentiality obligations, (iii) Supplier's security compliance obligations, and (iv) Supplier's data privacy and security obligations as specified under this Contract, Supplier's liability shall be limited to the total Design, Development, and Implementation price if the claim arises during the Design, Development and Implementation Period, and the total value of the Contract if the claim arises during an Operations and Maintenance Period. Supplier agrees that it is fully responsible for all acts and omissions of its employees, agents, and subcontractors, including their gross negligence or willful misconduct. The limitation shall apply on a per-incident basis, with an aggregate cap of 3x the Contract value, or $400 million, whichever is lower, it being understood that multiple losses stemming from the same root cause constitute a single incident.

FOR ALL OTHER CONTRACTUAL CLAIMS, IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, EXCEPT WHEN SUCH DAMAGES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS.

22. INSURANCE

In addition to the insurance coverage required by law as referenced in the Incorporated Contractual Provisions section of this Contract, Supplier shall carry:
Errors and omissions insurance coverage in the amount of $5,000,000 per claim and in the aggregate.

23. PERFORMANCE BOND

The Supplier shall deliver to the DMAS Contracts Management office an executed performance bond, in a form acceptable to DMAS with DMAS as obligee. The surety shall be a surety company or companies approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. The successful Supplier shall obtain the required performance bond in form and substance acceptable to the Commonwealth and provide it to the Commonwealth no later than 7 days after the Contract Effective date detailed in the Contract. The successful Supplier must

meet this performance bond requirement by providing the Commonwealth (as required) a performance bond covering the entire Contract period including all options to extend the Contract. The performance bond includes the Design, Development and Implementation (DDI)/Start-up period of the Contract (ending the first day of the 23rd month when O&M commences) for the amount equal to 10% of the DDI fee (Implementation price), and, thereafter, a new annual (or re-issued) performance bond equal to 10% of the annual estimated contract amount covering each subsequent annual period of the Operations and Maintenance Phase of the Contract. The Supplier must provide annual (or re-issued) performance bonds to the Commonwealth no later than November 30th preceding the annual covered period beginning on December 1st of each year of the Operations Phase. Failure to provide to the Commonwealth the performance bond equal to 10% of the annual estimated contract amount as required prior to the Contract Effective date and, as applicable in the case of an annual performance bond, no later than November 30th preceding each annual covered period beginning on December 1st each year of the Operations Phase, shall result in DMAS' option to terminate the Contract. The successful Supplier shall make all necessary arrangements for the performance bond prior to the Contract Effective date and prior to any subsequent performance bond deadlines in the case of an annual performance bond. The Commonwealth will not assist the Supplier securing the services of any fidelity or guaranty underwriter. Failure to adhere to the requirements of this Contract shall result in DMAS' option to terminate the Contract as a material breach of the Contract.

24. SECURITY COMPLIANCE

Supplier agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at: (https://vita.virginia.gov/default.aspx?id=537) or a successor URL(s), as are pertinent to Supplier's operation. Supplier further agrees to comply with all provisions of DMAS' then-current security procedures as are pertinent to Supplier's operation and which have been supplied to Supplier by DMAS. Supplier shall also comply with all applicable federal, state and local laws and regulations that pertain to Services provided under the Solution. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier's employees or agents acknowledging that all DMAS information with which such employees and agents come into contact while at the DMAS site is confidential and proprietary. Any unauthorized release of proprietary or Personal information by the Supplier or an employee or agent of Supplier shall constitute a breach of its obligations under this Section and the Contract. Supplier shall immediately notify DMAS, if applicable, of any Breach of Unencrypted and Unredacted Personal Information, as those terms are defined in Virginia Code 18.2-186.6, and other personal identifying information, such as insurance data or date of birth, provided by DMAS to Supplier. Supplier shall provide DMAS the opportunity to participate in the investigation of the Breach and to exercise control over reporting the unauthorized disclosure, to the extent required by law. Supplier shall indemnify, defend, and hold the Commonwealth, DMAS, their officers, directors, employees and agents harmless from and against any and all third party fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, DMAS, its officers, directors, agents or employees, on account of Supplier's unauthorized disclosure or unauthorized use of Citizens' Confidential Information resulting from the failure of Supplier to perform its obligations pursuant this Section except as it relates to Personal Information.

DMAS shall have the right to review Supplier's information security program prior to the commencement of Licensed Services and from time to time during the term of this Agreement. During the performance of the Licensed Services, on an ongoing basis from time to time, DMAS, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Supplier's information security program in accordance with Section 27.O. In lieu of an on-site audit, upon request by DMAS, Supplier agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by DMAS regarding Supplier's information security program. Supplier shall implement any reasonably required safeguards as identified by any program audit that are within the

scope of the Requirements and will be performed in accordance with the contract modification Process, (if necessary).

25. IMPORT/EXPORT

In addition to compliance by Supplier with all export laws and regulations applicable to Services provided under the Solution. DMAS requires that any data deemed "restricted" or "sensitive" by either federal or state authorities, must only be collected, developed, analyzed, or otherwise used or obtained by persons or entities working within the boundaries of the United States.

26. BANKRUPTCY

If Supplier becomes insolvent, takes any step leading to its cessation as a going concern, fails to pay its debts as they become due, or ceases business operations continuously for longer than fifteen (15) business days, then DMAS may immediately terminate this Contract, on notice to Supplier unless Supplier immediately gives DMAS adequate assurance of the future performance of this Contract. If bankruptcy proceedings are commenced with respect to Supplier, and if this Contract has not otherwise terminated, then DMAS may suspend all further performance of this Contract until Supplier assumes this Contract and provides adequate assurance of performance thereof or rejects this Contract pursuant to Section 365 of the Bankruptcy Code or any similar or successor provision, it being agreed by DMAS and Supplier that this is an executory contract. Any such suspension of further performance by DMAS pending Supplier's assumption or rejection shall not be a breach of this Contract, and shall not affect the rights of DMAS to pursue or enforce any of its rights under this Contract or otherwise.

27. GENERAL PROVISIONS

A. Relationship Between DMAS and Supplier

Supplier has no authority to contract for DMAS or in any way to bind, to commit DMAS to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of DMAS. Under no circumstances shall Supplier, or any of its employees, hold itself out as or be considered an agent or an employee of DMAS, and DMAS shall have no duty to provide or maintain any insurance or other employee benefits on behalf of Supplier or its employees. Supplier represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that DMAS is not responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Supplier. Any and all taxes, interest or penalties, (including, but not limited to, any federal, state or local withholding or employment taxes, and any penalties related to health care or employee benefits laws) that are imposed, assessed or levied as a result of this Contract or Services performed pursuant to this Contract shall be paid or withheld by Supplier or, if assessed against and paid by DMAS, shall be reimbursed by Supplier upon demand by DMAS.

B. Incorporated Contractual Provisions

The contractual provisions at the following URL are mandatory contractual provisions, required by law or by VITA, and are incorporated by reference:
https://www.vita.virginia.gov/uploadedfiles/VITA_Main_Public/scm/StatutorilyMandatedTsandCs.pdf.
The contractual claims provision of §2.2-4363 of the Code of Virginia and the required eVA provisions at: http://vita.virginia.gov/uploadedfiles/VITA_Main_Public/scm/eVATsandCs.pdf are also incorporated by reference.

If this Contract will or may include the entry, handling, processing, storage, movement, sharing of or access to Federal Tax Information (FTI) by Supplier or any subcontractor of Supplier in any manner, IRS Publication 1075 shall apply to that order, SOW and Contract. The Tax Information Security Guidelines for Federal, State and Local Agencies – Exhibit 7, Safeguarding Contract Language, as appropriate, and the requirements specified in Exhibit 7 in accordance with IRC 6103(n) are included by reference and are located at this URL:

http://www.vita.virginia.gov/uploadedFiles/VITA_Main_Public/SCM/Mandatory_IRS_Pub_1075_fo r_FTI_data.pdf. Supplier hereby acknowledges that it will comply with all applicable requirements of these terms and IRS Publication 1075 in its entirety. Non-compliance with the terms and IRS Publication 1075 may be determined, solely by VITA, as a material breach of the applicable order or SOW or the Contract. Further, the use of the term "Contractor" in these terms and IRS Publication 1075 means the same as the term "Supplier," as defined and used in the Contract. FTI consists of federal tax returns and return information (and information derived from it) that is in the agency's (i.e., Authorized Users of this Contract, as defined herein) possession or control which is covered by the confidentiality protections of the Internal Revenue Code (IRC) and subject to the IRC 6103(p)(4) safeguarding requirements including IRS oversight. FTI is categorized as Sensitive but Unclassified information and may contain personally identifiable information (PII).

The terms and conditions in documents posted to the aforereferenced URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, adoption of revised eVA business requirements, or change to IRS Publication 1075. Supplier is responsible for verifying the correct and current version of this IRS publication and related safeguarding terms language and acknowledges that VITA Authorized User issuing the order or SOW will be held harmless. If a change is made to the mandatory terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

C. Compliance with the Federal Lobbying Act
Supplier's signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as an Exhibit E to this Contract.

D. Governing Law
This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

E. Dispute Resolution
The Parties will make good faith efforts to first resolve internally any dispute by escalating it to higher levels of management, consistent with the escalation procedure of this Contract.

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Supplier's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Supplier's written claim.

The Supplier may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Supplier, within six (6) months

of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Supplier agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures, if any. Supplier may invoke such public body's ADR procedures, if any, at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body or a private institution, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include the right to terminate any license or support services hereunder except as is expressly set forth in this Contract.

F. **Advertising and Use of Proprietary Marks**
Supplier may use DMAS in client lists, and may generally describe the types of projects for purposes of describing Supplier's capabilities in proposals to third parties, provided however, Supplier shall not use the name of DMAS or refer to DMAS, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of DMAS. In no event may either Party use a proprietary mark of the other without receiving prior written consent.

G. **Notices**
Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to:
i.   To DMAS and to Supplier, if Supplier is incorporated in the Commonwealth of Virginia, to the addresses shown on the signature page.
ii.   To Supplier, if Supplier is incorporated outside the Commonwealth of Virginia, to the Registered Agent registered with the Virginia State Corporation Commission.

Pursuant to Title13.1 of the Code of Virginia, DMAS or Supplier may change its address for notice purposes by giving the other notice of such change in accordance with this Section.

Administrative contract renewals, modifications or non-claim related notices are excluded from the above requirement. Such written and/or executed contract administration actions may be processed by the assigned DMAS and Supplier points of contact for this Contract and may be given in person, via U.S. mail, courier service or electronically.

H. **No Waiver**
Any failure to enforce any terms of this Contract shall not constitute a waiver.

I. **Assignment**
This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of DMAS and Supplier. Supplier may not assign, subcontract, delegate or otherwise convey this Contract or any of its rights and obligations hereunder, to any entity without the prior written consent of DMAS, and any such attempted assignment or subcontracting without consent shall be void. DMAS may assign this Contract to any government entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of DMAS or Supplier to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Supplier gives DMAS prompt written notice of the assignment, signed by authorized representatives of both the

Supplier and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

J. Captions
The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

K. Severability
Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. DMAS and Supplier further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

L. Survival
Any provisions of this Contract regarding Software License, Rights To Work Product, Confidentiality, Liability, Indemnification, and the General Provisions shall survive the expiration or termination of this Contract.

M. Force Majeure
No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, DMAS, by written notice given during the postponement or extension, may terminate Supplier's right to render further performance after the effective date of termination without liability for that termination.

N. Remedies
The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, DMAS reserve any and all other remedies that may be available at law or in equity.

O. Right to Audit
In addition to the requirements outlined below, the Supplier must comply, and must require compliance by its subcontractors with the security and confidentiality of records standards.

1) Access to Records - DMAS, the Centers for Medicare and Medicaid Services, state and federal auditors, or any of their duly authorized representatives shall have access to any pertinent books, annual reports, management's report on internal control over financial reporting, SAS 70 audit reports, fee schedules, documents, papers, and records of the Supplier and any of its subcontractors pertaining to the Services. Access to such records includes any records that are stored offsite. Supplier's (x) cost structure, including overhead, general and administrative expenses, and profit factors, (y) data or information of other customers or clients of Supplier or (z) other Confidential Information of Supplier, that are not directly relevant for the authorized purposes of the audit shall be excluded from review.

At its own expense, DMAS, the Centers for Medicare and Medicaid Services, state and federal auditors, or any of their duly authorized representatives, shall be allowed to inspect and audit any of the documents as set forth above, including, medical and/or financial records of the Supplier and its subcontractors for the purpose of confirming (a) that the Services are being provided in accordance with this Contract and (b) whether the Charges are accurate and were calculated in accordance with this Contract.

This right to audit shall be further limited as follows:
i). Terminates for this Contract, three (3) years after applicable Services are complete;
ii). Occurs at Supplier's premises, during normal business hours at mutually agreed upon times;

iii). Only takes place upon reasonable notice of at least two (2) weeks; and

iv). iv). Takes place no more frequently than annually or based on reasonable concern of DMAS.

2) Retention of Records - The Supplier shall retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the final payment. When an audit, litigation, or other action involving or requiring access to records is initiated prior to the end of said period, however, records shall be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.

3) Confidentiality and Security. DMAS shall not use any competitors of Supplier (or any Supplier subcontractor) to conduct any such audit without Supplier's prior written consent. Supplier shall not unreasonably withhold such written consent. The auditors and other representatives of DMAS shall execute and deliver such confidentiality and non-disclosure agreements and comply with such security and confidentiality requirements as Supplier may require in connection with such audits.

The Supplier shall not have the right to audit, or require to have audited, DMAS.

P. Offers of Employment
During the first twelve (12) months of the Contract, should either Party directly solicit for hire an employee of the other who has substantially worked on any project covered by this Contract without prior written consent, the hiring Party shall be billed for fifty percent (50%) of the employee's annual salary in effect at the time of termination.

Supplier agrees that at all times during the term of this Contract an account executive, at Supplier's senior management level, shall be assigned and available to DMAS. Supplier reserves the right to change such account executive upon reasonable advance written notice to DMAS.

Q. Access to Premises
In accordance with Section 27.O, the Supplier shall allow duly authorized agents or representatives of the state or federal government, during normal business hours, access to Supplier's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Suppliers and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Supplier and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the state or federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Supplier or subcontractor's activities. The Supplier shall be given thirty (30) calendar days to respond to any preliminary findings of an audit before DMAS shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

DMAS, the Office of the Attorney General of the Commonwealth of Virginia, the federal Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of all Supplier contractual obligations and performance under this Contract.

R. Responsibilities

DMAS understands that Supplier's performance may be dependent on DMAS', its third party contractors' or agents' timely and complete performance of responsibilities, including the issuance of decisions and approvals and the provision of qualified resources and personnel. Supplier will be held accountable for the fault/failure of the Supplier or the Supplier's Solution. Supplier will not be held accountable for the fault/failure of DMAS or the other vendor/contractor/Agents, including obligations, such as service levels, that are impacted by the fault/failure. In the event of vendor/contractor/Agent dispute relating to fault/failure determinations, DMAS will serve as the final decision-making authority. In such an event, DMAS will address necessary modifications/schedule deviations to Supplier's Solution in writing, as appropriate and necessary.

S. Consents

DMAS shall obtain any relevant consents and licenses necessary for Supplier to use DMAS-owned or licensed intellectual property to perform Services and provide Deliverables under this Agreement.

T. Entire Contract

The following Exhibits, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:

i). Exhibit A – Requirements;
ii). Exhibit B – Solution Options List; Fees, Service Charges, and Payment Schedule;
iii). Exhibit C - Escrow Agreement;
iv). Exhibit D - End User Licensing Agreement (for reference only);
v). Exhibit E - Certification Regarding Lobbying;
vi). Exhibit F – DMAS Business Associate Agreement (BAA).
vii) Exhibit G – Cloud Services - Additional Terms and Conditions

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between DMAS and Supplier and supersede any and all previous representations, understandings, discussions or agreements between DMAS and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier's Proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by DMAS and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract, Exhibit G, Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit F and Exhibit E.

DMAS and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

Executed as of the last date set forth below by the undersigned authorized representatives of DMAS and Supplier.

DMAS

By: _Cynthia B. Jones_
   (Signature)
Name: __Cynthia B. Jones__
   (Print)
Title: __Director__
Date: __December 29, 2017__
Address for Notice:

Department of Medical Assistance Services
600 E. Broad Street, Suite 1300
Richmond, Virginia 23219

Attention: Supplier Contact

SUPPLIER

By: _____
   (Signature)
Name: _Jonathan P. Andrews_
   (Print)
Title: _CEO, Accenture State Healthcare Services_
Date: _December 22, 2017_
Address for Notice:

Accenture
1501 South MoPac Expressway, Suite 300
Austin, TX 78746

Attention: Contract Administrator

EXHIBIT A – REQUIREMENTS

For purposes of this Exhibit A, the term "Requirements" shall mean the following documents with the document with the most current date taking precedence with respect to its terms over earlier dated documents:

1. Request for Proposals RFP 2016-02, dated July 15, 2016, seeking a Modular Core Services Solution (MCSS) for an Operations Services Solution (OPSS)
2. RFP 2016-02 MCSS Addendum 1, dated July 20, 2016
3. RFP 2016-02 MCSS Addendum 2, dated July 27, 2016
4. RFP 2016-02 MCSS Addendum 3, dated August 15, 2016
5. RFP 2016-02 MCSS Addendum 4, dated August 22, 2016
6. RFP 2016-02 MCSS Addendum 5, dated August 26, 2016
7. RFP 2016-02 MCSS Addendum 6, dated September 8, 2016
8. Accenture's original Technical proposal, dated September 23, 2016
9. Accenture's response to questions, dated RFP 2016-02 MCSS Operations Services Accenture Response, dated January 19, 2017
10. Accenture's response to Security Assessment: Assessment_Accenture OPSS_VITA 2nd Review Comments, dated August 1, 2017
11. Accenture's Oral Presentation/Demo, dated January 24-25, 2017
12. Accenture's negotiations materials: RFP 2016-02 OPSS Negotiations_Accenture, dated July 12, 2017

EXHIBIT B – SOLUTIONS OPTIONS LIST; FEES, SERVICE CHARGES, AND PAYMENT SCHEDULE

For purposes of this Exhibit B, the Term "Solution Options; List; Fees; Service Options and Payment Schedule" shall mean the following documents:

1. Accenture's cost proposal: Appendix C - Updated Pricing Schedule - OPSS, dated December 15, 2017
2. Accenture's cost proposal assumptions: ASHS - Operations Services Modular Core Services Solutions RFP No. 2016-02 - Pricing Assumptions, dated July 12, 2017
3. Accenture's SWaM plan: ASHS - File 2 Small Business SWaM BAFO, dated July 12, 2017
4. Accenture's milestone payment chart: RFP 2016-02 OPSS Milestone Payment Schedule, dated December 18, 2017, or the then-current & effective version. The Parties may modify the milestones for payment along with the final work plan to be mutually agreed upon outside the scope of the change order process for this Contract, utilizing the project management process.

Month 1 through Month 12				
	Number of Months **(N)**	**Price per Month** **(PPM)**	**Total Price** **(N*PPM)**	**Calculated Percent** **Total Price** **(Total Price/Total Stage Price *100)**
(A.1) Fixed Monthly Payments	12	$1,545,922.12	$18,551,065.41	76%
(A.2) Quality Maintenance Payments Price	N/A	N/A	$1,712,571.49	7%
(A.3) Licenses Price [1]	N/A	N/A	$3,467,710.89	14%
(A.4) CMS Certification Quality Maintenance Payments Price	N/A	N/A	$733,959.21	3%
(A.5) Total Stage Price **(Sum A.1 – A.4)**	N/A	N/A	$24,465,307.00	100%

[1] License information shall also be included as a line item in Schedule L – Licenses.

Month 13 through Month 23				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(A.6) Fixed Monthly Payments	11	$1,763,108.74	$19,394,196.10	81%
(A.7) Quality Maintenance Payments Price	N/A	N/A	$1,671,129.55	7%
(A.8) Licenses Price [1]	N/A	N/A	$2,091,755.31	9%
(A.9) CMS Certification Quality Maintenance Payments Price	N/A	N/A	$716,198.38	3%
(A.10) Total Stage Price (*Sum A.6 – A.9*)	N/A	N/A	$23,873,279.34	100%

[1] License information shall also be included as a line item in Schedule L – Licenses.

Month 1 through Month 12				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(B.1) Fixed Monthly Payments	12	$1,746,343.65	$20,956,123.80	94%
(B.2) Licenses Price [1]	N/A	N/A	$506,707.19	2%
(B.3) Configuration/ Customization Price [2]	N/A	N/A	$796,200.70	4%
(B.4) Total Stage Price (Sum B.1 – B.3)	N/A	N/A	$22,259,031.68	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 13 through Month 24	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(C.1) Fixed Monthly Payments	12	$1,483,986.30	$17,807,835.59	94%
(C.2) Licenses Price[1]	N/A	N/A	$376,923.04	2%
(C.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(C.4) Total Stage Price *(Sum C.1 – C.3)*	N/A	N/A	$18,980,959.32	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 25 through Month 36	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(D.1) Fixed Monthly Payments	12	$1,436,734.38	$17,240,812.57	94%
(D.2) Licenses Price[1]	N/A	N/A	$385,841.72	2%
(D.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(D.4) Total Stage Price (Sum D.1 – D.3)	N/A	N/A	$18,422,854.99	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.

[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 37 through Month 48	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(E.1) Fixed Monthly Payments	12	$1,431,722.05	$17,180,664.65	93%
(E.2) Licenses Price[1]	N/A	N/A	$486,419.75	3%
(E.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(E.4) Total Stage Price *(Sum E.1 – E.3)*	N/A	N/A	$18,463,285.10	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 49 through Month 60	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(F.1) Fixed Monthly Payments	12	$1,448,829.55	$17,385,954.64	94%
(F.2) Licenses Price[1]	N/A	N/A	$404,491.13	2%
(F.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(F.4) Total Stage Price (Sum F.1 – F.3)	N/A	N/A	$18,586,646.46	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 61 through Month 72	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(G.1) Fixed Monthly Payments	12	$1,483,746.05	$17,804,952.62	94%
(G.2) Licenses Price[1]	N/A	N/A	$414,237.02	2%
(G.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(G.4) Total Stage Price _(Sum G.1 – G.3)_	N/A	N/A	$19,015,390.33	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 73 through Month 84				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(H.1) Fixed Monthly Payments	12	$1,547,658.26	$18,571,899.10	94%
(H.2) Licenses Price[1]	N/A	N/A	$424,274.16	2%
(H.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(H.4) Total Stage Price *(Sum H.1 – H.3)*	N/A	N/A	$19,792,373.96	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

Month 85 through Month 96	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(I.1) Fixed Monthly Payments	12	$1,609,680.04	$19,316,160.44	94%
(I.2) Licenses Price[1]	N/A	N/A	$435,987.68	2%
(I.3) Configuration/ Customization Price[2]	N/A	N/A	$796,200.70	4%
(I.4) Total Stage Price (Sum I.1 – I.3)	N/A	N/A	$20,548,348.81	100%

[1] License information shall also be included as a line item in Pricing Schedule L – Licenses.
[2] Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.

OPERATIONS SERVICES SOLUTION (OPSS) SCHEDULE J		
Optional Enhancements[1]	Price	
Member Call Center – Mandatory Pricing	(J.1)	$9,383,378.37
Manage Member Appeals – Mandatory Pricing	(J.2)	$2,876,963.03
Provide Meeting Space – Mandatory Pricing	(J.3)	$98,400.00
Manage Accounts Receivable Cases - Optional Pricing	(J.4)	$2,181,349.30
General Case Management System - Optional Pricing	(J.5)	$1,831,895.70
Mass Mailing - Optional Pricing	(J.6)	$4,960,037.23
Total Price for Optional Enhancements[2] (Sum J.1 – J.6)	(J.7)	$21,332,023.63

[1] NOTE: Optional enhancements and costs are for informational purposes and will not be included in the scoring of the pricing proposals or the scoring of SWaM Plans but may be discussed and included during contract negotiations.

[2] The Offeror may add additional rows as necessary to capture pricing for additional proposed options to the solutions.

# Staff Assigned	Primary Job Assignment	Total Hours	Hourly Rate[1]	Total Price	
1 FTEs	Configuration Staff	2,080	$163.38	(K.1)	$339,830.45
1 FTEs	Customization Staff	2,080	$154.70	(K.2)	$321,769.80
2 FTEs	**TOTAL Configuration and Customization Staff** *(sum of K.1 and K.2)*	**4,160**		**(K.3)**	$661,600.25
Staff to Support 4,160 hours Configuration and Customization per year					
0.17 FTEs	Testing and Validation Staff	354	$110.98	(K.4)	$39,240.83
0.17 FTEs	Business Analyst Staff	354	$129.89	(K.5)	$45,929.72
0.08 FTEs	Technical Writing and System Documentation Staff	166	$123.80	(K.6)	$20,601.03
0.08 FTEs	Project Management Staff	166	$173.25	(K.7)	$28,828.87
0.5 FTEs	**TOTAL for Configuration and Customization Support Staff** *(sum of K.4, K.5, K.6, and K.7)*	**1,040**		**(K.8)**	**$134,600.45**
	TOTAL for providing 4,160 hours of Configuration and Customization *(sum of K.3 and K.8)*			**(K.9)** [2]	**$796,200.70**
Cost of Living Assessment (COLA) Factor (Per SFY) if the Department requires the purchase of additional Enhancement hours.				**3%**	

[1] Hourly Rates shall be effective from DDI Contract Stage Month 1, through contract based period, O&M Contract Stage Month 96.

[2] Transfer total amount to appropriate line item on Schedules B – I.

License Description (Terms and Options)	Quantity[1]	Unit Price	Total Price
Accenture Public Health Platform - Development	1	$1,500,000.00	$1,500,000.00
Adobe: Adobe Creative Cloud Membership	4	$581.20	$2,324.80
Adobe: Adobe FrameMaker	4	$919.51	$3,678.04
Adobe: RoboHelp 11	15	$919.51	$13,792.65
Articulate: Storyline	1	$1,973.74	$1,973.74
Automic: AWA Enterprise Edition	1	$114,545.00	$114,545.00
Camouflage: Data Masker	1	$102,781.82	$102,781.82
Camouflage: Subsetter	1	$28,551.00	$28,551.00
Dynatrace: Dynatrace	78	$2,424.24	$189,090.72
Erwin: Erwin Data modeler	2	$3,993.75	$7,987.50
HFS: HFS	1	$6,000.00	$6,000.00
Informatica: Data Migration Tools	1	$341,612.00	$341,612.00
IPSwitch: WS_FTP Server	8	$1,504.04	$12,032.32
K2: K2 Blackpearl/K2 Forms	1	$246,914.00	$246,914.00
Microsoft: OfficeProPlus	5	$702.02	$3,510.10
Microsoft: System Center	16	$1,156.57	$18,505.12
Microsoft: WinEntforSAwMDOP	6	$277.78	$1,666.68
Nessus: Nessus	1	$4,409.00	$4,409.00
OpenText: HPExstream	1	$199,167.00	$199,167.00
Palo Alto: Palo Alto Firewall	8	$11,424.00	$91,392.00
Informatica: Address Doctor	1	$36,645.00	$36,645.00
Redgate: SQLBelt	2	$2,495.45	$4,990.90
RedHat: Tomcat	1	$4,050.00	$4,050.00
SourceTec Software: SoThink Tree Menu	4	$68.89	$275.56
Splunk: Splunk	1	$257,280.00	$257,280.00
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$2,895.44	$23,163.52
TechSmith: SnagIt	4	$41.41	$165.64
Telerik: Telerik Controls	7	$1,928.28	$13,497.96

Verbatim: CD read-write access	4	$7.02	$28.08
WebSuperGoo: ABCPDF	1	$5,000.00	$5,000.00
WebWorks: WebWorks ePublisher Pro	1	$1,973.74	$1,973.74
Who's On: Chat	1	$14,545.00	$14,545.00
Worksoft: Certify	1	$216,162.00	$216,162.00
Subtotal DDI Year 1			**$3,467,710.89**
Accenture Public Health Platform - Production	1	$1,500,000.00	$1,500,000.00
Adobe: Adobe FrameMaker	4	$83.30	$333.20
Adobe: RoboHelp 11	15	$138.49	$2,077.35
Automic: AWA Enterprise Edition	1	$22,909.00	$22,909.00
Camouflage: Data Masker	1	$20,556.36	$20,556.36
Camouflage: Subsetter	1	$5,710.00	$5,710.00
Dynatrace: Dynatrace	78	$436.36	$34,036.00
HFS: HFS	1	$6,000.00	$6,000.00
Informatica: Data Migration Tools	1	$301,612.00	$301,612.00
K2: K2 Blackpearl/K2 Forms	1	$43,793.94	$43,793.94
OpenText: HPExstream	1	$43,816.67	$43,816.67
Informatica: Address Doctor	1	$36,645.00	$36,645.00
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$28,189.48	$28,189.48
Telerik: Telerik Controls	7	$160.90	$1,126.31
WebSuperGoo: ABCPDF	1	$900.00	$900.00
Worksoft: Certify	1	$40,000.00	$40,000.00
Subtotal DDI Year 2			**$2,091,755.31**
Adobe: Adobe Creative Cloud Membership	4	$16.50	$66.00
Adobe: Adobe FrameMaker	4	$166.62	$666.48
Adobe: RoboHelp 11	15	$277.00	$4,155.00
Automic: AWA Enterprise Edition	1	$23,596.00	$23,596.00
Camouflage: Data Masker	1	$20,556.36	$20,556.36
Camouflage: Subsetter	1	$5,881.00	$5,881.00
Dynatrace: Dynatrace	78	$449.45	$35,057.00
Erwin: Erwin Data modeler	2	$763.58	$1,527.16
HFS: HFS	1	$6,000.00	$6,000.00

IPSwitch: WS_FTP Server	8	$211.41	$1,691.26
K2: K2 Blackpearl/K2 Forms	1	$45,107.76	$45,107.76
Nessus: Nessus	1	$4,541.78	$4,541.78
OpenText: HPExstream	1	$45,131.17	$45,131.17
Informatica: Address Doctor	1	$214,277.00	$214,277.00
Redgate: SQLBelt	2	$565.98	$1,131.96
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$29,035.17	$29,035.17
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$645.74	$5,165.90
Telerik: Telerik Controls	7	$165.73	$1,160.10
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$828.28	$828.28
Who's On: Chat	1	$14,981.82	$14,981.82
Worksoft: Certify	1	$41,200.00	$41,200.00
Subtotal O&M Year 3			**$506,707.19**
Adobe: Adobe Creative Cloud Membership	4	$17.00	$67.98
Adobe: Adobe FrameMaker	4	$171.62	$686.47
Adobe: RoboHelp 11	15	$285.31	$4,279.65
Automic: AWA Enterprise Edition	1	$24,304.00	$24,304.00
Camouflage: Data Masker	1	$22,385.88	$22,385.88
Camouflage: Subsetter	1	$6,058.00	$6,058.00
Dynatrace: Dynatrace	78	$462.94	$36,109.00
Erwin: Erwin Data modeler	2	$786.49	$1,572.98
HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$217.75	$1,742.00
K2: K2 Blackpearl/K2 Forms	1	$46,460.99	$46,460.99
Microsoft: OfficeProPlus	5	$180.77	$903.85
Microsoft: System Center	16	$301.54	$4,824.61
Microsoft: WinEntforSAwMDOP	6	$71.53	$429.17
Nessus: Nessus	1	$4,678.03	$4,678.03
OpenText: HPExstream	1	$46,485.10	$46,485.10
Informatica: Address Doctor	1	$68,677.00	$68,677.00

Redgate: SQLBelt	2	$582.96	$1,165.92
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$29,906.22	$29,906.22
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$665.11	$5,320.88
Telerik: Telerik Controls	7	$170.70	$1,194.90
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$853.13	$853.13
Who's On: Chat	1	$15,431.27	$15,431.27
Worksoft: Certify	1	$42,436.00	$42,436.00
Subtotal O&M Year 4			**$376,923.04**
Adobe: Adobe Creative Cloud Membership	4	$17.50	$70.02
Adobe: Adobe FrameMaker	4	$176.77	$707.07
Adobe: RoboHelp 11	15	$293.87	$4,408.04
Automic: AWA Enterprise Edition	1	$25,033.00	$25,033.00
Camouflage: Data Masker	1	$23,057.46	$23,057.46
Camouflage: Subsetter	1	$6,240.00	$6,240.00
Dynatrace: Dynatrace	78	$476.82	$37,192.00
Erwin: Erwin Data modeler	2	$810.08	$1,620.16
HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$224.28	$1,794.26
K2: K2 Blackpearl/K2 Forms	1	$47,854.82	$47,854.82
Microsoft: OfficeProPlus	5	$186.19	$930.97
Microsoft: System Center	16	$310.58	$4,969.35
Microsoft: WinEntforSAwMDOP	6	$73.67	$442.04
Nessus: Nessus	1	$4,818.37	$4,818.37
OpenText: HPExstream	1	$47,879.65	$47,879.65
Informatica: Address Doctor	1	$68,677.00	$68,677.00
Redgate: SQLBelt	2	$600.45	$1,200.90
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$30,803.41	$30,803.41
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$685.06	$5,480.51

Telerik: Telerik Controls	7	$175.82	$1,230.75
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$878.72	$878.72
Who's On: Chat	1	$15,894.21	$15,894.21
Worksoft: Certify	1	$43,709.00	$43,709.00
Subtotal O&M Year 5			**$385,841.72**
Adobe: Adobe Creative Cloud Membership	4	$18.03	$72.12
Adobe: Adobe FrameMaker	4	$182.07	$728.28
Adobe: RoboHelp 11	15	$302.69	$4,540.28
Automic: AWA Enterprise Edition	1	$25,784.00	$25,784.00
Camouflage: Data Masker	1	$23,749.00	$23,749.00
Camouflage: Subsetter	1	$6,427.00	$6,427.00
Dynatrace: Dynatrace	78	$491.13	$38,308.00
Erwin: Erwin Data modeler	2	$834.38	$1,668.77
HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$231.01	$1,848.09
K2: K2 Blackpearl/K2 Forms	1	$49,290.47	$49,290.47
Microsoft: OfficeProPlus	5	$191.78	$958.90
Microsoft: System Center	16	$319.90	$5,118.43
Microsoft: WinEntforSAwMDOP	6	$75.88	$455.30
Nessus: Nessus	1	$4,962.93	$4,962.93
OpenText: HPExstream	1	$49,316.04	$49,316.04
Palo Alto: Palo Alto Firewall	8	$11,424.00	$91,392.00
Informatica: Address Doctor	1	$68,677.00	$68,677.00
Redgate: SQLBelt	2	$618.46	$1,236.92
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$31,727.51	$31,727.51
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$705.62	$5,644.92
Telerik: Telerik Controls	7	$181.10	$1,267.67
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$905.08	$905.08
Who's On: Chat	1	$16,371.04	$16,371.04

Worksoft: Certify	1	$45,020.00	$45,020.00
Subtotal O&M Year 6			**$486,419.75**
Adobe: Adobe Creative Cloud Membership	4	$18.57	$74.28
Adobe: Adobe FrameMaker	4	$187.53	$750.13
Adobe: RoboHelp 11	15	$311.77	$4,676.49
Automic: AWA Enterprise Edition	1	$26,558.00	$26,558.00
Camouflage: Data Masker	1	$24,462.00	$24,462.00
Camouflage: Subsetter	1	$6,620.00	$6,620.00
Dynatrace: Dynatrace	78	$505.86	$39,457.00
Erwin: Erwin Data modeler	2	$859.42	$1,718.83
HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$237.94	$1,903.53
K2: K2 Blackpearl/K2 Forms	1	$50,769.18	$50,769.18
Microsoft: OfficeProPlus	5	$197.53	$987.66
Microsoft: System Center	16	$329.50	$5,271.99
Microsoft: WinEntforSAwMDOP	6	$78.16	$468.96
Nessus: Nessus	1	$5,111.81	$5,111.81
OpenText: HPExstream	1	$50,795.53	$50,795.53
Informatica: Address Doctor	1	$68,677.00	$68,677.00
Redgate: SQLBelt	2	$637.02	$1,274.03
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$32,679.34	$32,679.34
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$726.78	$5,814.27
Telerik: Telerik Controls	7	$186.53	$1,305.70
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$932.24	$932.24
Who's On: Chat	1	$16,862.17	$16,862.17
Worksoft: Certify	1	$46,371.00	$46,371.00
Subtotal O&M Year 7			**$404,491.13**
Adobe: Adobe Creative Cloud Membership	4	$19.13	$76.51
Adobe: Adobe FrameMaker	4	$193.16	$772.63
Adobe: RoboHelp 11	15	$321.12	$4,816.78

Automic: AWA Enterprise Edition	1	$27,355.00	$27,355.00
Camouflage: Data Masker	1	$25,196.00	$25,196.00
Camouflage: Subsetter	1	$6,818.00	$6,818.00
Dynatrace: Dynatrace	78	$521.04	$40,641.00
Erwin: Erwin Data modeler	2	$885.20	$1,770.40
HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$245.08	$1,960.63
K2: K2 Blackpearl/K2 Forms	1	$52,292.25	$52,292.25
Microsoft: OfficeProPlus	5	$203.46	$1,017.29
Microsoft: System Center	16	$339.38	$5,430.15
Microsoft: WinEntforSAwMDOP	6	$80.51	$483.03
Nessus: Nessus	1	$5,265.17	$5,265.17
OpenText: HPExstream	1	$52,319.39	$52,319.39
Informatica: Address Doctor	1	$68,677.00	$68,677.00
Redgate: SQLBelt	2	$656.13	$1,312.25
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$33,659.72	$33,659.72
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$748.59	$5,988.70
Telerik: Telerik Controls	7	$192.12	$1,344.87
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$960.20	$960.20
Who's On: Chat	1	$17,368.03	$17,368.03
Worksoft: Certify	1	$47,762.00	$47,762.00
Subtotal O&M Year 8			**$414,237.02**
Adobe: Adobe Creative Cloud Membership	4	$19.70	$78.81
Adobe: Adobe FrameMaker	4	$198.95	$795.81
Adobe: RoboHelp 11	15	$330.75	$4,961.29
Automic: AWA Enterprise Edition	1	$28,175.00	$28,175.00
Camouflage: Data Masker	1	$25,951.00	$25,951.00
Camouflage: Subsetter	1	$7,023.00	$7,023.00
Dynatrace: Dynatrace	78	$536.67	$41,860.00
Erwin: Erwin Data modeler	2	$911.75	$1,823.51

HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$252.43	$2,019.45
K2: K2 Blackpearl/K2 Forms	1	$53,861.02	$53,861.02
Microsoft: OfficeProPlus	5	$209.56	$1,047.81
Microsoft: System Center	16	$349.57	$5,593.05
Microsoft: WinEntforSAwMDOP	6	$82.92	$497.52
Nessus: Nessus	1	$5,423.12	$5,423.12
OpenText: HPExstream	1	$53,888.97	$53,888.97
Informatica: Address Doctor	1	$68,677.00	$68,677.00
Redgate: SQLBelt	2	$675.81	$1,351.62
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$34,669.51	$34,669.51
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$771.04	$6,168.36
Telerik: Telerik Controls	7	$197.89	$1,385.22
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$989.01	$989.01
Who's On: Chat	1	$17,889.07	$17,889.07
Worksoft: Certify	1	$49,195.00	$49,195.00
Subtotal O&M Year 9			**$424,274.16**
Adobe: Adobe Creative Cloud Membership	4	$20.29	$81.17
Adobe: Adobe FrameMaker	4	$204.92	$819.69
Adobe: RoboHelp 11	15	$340.68	$5,110.13
Automic: AWA Enterprise Edition	1	$29,021.00	$29,021.00
Camouflage: Data Masker	1	$26,730.00	$26,730.00
Camouflage: Subsetter	1	$7,233.00	$7,233.00
Dynatrace: Dynatrace	78	$552.77	$43,116.00
Erwin: Erwin Data modeler	2	$939.11	$1,878.21
HFS: HFS	1	$6,000.00	$6,000.00
IPSwitch: WS_FTP Server	8	$260.00	$2,080.04
K2: K2 Blackpearl/K2 Forms	1	$55,476.85	$55,476.85
Microsoft: OfficeProPlus	5	$215.85	$1,079.25
Microsoft: System Center	16	$360.05	$5,760.84

Microsoft: WinEntforSAwMDOP	6	$85.41	$512.45
Nessus: Nessus	1	$5,585.82	$5,585.82
OpenText: HPExstream	1	$55,505.64	$55,505.64
Informatica: Address Doctor	1	$68,677.00	$68,677.00
Redgate: SQLBelt	2	$696.09	$1,392.17
RedHat: Tomcat	1	$4,050.00	$4,050.00
Splunk: Splunk	1	$35,709.59	$35,709.59
Symantec: Data Center Security (DCS): Server Advanced(AWS Service) and EPM/EMPA	8	$794.18	$6,353.41
Telerik: Telerik Controls	7	$400.00	$2,800.00
WebSuperGoo: ABCPDF	1	$900.00	$900.00
WebWorks: WebWorks ePublisher Pro	1	$1,018.68	$1,018.68
Who's On: Chat	1	$18,425.75	$18,425.75
Worksoft: Certify	1	$50,671.00	$50,671.00
Subtotal O&M Year 10			**$435,987.68**
Total Licensing Price **(sum of L.1, L.2 L.3, L.4, L.5, and L.6)**			$8,994,347.89

[1] Transfer total amount to appropriate line item on Schedules A-I.

Labor Category[1]	Hourly Rate
Account Manager	$263.73
Billing Agent	$75.97
Billing Sr. Agent	$112.70
Business Analyst Staff	$129.89
Claims Agent	$71.83
Claims Supervisor	$166.26
Client Account Lead	$346.45
Configuration Staff	$163.38
Customization Staff	$154.70
HIPPA Security & Compliance Specialist	$166.26
HR Rep	$204.24
IO AWS Admin	$191.78
IO Security Lead	$468.62
IO Security Support	$185.66
IO Service Delivery Lead	$195.44
IO Technical Support Lead	$278.20
IO Windows Admin	$154.77
IO Windows Senior Admin	$169.56
Mailroom Clerk	$58.84
Mailroom Supervisor	$166.26
Member Management Agent	$76.48
Member Management Sr. Agent	$93.46
Member Management Supervisor	$166.26
Operational Business Manager	$153.20
Operations Manager	$205.58
PMO Analyst	$85.63
PMO Lead	$150.66
Project Management Staff	$173.25
Project Manager	$220.52
Quality Assurance Lead	$270.08

Receptionist	$99.13
Reporting	$115.80
Service Delivery Lead	$376.50
Sr. Agent	$115.05
Technical Manager	$177.31
Technical Writing and System Documentation Staff	$123.80
Testing and Validation Staff	$110.98
Testing Manager	$221.78
Training / Process Content Specialist	$116.37
Training Supervisor	$132.80
Web Content Specialist	$133.38

[1] Offeror shall complete this table and expand as necessary to capture all labor categories to be used by them in the

Pricing Stage	Price Line #	Price
Total Implementation Contract Stage Month 1 - 12 (Total Stage Price from Schedule A.5)	**(A.5)**	**$24,465,307.00**
Total Implementation DDI Contract Stage Month 13 - 23 (Total Stage Price from Schedule A.10)	**(A.10)**	**$23,873,279.34**
Total Ongoing Operations and Maintenance, Contract Stage Month 1 through Month 12 (Total Stage Price from Schedule B)	**(B.4)**	**$22,259,031.68**
Total Ongoing Operations and Maintenance, Contract Stage Month 13 through Month 24 (Total Stage Price from Schedule C)	**(C.4)**	**$18,980,959.32**
Total Ongoing Operations and Maintenance, Contract Stage Month 25 through Month 36 (Total Stage Price from Schedule D)	**(D.4)**	**$18,422,854.99**
Total Ongoing Operations and Maintenance, Contract Stage Month 37 through Month 48 (Total Stage Price from Schedule E)	**(E.4)**	**$18,463,285.10**
Total Ongoing Operations and Maintenance, Contract Stage Month 49 through Month 60 (Option Year Renewal) (Total Stage Price from Schedule F)	**(F.4)**	**$18,586,646.46**
Total Ongoing Operations and Maintenance, Contract Stage Month 61 through Month 72 (Option Year Renewal) (Total Stage Price from Schedule G)	**(G.4)**	**$19,015,390.33**
Total Ongoing Operations and Maintenance, Contract Stage Month 73 through Month 84 (Option Year Renewal) (Total Stage Price from Schedule H)	**(H.4)**	**$19,792,373.96**
Total Ongoing Operations and Maintenance, Contract Stage Month 85 through Month 96 (Option Year Renewal) (Total Stage Price from Schedule I)	**(I.4)**	**$20,548,348.81**
Operations and Maintenance Subtotal *(Sum B.4, C.4, D.4, E.4, F.4, G.4, H.4 and I.4)*	**(O&M)**	**$156,068,890.66**
Total Price Bid[1] *(sum of A.5, A.10 and O&M)*	**(Total)**	**$204,407,477.00**

[1] The total price bid will also be used for SWaM scoring purposes.

File 1: Pricing

Contractor shall provide a completed Pricing Submittal Workbook according to the instructions laid forth in RFP Section 4, Pricing Information. The Pricing Submittal Workbook is included in RFP Appendix C and on the Procurement Library in its native Microsoft Excel format.

Accenture State Healthcare Services LLC ("Accenture") is pleased to submit its revised cost proposal in response to the Commonwealth of Virginia's Department of Medical Assistance Services ("DMAS") letter dated July 6th, 2017 and the additional communication received on June 19th[th], 2017.   The contents of this revised proposal shall only be used for evaluation purposes in relation to RFP 2016-02 for an Operations Services Solution. Accenture's revised proposal submission and its performance of any services are contingent upon the parties' negotiation and execution of a contract containing terms and conditions mutually acceptable to both DMAS and Accenture.

We have not included a target range calculation as part of the pricing schedules but applied specific reductions based on the assumptions stated below.

Our revised pricing includes DDI and Operations reductions based on re-validating our costs for this proposal and our cost assumptions as noted below.

Financial Approach

- Accenture's revised pricing approach re-affirms our Technical proposal responses to deliver high performance and exceptional quality for DMAS.

- Accenture's pricing and proposed rates are unique to this particular proposal and project. They reflect the distinctive nature of the work requested by the Commonwealth.

We understand DMAS will compare the bidders' price as part of your best value determination and appreciate the importance of DMAS being able to link value with price.

**File 1:
Pricing**

Department of Medical Assistance Services
Virginia Medicaid Enterprise System: Modular Core Services Solutions
RFP No. 2016-02

Summary

In conclusion, we believe Accenture is best positioned to support DMAS to successfully deliver the OPSS scope of services. Our Cost Proposal fully aligns to our Technical proposal responses and provides the Department with a transparent view of how the value Accenture will deliver coincides with our carefully estimated price.

As the Chief Executive Officer of ASHS, I hereby certify that I am authorized to legally bind Accenture for the Cost Proposal and price summary sheet(s) and that the enclosed information is valid for 180 calendar days from the date of submission.

We welcome this opportunity to provide service to DMAS and look forward to discussing our proposal with you further. Please do not hesitate to contact me, Jonathan Andrews, at (512) 732-5412 should you have any questions regarding this proposal.

Assumptions

In the event any of the assumptions below are inaccurate or incomplete, the parties will negotiate an adjustment to the scope and/or price in accordance with the Contract's Change Control Procedures.

Accenture has provided a revised Schedule K in accordance with the original pricing sheet provided by DMAS. As noted additional configuration and customization resources beyond the hours stated will be agreed upon through use of the provided Rate Card.

Accenture assumes that information provided by or referenced by DMAS to Accenture is accurate and complete.

Changes to the information provided by DMAS including, items or equipment that DMAS deem necessary and essential for operations support after the Project start date, the parties will negotiate an adjustment in the project scope (and expenses, if applicable), per the final Contract's change order process.

Changes in U.S. Federal, State or Local laws or regulations will go through a mutually-agreed upon change control process to address potential impacts if any to the proposed services that may affect Project schedule and/or costs to Accenture.

DMAS will commit resources and management involvement as described in the Contract, the SOW, or as required by the work effort in order to support Accenture's delivery of the services.

DMAS will be solely responsible for the contractual relationship with its third parties and for facilitating their cooperation with Accenture. Accenture will not have any responsibility for the performance of other contractors or vendors engaged by DMAS (other than Accenture's

File 1: Pricing

Department of Medical Assistance Services
Virginia Medicaid Enterprise System: Modular Core Services Solutions
RFP No. 2016-02

subcontractors) or delays caused by them. Other than as specifically identified in any final Contract, there are no third party beneficiaries to the Contract.

Unless expressly indicated by the context of usage, use of the term "partner" is not intended to connote a legal business organization or relationship.

Use of the term "ensure" is defined to mean that both parties will use all commercially reasonable efforts to accomplish their legal responsibilities under the terms of the Contract.

Use of the term "best" or "best practices" is defined to mean that the quality and/or effort will be in accord with commercially reasonable efforts to accomplish agreed upon legal responsibilities under the explicit terms of the Final Contract.

For the purpose of proposal submission, Accenture has assumed that it and DMAS may agree that Accenture leverage its network of strategic Alliances. Alliances are a critical component of Accenture's High Performance Business strategy. Our 'Network of Alliances' is a reference to relationships with technology vendors worldwide whose products and services complement and extend Accenture's technology and business capabilities. Accenture has alliance relationships with over 400 hardware and software vendors, including industry leaders, such as Oracle, SAP, BMC, HP, Cisco, DELL, EMC, and IBM.

If selected and required to procure hardware or software, Accenture assumes that it and DMAS acknowledge and agree that Accenture's Technology Fulfillment Team (an internal Accenture organization) will leverage these alliance relationships in order to deliver hardware, software and network solutions as applicable.

In particular with respect to pricing associated with third party products, Accenture assumes that it and DMAS acknowledge and agree that to the extent that Accenture is required to procure third party products for DMAS, Accenture will assign these obligations to an Accenture affiliate in order to support the resale of third party products and services. The Accenture affiliate, Proquire LLC, a wholly owned entity of Accenture, is an authorized reseller of third party products and shall provide such products subject to the terms and conditions set forth on an attachment to the Final Contract. Accenture, as prime contractor, will remain responsible for performance of the prime contract and will collect payment on behalf of the Accenture affiliate. If any order under this contract requires the procurement of third party products, including hardware, software, and/or related third party services (including, but not limited to, maintenance services), Accenture may assign the procurement functions to Proquire. Accenture, as an agent for Proquire, may invoice, collect, and receive from client all sums that are or become due to Proquire, including taxes and shipping charges, as applicable.

Any third party hardware or COTS software that may be introduced into this Contract is subject to the warranty and the terms and conditions of the respective hardware and software providers.

File 1: Pricing

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As a function of our pricing, Accenture further assumes that it and DMAS agrees and acknowledges the following as fundamental elements of the technical solution:

- The Commonwealth will continue to use their current FileNet solution or another solution provided by a third party; Accenture does not plan to convert legacy images into a new version of FileNet but will instead integrate with the state's current FileNet or other third party solution.

- Accenture's hardware sizing numbers are based on 38 million claims per year, 200 thousand Providers, 1.1 million members, and 5% data growth year over year.

- All non-production environments have been modeled to have 50% uptime.

- The central Identity and Access Management solution (I&AM) is being provided by the ISS Contractor.

- Our solution retains historicaldata in the Online Transaction Process System (OLTP) and Operational Data Store (ODS).   There is no plan to archive historical data, rather all historical data is retained in the OLTP and ODS until such time both parties agree to archive.

- For the VITA hosted model, hardware is installed in the VITA datacenters and the Commonwealth is responsible for the refresh strategy and other activities referenced in published responses to questions.

- Our solution is predicated upon the current baseline volumes.

- The expected ticket count for help desk is around 2400 tickets per annum.

- The Accenture help desk will be available between 8:00AM to 5:00 PM Monday through Friday.

- The DMAS EDI Gateway and/or the ISS solution will perform trading partner management, SNIP levels 1-7 HIPAA validation, parsing batch files into individual transactions, and transaction reporting and auditing. Only transactions passing front-end EDI edits will be provided to the MCSS modules.

- DMAS is promoting the use of standards to encourage interoperability and ease the exchange of data and is procuring a MES-ISS vendor to function as the central hub for managing data interfaces. Our solution embraces DMAS's vision to exchange data via industry standards and enable the MES-ISS vendor to manage the exchange of data between systems. The proposed solution makes data available to other MES contractors through the use of business services and standard X12 and NCPDP transactions. Additionally, the solution includes effort to:
  - Exchange Buy-In information with CMS
  - Exchange data with claims editing software, such as McKesson Claims Xten and 3M Grouper, using real-time web services

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- o Real-time exchange of data with BluePay credit card processor to enable online payments

- o Services-based data exchanges will be leveraged to verify employment and workforce with the VA Employment Commission and TALX systems, receive absent parent and asset information, and accept member data from the SSA and Bureau of Vital Statistics

- The ISS vendor will provide data to the OPSS and push OPSS data to the VA EDWS and other sources that require it using industry standards or existing APHP services.

- Verified COB data will be provided to the OPSS through the ISS solution from the TPL vendor. The OPSS solution does not include separate interfaces for receipt of TPL data from sources such as CMS for Medicare Parts A - D, DEERS/Tricare/CHAMPUS, MMA, EDB,etc.

- The PLMS vendor will be responsible for providing reference data information to downstream systems that require it, such as the OPSS, KePro and the EDWS.

- Data will be transmitted between the OPSS and VA MCOs through industry standards in a consistent format; a separate format for each MCO is not considered in scope.

- The ICAM vendor will make both a SAML token and WS-Federation token available to MES modules for tie in to the ICAM solution.

- Authorized workers will have the ability to update Member records through the APHP Worker UI. Members will not have access to update their records.

- The Commonwealth's Enrollment Broker will manage member MCO selections. The OPSS Member Portal will provide a link to access the Enrollment Broker's site to make MCO changes.

- Members requiring services before eligibility determination, such as long-term care assessments, will be identified via the eligibility system, sent to the OPSS solution through the eligibility interface, and enrolled in benefit plans limited to those services the member may receive prior to eligibility determination.

- Members will view financial transactions made using the BluePay system within the BluePay user interface.

- Members will be able to link from the OPSS Portal to the following solutions for additional self-service actions:

  - o PBM solution to perform pharmacy Claim Status Inquiries (CSI)

  - o Care Management solution to view service authorization and EPSDT information

  - o Enrollment Broker solution to make MCO selections and changes

  - o Eligibility solution to make demographic changes

- The Member Portal will use existing APHP capabilities to display functionality on mobile devices.

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- DMAS is currently engaging the incumbent fiscal agent to develop functionality for the collection of WP-5 Nursing Facility Admission/Discharge Forms data via portal functionality. This application will be internally supported by DMAS upon termination of the fiscal agent and be included in MES. WP-5 Nursing Facility Admission/Discharge Forms are considered out of scope for the OPSS solution.

- The Health Financial Systems (HFS) tool is leveraged to collect provider cost data. Cost data is accessible online to Myers & Stauffer through the HFS tool or the ODS. Processes supporting cost settlement management and letter creation will be provided by Myers & Stauffer.

- Dental claims will be processed by the Dental ASO and are considered out of scope for the OPSS.

- APHP provides access to near real-time data through Microsoft's SSRS Reporting platform and an Operational Data Store. Using these tools, our solution provides a Claims Reporting Dashboard, a Member Reporting Dashboard, and the following standard operations support reports: twelve (12) claims processing activities, three (3) financial-related reports, nine (9) reports for monitoring and managing member enrollment and data, and seven (7) system performance reports. Additionally, our solution makes data available to the EDWS.

- DMAS will leverage the EDWS for reports beyond those available with the baseline APHP solution.

- APHP Microsoft SSRS query capabilities may be used by trained DMAS staff for access to OPSS related data if not available in the EDWS.

- OPSS data conversion efforts assume an efficient one-time conversion from the legacy MMIS RDBMS data store as a single source system to the APHP Benefit Administration RDBMS. Exclusions include data warehouse feeds and data marts to be addressed with the EDWS RFP.

- OPSS data conversion efforts assume all MMIS-source data is maintained in a DB2 database with well-defined metadata and enforced data attribute rules, i.e., valid date format, along with extensive referential integrity functionality. Our assumption is DMAS will be responsible for data extraction, profiling and cleansing of all historical data required for the APHP Benefit Administration. DMAS will provide data to Accenture in a DB2 unload format for transformation and loading into APHP data model.

- OPSS data conversion efforts assume Accenture will load data into the APHP data models by using existing services in APHP Benefit Administration. System-specific integrity rules and processing logic will be applied to validate that the data are loaded into the target system correctly provided by the existing services in APHP Benefit Administration. DMAS will be provided with information on any data failing the load and we assume DMAS will make all necessary data corrections into the current MMIS source.

- OPSS data conversion efforts assume three years of Claims history, reference information to support 3 years of benefit information, three years of prior authorization data, and full Member

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and Provider history. It is assumed that no encounter claim data or pharmacy claim data will be converted or loaded into APHP Benefit Administration.

- OPSS data conversion efforts assume no retrieval of any archived data.

- OPSS data conversion efforts assume threemock conversions prior to the final conversion to validate technical execution, performance and conversion timeline predictions, and operational execution.

- Mailing inserts are supplied by DMAS or their designee. We understand postage is a pass through cost.

- BluePay credit card processing fees are considered a pass through cost.

- FFS membership will drop from 354,930 to 218,184 by 2018 as per the MLTSS RFP which will refer 136,746 current FFS members to the MCO population. The variance between 212,059 FFS members listed in scope for MLTSS and the 136,746 FFS member reduction taken is based in the footnote that approximately 76,000 ABD individuals will transition from Medallion 3.0 to MLTSS in January 2018.

- Monthly member enrollment inquiries are approximately 600 or fewer back office transactions per month.

- The Member Management operations scope required is Premium Payment pre-billing reviews and reconciliation, HIPP application processing and setup and Member Buy-In reconciliation with CMS.

- The financial services vendor performs premium payment invoicing as well as the payment acceptance, cash posting and billing reconciliation.

- Member surveys are administered through the Member portal only.

- The Commonwealth or the Financial Services vendor is managing the financial banking relationship and bank lockbox function.

- Based on projected Fee for Services membership (218,184), the total claim volume to be received for Practitioner and Institutional services will be approximately 12,600,000 annually. The percentage from each group will be approximately 50%.

- The auto-adjudication rate for claims will be 93% or higher resulting in the remaining seven (7%) to suspend for manual processing. The claims suspend rate of seven percent (7%) consists of approximately four percent (4%) standard review, two percent (2.0%) adjustments and one percent (1.0%) resubmission reviews.

- Claims related outbound calls to providers are not required.

- Inbound calls from Providers related to claims status and claims adjudication status are handled and resolved by the Provider Services vendor.

- DMAS agrees to reasonable requests for implementing configuration changes that promote reduction of claims suspense and improve auto adjudication rates.

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- Mail received for the Modular Core Services scope is required to be processed by the Mailroom. This includes incoming mail for Operations Services, Plan Management, Provider Services, and Care Management.

- Mailroom functions include Modular Core Services scope related mail received by the Operations Services mailroom. This includes the intake and scanning of documents and an output of a standard image file. Image files outside of Accenture scope will be sent to the respective contractor for their final processing and storage. Any mail that is received for non-Accenture contractors will be delivered daily to their designated location based on their choice of delivery method and at their expense.

- Physical copies of paper received within Accenture's scope of services are retained for 30 days and then destroyed by shredding.

- Check payments will be directed to the Commonwealth's financial institution for payment processing. In the unexpected event that the mailroom receives a paper check then it will be recorded per the Commonwealth's requirement, placed in a secured travel bag and sent to the Commonwealth's local bank/financial institution via courier for processing.

- Based on assumed improvements for electronic submission and communication of Provider documents, approximately two percent (2%) or less of future claims and additional provider related volume are assumed to be paper based.

- Based on projected Fee for Services membership (218,184) and move to improved electronic methods for submission, the annual mailroom document volume receipt will be approximately 272,000. The number of documents by type is assumed to be as follows:

  – Claims (253,000)

  – Enrollments (700)

  – Prior Authorizations/Correspondence (3,700)

  – Dental X Rays (2,500)

  – Member Appeals/Correspondence (700)

  – Denial Resubmissions (4,500)

  – Return Mail (6,500)

- Based on projected Fee for Services membership (218,184) and provided member contact rate, member contact volume assumed is approximately 57,800 per annum, with similar monthly distribution to the member call volume provided in the Procurement Library

- Twenty percent (20%) of member calls should be recorded with retention of 60 days.

- DMAS retains financial responsibility for the charges related to the Toll Free Numbers (TFNs).

File 1:
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Financial Assumptions

- Price is presented in U.S. Dollars

- Time periods in Appendix C – Pricing Schedule have been adjusted to assume a <u>August 1, 2017</u> DDI start date. Pricing assumes 120 months of services including a 23-month DDI period, 48-month base O&M period, and 48-month optional O&M period.

- Adjustments to the delivery of services provided will result in an impact to the timing of fees.

- The Accenture hosted solution services can be cancelled exclusively.

- Third Party Software licenses and maintenance will be billed as incurred and included in Schedule L.1-L.7

- The Software licenses we are providing are not tied to user access.

File 2: Small Business (SWaM) Procurement Plan

Contractor shall provide a completed SWaM Procurement Plan, which is included in RFP Appendix B, according to the instructions laid forth in RFP Section 9.c, Small Business (SWaM) Procurement Plan.

The Department of Medical Assistance Services (DMAS) deserves a partner who is differentiated on multiple levels. As a global organization, Accenture takes pride in proactively engaging with the businesses in the communities where we live and work. Accenture is recognized by clients, peers, competitors, shareholders, and groups such as the National Minority Supplier Development Council and the Women's Business Enterprise National Council as an organization committed to an inclusive network of contractors.

In 2006, we launched a mentoring program between Accenture leaders and diverse suppliers. This 18 month-long program provides quarterly training on topics such as business development, sales effectiveness, strategic planning, marketing, cloud computing, and environmental sustainability. The program provides unique opportunities to help our supplier "protégés" identify challenges in running and growing their businesses, as well as to network and seek counsel from Accenture leaders who serve as "mentors."

Through fiscal 2015, we developed a total of 101 small, medium, and diverse suppliers through our Diverse Supplier Development Program (DSDP). We embrace a spirit of diversity and augment our teams with subcontractors that provide specialized skills and quality staff.

We support the Commonwealth of Virginia and the Department of Small Business and Supplier Diversity (SBSD) in contributing to the establishment, preservation, and strengthening of small businesses and micro businesses, including those small or micro businesses owned by women, minorities or service-disabled veterans, and to encourage their participation in Commonwealth procurement activities.

FILE 2: Small Business (SWaM) Procurement Plan

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Specific to the Modular Core Services Solutions (MCSS) Operations Services Solution (OPSS) contract scope, we recognize how important the overall SWaM participation goal is to DMAS, and to the Commonwealth at large. In looking at the aggregate total percentages across the entire Medicaid Enterprise System (MES) Project, DMAS has the ability to achieve the required participation goals for both the DDI and Operations phases of the contract when combining the SWaM percentages across all of the selected MES contractors.

In selecting our team for OPSS, we analyzed the RFP requirements and evaluated firms that had a combination of local presence, relevant skills, and Virginia SWaM certification (as defined in § 2.2-4310 or 2.2-1401 of the Code of Virginia). Since we are offering to install and operate a solution that has already been developed, the majority of the contract effort is focused on the Operations Phase scope. Through our due diligence and research of many firms, we down-selected a small, yet exceptional team with the complementary skills and capabilities tailored to the OPSS Operations Phase requirements.

At the time of proposal submission, Accenture has dedicated a total of 2.9%[1] of the contract value to the SWaM subcontractors shown in Figure 2-1.

SWaM	Percentage of Contract Value Spent with SWaM
Rose International, Inc.	1.9%
Commonwealth Mailing Systems, Inc.	1.0%

Figure 2-1. Percentage of the contract value that will be spent with SWaM subcontractors.

Accenture is committed to work towards improving total SWaM participation. We anticipate there will be opportunities to continue to develop our plan as we engage with DMAS on this project. We will explore opportunities to broaden and enhance our resource pool through the use of SWaM partners currently supporting your MMIS and Fiscal Agent operations as that contract comes to conclusion. And, we commit to look for opportunities to improve the SWaM plan participation working with additional diverse businesses certified with the Commonwealth throughout the life of this contract.

In addition to our proposed SWaM subcontractors, Accenture plans to use the following subcontractors who are not Virginia-certified SWaM businesses:

- Contact Solutions LLC provides automated voice response system (AVRS) and call transfer activities

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[1] The total SWaM percentage for the Base Contract with Optional Enhancements (Member Call Center and Mass Mailing) using an Accenture hosted option is 2.9% (Rose International Inc.: 1.9% and Commonwealth Mailing Systems, Inc.: 1.0%.). The total percentage of the Base Contract without Optional Enhancements spent with SWaMs for the Accenture hosted option will be 1.3% (Rose International Inc.: 1.3% and Commonwealth Mailing Systems, Inc.: 0%.)

FILE 2: Small Business (SWaM) Procurement Plan

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- McKesson provides claims auditing service

Our completed SWaM Procurement Plan has been prepared in accordance with the instructions in RFP section 9.c. Small Business (SWaM) Procurement Plan, and Appendix B – SWaM Procurement and Subcontracting Monthly Report and Small Business Procurement Plan, and is included on the pages that follow. Additional information regarding our proposed subcontractors, their scope of work, and our onboarding and management approach can be found in File 4: Contractor Profile and Key Personnel.

APPENDIX B – SWaM PROCUREMENT AND SUBCONTRACTING MONTHLY REPORT AND SMALL BUSINESS PROCUREMENT PLAN

A. SMALL, WOMEN-OWNED, AND MINORITY-OWNED BUSINESS (SWaM) PROCUREMENT AND SUBCONTRACTING QUARTERLY REPORT

On a quarterly basis, Contractor shall submit to DMAS evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. Upon completion of the contract, the Contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the SBSD certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies for non-compliance to include, but not be limited to, termination for default.

Contractor's quarterly report shall include spend on all Contractor's contracts with second-tier small business suppliers which provide products or Service/Solution under this Contract. The report shall specify the amount of such spend provided to SWaM vendors, by SWaM category, regardless of such SWaM vendors' certification status. Contractor shall submit the report to BCM@dmas.virginia.gov.

B. SWaM PROCUREMENT PLAN

All small businesses must be certified by the Virginia Department of Small Business and Contractor Diversity (SBSD) by the due date for receipt of bids Certification applications are available through SBSD online at http://www.sbsd.virginia.gov/.

Offeror Name: Accenture State Healthcare Services LLC

Preparer Name: Maria Little   Date: September 23, 2016

INSTRUCTIONS

A.   If you are certified by the SBSD as a small business or as a micro business, complete only Section A of this form. This shall not exclude SBSD-certified women, minority or service-disabled veterans-owned businesses when they have received SBSD small business certification.

B.   If you are not a SBSD-certified small business, complete Section B of this form.

SECTION A

If your firm is certified by the SBSD are you certified as a (check all that apply):

_____Small Business

_____Small and Women-owned Business

_____Small and Minority-owned Business

_____Small Service Disabled Veteran-owned Business

_____Small Service Disabled Veteran-owned Business

_____Micro Business

_____Micro Business and Women-owned Business

_____Micro Business and Minority-owned Business

_____Micro Service Disabled Veteran-owned Business

Certification Number: _____

Certification Date: _____

SECTION B

Populate the table below to show your firm's plans for utilization of SBSD-certified small businesses in the performance of this contract. This shall not exclude SBSD-certified micro businesses or women, minority, or service disabled veteran-owned businesses when they have received the SBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, etc.

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M) Service-Disabled Veteran (D), Micro Business (MB)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract
Commonwealth Mailing Systems, Inc. 1700 Venable Street, Richmond, VA 23223 DMBE Certificate #6609	(S)	David Campbell, President (804) 780-1700 David@cms-mpc.com	Printing, Data Processing, Letter Personalization, and Mailing Services	Commonwealth Mailing Systems, Inc. will provide print fulfillment during the operations phase of the Operations Services Solution.	$2,251,906
Rose International, Inc. 16401 Swingley Ridge Road, Suite 300, Chesterfield, MO 63017 DMBE Certificate #685410	(M)	Larry Crane, CFO (636) 812-4000 State_locgov@roseit.com	Staffing-Data Entry, Mail Room Clerk, Call Center Representative Claim Adjudication (Suspense Correction), OCR Clerk, Claim Processing – back office, Customer Support / Call center Voice Inbound, Call Center Outbound , Billing Analyst / Reconciliation, Customer Support Back Office, Quality Analyst, Team Lead Voice, Team Lead Back office, Reception, Trainer, Training Content Developer, Web	Rose International, Inc. will provide additional staff during the operations phase of the Operations Services Solution.	$4,319,947

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M) Service-Disabled Veteran (D), Micro Business (MB)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract
			Publisher, Publications Designer		
Totals $					$6,571,853[2]

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[2] The total of $6,571,853 is for the Base Contract with Optional Enhancements (Member Call Center and Mass Mailing) using an Accenture hosted option. The total planned contract dollars dedicated to SWaMs for the Base Contract without Optional Enhancements using an Accenture hosted option will be $2,681,707 (Rose International, Inc.: $2,681,707 and Commonwealth Mailing Systems, Inc.: $0).

Pricing Table A - DDI Prices

Contractor:	Accenture

DDI Phase: 23 month Duration

Payment Milestone No.	Milestone Name	Contract Date	Ending Month of Milestone	Fixed Price	3% Certificaton	7% Holdback	Payment	Deliverable(s)	Payment % of Contract	% Cummulative Payment Made	Deliverable(s) Integrated From RFP Appendix I - Milestones and Deliverables *(where appliciable)*
1	Approved Master Work Plan	January-18	2	$ 2,416,929.32	$ 72,507.88	$ 169,185.05	$ 2,175,236.39	Master Work Plan (in MS Project)	5.00%	5.00%	4 weeks after contract signed and weekly thereafter
2	Approved Project Management Plans	March-18	3	$ 4,833,858.63	$ 145,015.76	$ 338,370.10	$ 4,350,472.77		10.00%	15.00%	
								Project Charter – Input to DMAS prepared deliverable			2 weeks after contract signed
								Contractor Management Team Organization Chart			2 weeks after contract signed
								Performance Reporting Plan and Status Summary			6 weeks after contract signed and weekly thereafter
								Detailed Project Management Plan			2 weeks after contract signed
								Communications Management Plan			6 weeks after contract signed and weekly thereafter
								Staff Acquisition Plan			6 weeks after contract signed and weekly thereafter
								Documentation Management Plan			12 weeks after contract signed and each week thereafter
								Risk and Issues Management Plan, includes Escalation Management Plan			12 weeks after contract signed and each week thereafter
								Scope/Deliverable Management Plan			4 weeks after contract signed and each week thereafter
								Requirements Management Plan			12 weeks after contract signed and each week thereafter
								Change Management Plan			10 weeks after contract signed and each week thereafter
								Configuration Management Plan			8 weeks after contract signed and part of project execution and control thereafter
								CMS Certification Plan			12 weeks after contract signed and updated each week thereafter
								Hardware and Equipment Acquisition Plan			6 weeks after contract signed and each week thereafter until phase end
								Software Acquisition and Installation Plan			6 weeks after contract signed and each week thereafter until phase end
								Security Plan			12 weeks after contract signed and after any changes
								Policy and Procedures Manual			6 weeks after contract signed and after any changes
								Conversion Plan			8 weeks after contract signed and after any changes
								Release Management Plan			12 weeks after contract signed and after any changes
3	Approved Quality Assurance/Test Management Plan	April-18	3	$ 2,416,929.32	$ 72,507.88	$ 169,185.05	$ 2,175,236.39		5.00%	20.00%	
								Quality Management Plan			16 weeks after contract signed and each week thereafter
								Test Management Plan			10 weeks after contract signed and each week thereafter
	Environment Builds										
4	Development Environment Established and Operational	February-18	2	$ 1,933,543.45	$ 58,006.30	$ 135,348.04	$ 1,740,189.11		4.00%	24.00%	
5	Integration Test Environment Established and Operational	February-18	2	$ 1,933,543.45	$ 58,006.30	$ 135,348.04	$ 1,740,189.11		4.00%	28.00%	
6	Conversion Environment Established and Operational	February-18	2	$ 1,933,543.45	$ 58,006.30	$ 135,348.04	$ 1,740,189.11		4.00%	32.00%	

#	Description	Date	Mo	Amount 1	Amount 2	Amount 3	Amount 4	Deliverable	%	Cum %	Notes
7	System Integration Test Environment Established and Operational	July-18	7	$ 1,933,543.45	$ 58,006.30	$ 135,348.04	$ 1,740,189.11		4.00%	36.00%	
8	Security / Performance / Regression / Interface Test Environment Established and Operational	February-19	14	$ 1,933,543.45	$ 58,006.30	$ 135,348.04	$ 1,740,189.11		4.00%	40.00%	
9	UAT Environment Established and Operational	March-19	16	$ 1,450,157.59	$ 43,504.73	$ 101,511.03	$ 1,305,141.83		3.00%	43.00%	
10	Training / ORT / Mock Production Environment Established and Operational	March-19	16	$ 1,450,157.59	$ 43,504.73	$ 101,511.03	$ 1,305,141.83		3.00%	46.00%	
11	Production Environment Established and Operational	March-19	16	$ 2,416,929.32	$ 72,507.88	$ 169,185.05	$ 2,175,236.39		5.00%	51.00%	
	Application Build & Testing										
12	Approved Detail Design Document	May-18	5	$ 4,350,472.77	$ 130,514.18	$ 304,533.09	$ 3,915,425.50	Detail Design Document	9.00%	60.00%	15 weeks after contract signed and after any changes
13	SIT Test Planning Complete		8	$ 2,900,315.18	$ 87,009.46	$ 203,022.06	$ 2,610,283.66	SIT Test Plan	6.00%	66.00%	
14	Configuration Library Complete	January-19	16	$ 2,416,929.32	$ 72,507.88	$ 169,185.05	$ 2,175,236.39	Configuration Library	5.00%	71.00%	
15	Build / Configuration and Approved Unit Testing Complete	January-19	16	$ 2,416,929.32	$ 72,507.88	$ 169,185.05	$ 2,175,236.39	Unit Test Results and Updated Configuration Library	5.00%	76.00%	
16	Approved SIT	June-19	18	$ 2,900,315.18	$ 87,009.46	$ 203,022.06	$ 2,610,283.66	SIT Test Results	6.00%	82.00%	
17	Approved UAT	August-19	20	$ 3,383,701.04	$ 101,511.03	$ 236,859.07	$ 3,045,330.94	UAT Test Results	7.00%	89.00%	
	Operational Readiness										
18	Approved Training Plan	July-19	20	$ 483,385.86	$ 14,501.58	$ 33,837.01	$ 435,047.27	Training Plan	1.00%	90.00%	4 months before Implementation and after any changes
19	Approved Operating (SLAs) Level Agreements	September-19	22	$ 483,385.86	$ 14,501.58	$ 33,837.01	$ 435,047.27	Operating (SLAs) Level Agreements	1.00%	91.00%	2 months before Implementation and after any changes
20	Approved ORT	September-19	21	$ 1,450,157.59	$ 43,504.73	$ 101,511.03	$ 1,305,141.83	ORT Test Results	3.00%	94.00%	
21	Approved Implementation and Transition Plan	August-19	21	$ 483,385.86	$ 14,501.58	$ 33,837.01	$ 435,047.27	Implementation and Transition Plan	1.00%	95.00%	3 months before Implementation and after any changes
22	Implementation Complete	November-19	23	$ 2,416,929.32	$ 72,507.88	$ 169,185.05	$ 2,175,236.39		5.00%	100.00%	
FFY2018	7% Holdback Release at end of Federal Fiscal Year 2018	October-18	10/1/2018				$ 1,725,687.51				
FFY2019	7% Holdback Release at end of Federal Fiscal Year 2019	October-19	10/1/2019				$ 1,658,013.49				
CMSCERT	CMS Certification Phase 1 (3% Certification Holdback Release)	TBD	upon CMS Certification				$ 1,450,157.60				
	TOTAL			$ 48,338,586.33	$ 1,450,157.60	$ 3,383,701.00	$ 48,338,586.32				

DDI Cost	$ 48,338,586.33

Milestone Payments (months 1 through 12)	$ 23,913,098.66
Milestone Payments (months 13 through 23)	$ 22,975,330.06
control	$ 48,338,586.32

Schedule C Payments (months 1 through 12, Lic Fees, QA Payments)	$ 23,731,347.34
Schedule C Payments (months 13 through 23, Lic Fees, QA Payments)	$ 23,157,081.41
control	$ 48,338,586.34

o

EXHIBIT C – ESCROW AGREEMENT

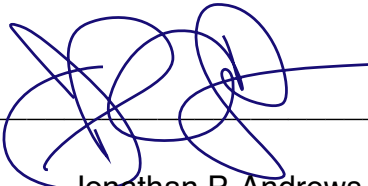**EXHIBIT D – END USER LICENSING AGREEMENT (For Reference Only)**

EXHIBIT E – CERTIFICATION REGARDING LOBBYING

EXHIBIT E: CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

i). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

ii). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

iii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: _____

Printed Name: _____Jonathan P. Andrews_____

Organization: _____Accenture_____

Date: _____November 22, 2017_____

EXHIBIT F – DMAS BUSINESS ASSOCIATE AGREEMENT (BAA)

COMMONWEALTH *of* VIRGINIA
Department of Medical Assistance Services

CYNTHIA B. JONES
DIRECTOR

SUITE 1300
600 EAST BROAD ST
RICHMOND, VA 23219

BUSINESS ASSOCIATE AGREEMENT (BAA) to Contract # 10037
PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION

General Conditions

This BAA ("Agreement" or "BAA") is made as of the Effective Date of the Contract by the Department of Medical Assistance Services ("Covered Entity"), with offices at 600 East Broad Street, Richmond, Virginia, 23219, and Accenture State Healthcare Services, LLC ("Business Associate"), with an office at 1501 South MoPac Expressway, Suite 300, Austin, Texas 78746. This is a non-exclusive agreement between the Covered Entity, which administers Medical Assistance, and the Business Associate named above.

The Covered Entity and Business Associate, as defined in 45 CFR 160.103, have entered into this Business Associate Agreement to comply with all applicable provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), P.L. 104-191, as amended, the current and future Privacy and Security requirements for such an Agreement, the Health Information Technology for Economic and Clinical Health (HITECH) Act, (P.L. 111-5) Section 13402, requirements for business associates regarding breach notification, as well as our duty to protect the confidentiality and integrity of Protected Health Information (PHI) required by law, Department policy, professional ethics, and accreditation requirements.

DMAS and Business Associate ("parties") shall fully comply with all current and future provisions of the Privacy and Security Rules and regulations implementing HIPAA and HITECH, as well as Medicaid requirements regarding Safeguarding Information on Applicants and Recipients of 42 CFR 431, Subpart F, and Virginia Code § 32.1-325.3. The parties desire to facilitate the provision of or transfer of electronic PHI in agreed formats and to assure that such transactions comply with relevant laws and regulations. The parties intending to be legally bound agree as follows:

I.   Definitions. As used in this agreement, the terms below will have the following meanings:
   a. Business Associate has the meaning given such term as defined in 45 CFR 160.103.
   b. Covered Entity has the meaning given such term as defined in 45 CFR 160.103.
   c. Provider: Any entity eligible to be enrolled and receive reimbursement through Covered Entity for any Medicaid-covered services.
   d. MMIS: The Medicaid Management Information System, the computer system that is used to maintain recipient (*member*), provider, and claims data for administration of the Medicaid program.
   e. Protected Health Information (PHI) has the meaning of individually identifiable health information as those terms are defined in 45 CFR 160.103.
   f. Breach has the meaning as that term is defined at 45 CFR 164.402.
   g. Required by law shall have the meaning as that term is defined at 45 CFR 160.103.
   h. Unsecured Protected Health Information has the meaning as that term is defined at 45 CFR 164.402.
   i. Transport Layer Security (TLS): A protocol (standard) that ensures privacy between communicating applications and their users on the Internet. When a server and client communicate, TLS ensures that no third party may eavesdrop or tamper with any message. TLS is the successor to the Secure Sockets Layer (SSL).

   Terms used, but not otherwise defined, in this Agreement shall have the same meaning given those terms under HIPAA, the HITECH Act, and other applicable federal law.

II.   Notices

   1. Written notices regarding impermissible use or disclosure of unsecured protected health information by the Business Associate shall be sent via email or general mail to the DMAS Privacy Officer (with a copy to the DMAS contract administrator in II.2) at:

           DMAS Privacy Officer, Office of Compliance and Security
           Department of Medical Assistance Services
           600 East Broad Street
           Richmond, Virginia 23219
           hipaaprivacy@dmas.virginia.gov

   2. Other written notices to the Covered Entity should be sent via email or general mail to DMAS contract administrator at:

           Contact: Robert Crawford (or other individual specified in writing by the Department)

           Department of Medical Assistance Services
           600 East Broad Street
           Richmond, Virginia 23219

III.   Special Provisions to General Conditions

   1. Uses and Disclosure of PHI by Business Associate. The Business Associate
      a. May use or disclose PHI received from the Covered Entity, if necessary, to carry out its legal responsibilities and for the proper management and administration of its business.
      b. Shall not use PHI otherwise than as expressly permitted by this Agreement, or as required by law.
      c. Shall have a signed confidentiality agreement with all individuals of its workforce who have access to PHI.

d. Shall not disclose PHI to any member of its workforce except to those persons who have authorized access to the information, and who have signed a confidentiality agreement.

e. Shall ensure that any agents and subcontractors to whom it provides PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, agree in writing to all the same restrictions, terms, special provisions and general conditions in this BAA that apply to Business Associate. In addition, Business Associate shall ensure that any such subcontractor or agent agrees to implement reasonable and appropriate safeguards to protect Covered Entity's PHI. In instances where one DMAS Business Associate is required to access DMAS PHI from another DMAS Business Associate, the first DMAS Business Associate shall enter into a business associate agreement with the second DMAS Business Associate.

f. Shall provide Covered Entity access to its facilities used for the maintenance and processing of PHI, for inspection of its internal practices, books, records, and policies and procedures relating to the use and disclosure of PHI, for purpose of determining Business Associate's compliance with this BAA.

g. Shall make its internal practices, books, records, and policies and procedures relating to the use and disclosure of PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary of Department of Health and Human Services (DHHS) or its designee and provide Covered Entity with copies of any information it has made available to DHHS under this section of this BAA.

h. Shall not directly or indirectly receive remuneration in exchange for the provision of any of Covered Entity's PHI, except with the Covered Entity's consent and in accordance with 45 CFR 164.502.

i. Shall make reasonable efforts in the performance of its duties on behalf of Covered Entity to use, disclose, and request only the minimum necessary PHI reasonably necessary to accomplish the intended purpose with the terms of this Agreement.

j. Shall comply with 45 CFR 164.520 regarding Notice of privacy practices for protected health information.

2. Safeguards - Business Associate shall
   a. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity as required by the HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 and the HITECH Act.
   b. Include a description of such safeguards in the form of a Business Associate Data Security Plan.
   c. In accordance with the HIPAA Privacy Rule, the Security Rule, and the guidelines issued by the National Institute for Standards and Technology (NIST), Business Associate shall use commercially reasonable efforts to secure Covered Entity's PHI through technology safeguards that render PHI unusable, unreadable and indecipherable to individuals unauthorized to access such PHI.
   d. Business Associate shall not transmit PHI over the Internet or any other insecure or open communication channel, unless such information is encrypted or otherwise safeguarded using procedures no less stringent than described in 45 CFR 164.312(e).
   e. Business Associate shall cooperate and work with Covered Entity's contract administrator to establish TLS-connectivity to ensure an automated method of the secure exchange of email.

3. Accounting of Disclosures - Business Associate shall
   a. Maintain an ongoing log of the details relating to any disclosures of PHI outside the scope of this Agreement that it makes. The information logged shall include, but is not limited to;
      i. the date made,

    ii. the name of the person or organization receiving the PHI,
    iii. the recipient's (member) address, if known,
    iv. a description of the PHI disclosed, and the reason for the disclosure.
  b. Provide this information to the Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.

4. Sanctions - Business Associate shall
  a. Implement and maintain sanctions for any employee, subcontractor, or agent who violates the requirements in this Agreement or the HIPAA privacy regulations.
  b. As requested by Covered Entity, take steps to mitigate any harmful effect of any such violation of this agreement.

5. Business Associate also agrees to all of the following:
  a. In the event of any impermissible use or disclosure of PHI or breach of unsecured PHI made in violation of this Agreement or any other applicable law, the Business Associate shall notify the DMAS Privacy Officer
    i. On the first day on which such breach is known or reasonably should be known by Business Associate or an employee, officer or agent of Business Associate other than the person committing the breach, and

    ii. Written notification to DMAS Privacy Officer shall include the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Contractor to have been, accessed, acquired, used or disclosed during the breach. Business Associate shall confer with DMAS prior to providing any notifications to the public or to the Secretary of HHS.

  b. Breach Notification requirements.
    i. In addition to requirements in 5.a above, in the event of a breach or other impermissible use or disclosure by Business Associate of PHI or unsecured PHI, the Business Associate shall be required to notify in writing all affected individuals to include,
      a) a brief description of what happened, including the date of the breach and the date the Business Associate discovered the breach;
      b) a description of the types of unsecured PHI that were involved in the breach;
      c) any steps the individuals should take to protect themselves from potential harm resulting from the breach;
      d) a brief description of what Business Associate is doing to investigate the breach, mitigate harm to individuals, and protect against any future breaches, and, if necessary,
      e) Establishing and staffing a toll-free telephone line to respond to questions.
    ii. Business Associate shall be responsible for all costs associated with breach notifications requirements in 5b, above.
    iii. Written notices to all individuals and entities shall comply with 45 CFR 164.404(c)(2), 164.404(d)(1), 164.406, 164.408 and 164.412.

6. Amendment and Access to PHI - Business Associate shall
  a. Make an individual's PHI available to Covered Entity within ten (10) days of an individual's request for such information as notified by Covered Entity.
  b. Make PHI available for amendment and correction and shall incorporate any amendments or corrections to PHI within ten (10) days of notification by Covered Entity per 45 CFR 164.526.

      c.   Provide access to PHI contained in a designated record set to the Covered Entity, in the time and manner designated by the Covered Entity, or at the request of the Covered Entity, to an individual in order to meet the requirements of 45 CFR 164.524.

7. Termination
      a.   Covered Entity may immediately terminate this agreement if Covered Entity determines that Business Associate has violated a material term of the Agreement.
      b.   This Agreement shall remain in effect unless terminated for cause by Covered Entity with immediate effect, or until terminated by either party with not less than thirty (30) days prior written notice to the other party, which notice shall specify the effective date of the termination; provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement before the effective date of termination.
      c.   Within thirty (30) days of expiration or earlier termination of this agreement, Business Associate shall return or destroy all PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) that Business Associate still maintains in any form and retain no copies of such PHI.
      d.   Business Associate shall provide a written certification that all such PHI has been returned or destroyed, whichever is deemed appropriate by the Covered Entity. If such return or destruction is infeasible, Business Associate shall use such PHI only for purposes that make such return or destruction infeasible and the provisions of this agreement shall survive with respect to such PHI.

8. Amendment
      a.   Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or of this state relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Covered Entity may, by written notice to the Business Associate, amend this Agreement in such manner as Covered Entity determines necessary to comply with such law or regulation.
      b.   If Business Associate disagrees with any such amendment, it shall so notify Covered Entity in writing within thirty (30) days of Covered Entity's notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate this Agreement by written notice to the other.

9. Indemnification. Business Associate shall indemnify and hold Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, relating to or arising out of any breach or alleged breach of this Agreement by Business Associate.

10. This Agreement shall have a document, attached hereto and made a part hereof, containing the following:
      a. The names and contact information for at least one primary contact individual from each party to this Agreement.
      b. A complete list of all individuals, whether employees or direct contractors of Business Associate, who shall be authorized to access Covered Entity's PHI
      c. A list of the specific data elements required by Business Associate in order to carry out the purposes of this Agreement.
      d. The purposes for which such data is required.
      e. A description of how Business Associate intends to use, access or disclose such data in order to carry out the purposes of this Agreement.

Business Associate agrees to update the above noted information as needed in order to keep the information current. Covered Entity may request to review the above-referenced information at any time, including for audit purposes, during the term of this Agreement.

11. Disclaimer. COVERED ENTITY MAKES NO WARRANTY OR REPRESENTATION THAT COMPLIANCE BY BUSINESS ASSOCIATE WITH THIS AGREEMENT OR THE HIPAA REGULATIONS WILL BE ADEQUATE OR SATISFACTORY FOR BUSINESS ASSOCIATE'S OWN PURPOSES OR THAT ANY INFORMATION IN BUSINESS ASSOCIATE'S POSSESSION OR CONTROL, OR TRANSMITTED OR RECEIVED BY BUSINESS ASSOCIATE, IS OR WILL BE SECURE FROM UNAUTHORIZED USE OR DISCLOSURE, NOR SHALL COVERED ENTITY BE LIABLE TO BUSINESS ASSOCIATE FOR ANY CLAIM, LOSS OR DAMAGE RELATED TO THE UNAUTHORIZED USE OR DISCLOSURE OF ANY INFORMATION RECEIVED BY BUSINESS ASSOCIATE FROM COVERED ENTITY OR FROM ANY OTHER SOURCE. BUSINESS ASSOCIATE IS SOLELY RESPONSIBLE FOR ALL DECISIONS MADE BY BUSINESS ASSOCIATE REGARDING THE SAFEGUARDING OF PHI.

######
End of Document

ATTACHMENT A
(To be completed by Business Associate)

DMAS/ Accenture State Healthcare Services, LLC
Master BAA Agreement Contract 10037

Reference Section III <u>Special Provisions to General Conditions</u>

10. This Agreement shall have a document, attached hereto and made a part hereof, containing the following:

a. The names and contact information for at least one primary contact individual from each party to this Agreement.

Contact: Robert Crawford (or other individuals specified in writing by the Department)
Department of Medical Assistance Services
600 East Broad Street
Richmond, Virginia 23219
Rob.Crawford@dmas.virginia.gov

Contact: Todd Marker
Name: Todd Marker
Address: 3301 Benson Dr, Suite 503
Phone Number: 919-899-6147
Email Address: todd.a.marker@accenture.com

b. Complete list of all individuals, whether employees or direct contactors, of Business Associate who shall be authorized to access Covered Entity's PHI.

Below is a current list of individuals who will be authorized to access Covered Entity's PHI. This list is expected to change on a regular basis.

Team Member
Todd Marker
Sue Pennino
Shawn Hatton
Chris Cawthon
Miguel "Alex" Cardenas
Natalie Daigh
Hanjing Peng
Preethi Anandula
Jai Reddy Punnam
Gagan Singh
Neha Tiwari
Nirupama Nataraj

Supreet Kapoor
Tanya N. Simental
Tawanda Warren
Sobinath Balakrishna
Moni Paulpandian
Rikesh Tuladhar
Vinay Ravi Krishna
Manvitha Poonati
Harinath Nussam
Sanjit Rajbanshi
Bradley Stuart
Shelly Hunt

c. List of the specific data elements required by Business Associate in order to carry out the purpose of this Agreement.

Attached is an initial list of data elements based on the data the Business Associate gets and exchanges with DMAS and others. This list is expected to change.

d. Purposes for which such data is required.

The data is required to fulfill the scope of work requirements of Contract 10037

e. Description of how Business Associate intends to use, access or disclose such data in order to carry out the purposes of this Agreement.

A description of how Business Associate (BA) intends to use, access or disclose data is defined in the contract 10037 documents.

EXHIBIT G - CLOUD SERVICES
ADDITIONAL CONTRACT TERMS AND CONDITIONS
TABLE OF CONTENTS

EXHIBIT G - CLOUD SERVICES
ADDITIONAL CONTRACT TERMS AND CONDITIONS

These additional terms and conditions for provision of Cloud Services as part of Supplier's contractual obligations for an overall solution provided by the Supplier are in support of and incorporated herewith under Contract No. 10037. This Exhibit ("Exhibit") sets forth additional terms and conditions under which Supplier shall provide such Licensed Services ("Licensed Services") to the Department of Medical Assistance Services ("DMAS"). All capitalized terms used but not defined herein shall have the meaning set forth in the Contract.

1. **DEFINITIONS**
   A. **Acceptance**
   Successful delivery and performance by the Supplier of its contractual commitments at the location(s) designated in the Contract, including completed and successful Acceptance testing in conformance with the Requirements as determined by DMAS and Supplier in the mutually agreed upon Acceptance Criteria.

   B. **Application**
   The software programs in object code and other related data, including intellectual data, proprietary information and Documentation contained and applicable to Licensed Services hosted and supported by Supplier under the Contract, as described in Exhibit A of the Contract, including any Updates, enhancements, and replacements to the Application.

   C. **Application Users**
   Application Users shall include employees of DMAS, the Commonwealth of Virginia and its Agencies, independent contractors engaged by DMAS, or entities contracting with DMAS for services, as well as DMAS customers, suppliers, members of the general public, and other entities with whom DMAS may find it necessary or desirable to process or communicate electronically in pursuit of its business.

   D. **Content**
   Any data, including the selection, arrangement and organization of such data, entered, uploaded to the Application, or otherwise provided to Supplier by DMAS or by any Application User, and any software and related documentation, from whatever source, provided by DMAS or Application User to Supplier in connection with this Contract.

   E. **Licensed Services**
   The operation of the Application and the necessary operating system software, hardware and utilities on Supplier's host computer system, furnishing Supplier Product to Application Users, storing Content and making the Application, Content, and Supplier Product available to Application User(s) via the Web Site, as more fully described in Exhibit A.

   F. **Supplier Product**
   Supplier's proprietary reports, information and data made available to DMAS and its Application Users as part of the Licensed Services.

   G. **Update**
   As applicable, any update, modification or new release of the Application, documentation or Supplier Product that Supplier makes generally available to its customers at no additional cost. Software Updates include patches, fixes, upgrades, enhancements, improvements, or access mode, including without limitation additional capabilities to or otherwise improve the functionality, increase the speed, efficiency, or base operation of the Application and Licensed Services.

   H. **VITA**
   Virginia Information Technologies Agency.

I. **Web Site**
    The Internet site operated by Supplier to provide access to the Application, with the Uniform Resource Locator (URL) specified in Exhibit A (or any successor URL(s)).

2. **TERM AND TERMINATION: SCALABILITY OF LICENSED SERVICES**
    DMAS may make a written request to increase or decrease the scope (e.g., size and processing capacity of the Solution of Licensed Services ("revised usage") under a change order to the Contract. Pricing for the revised usage of Licensed Services shall be calculated as provided in the Pricing Schedule of the Contract and shall be prorated on a daily basis for remaining portion of the current monthly billing period. For purposes of this provision, a written notice may include an e-mail or the use of a Supplier-provided provisioning website by DMAS designated administrator.

3. **DESCRIPTION OF LICENSED SERVICES**
    During the term of this Contract, Supplier hereby agrees to host the Application(s) listed and described in Exhibit A and as specified in the Contract on servers owned, operated, housed, and maintained by Supplier (or its subcontractors) and shall make such Application(s) available to DMAS designated Application Users through the Internet. Supplier has acquired any and all license rights in the Application(s) necessary and appropriate for Supplier to provide the Licensed Services as obligated by the Contract.

    Supplier hereby grants to DMAS and its Application Users a non-exclusive, transferable, worldwide license to access and use by any method the Application during the term of the Contract. The license fee for the rights shall be as set forth in Exhibit B, and shall apply regardless of access mode.

    DMAS is an agency, as defined by §2.2-2006 of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, therefore, the license shall be held by the Commonwealth.

    Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of the Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of this Contract for Licensed Services, including access to the Application(s), or the fact that such other agreement may be presented to DMAS or its Application Users at the time of accessing the Application(s) ("click wrap"), the terms and conditions set forth in this Contract and any amendments or modifications thereto shall supersede and govern licensing and use of all products and services hereunder.

4. **SUPPLIER RESPONSIBILITIES**
    A. **Standard Application Responsibilities**
        Unless otherwise indicated in the requirements section of the Contract or its Exhibits, Supplier shall acquire and maintain, at no charge to DMAS, the hardware and software required to host the Application(s). The hardware and software on which the Application(s) is hosted will be maintained in good operating condition, consistent with or exceeding generally accepted industry practices and procedures. In addition:
        i)   Supplier shall maintain sufficient hardware capacity to satisfy the technical requirements and the bandwidth and required storage capacity indicated in Exhibit A.
        ii)   Supplier shall be responsible for all telecommunication connections from the server hosting the Application to the Internet.
        iii)   Supplier may collect user-specific data only as necessary to provide the Licensed Services authorized under the Contract. No information regarding DMAS or any Application User shall be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall extend beyond the term of the Contract.
        iv)   The Application(s) will be made available to DMAS and its designated Application Users twenty-four (24) hours a day, seven (7) days a week ("Uptime") less Excusable Downtime. For the purposes of this Contract, "Excusable Downtime" is defined as that period of time when the Licensed Services are not available to DMAS or its Application Users due to scheduled network, hardware or service maintenance and/or upgrades. Except in cases of emergency, DMAS shall be provided a two (2) business day advance notification of such maintenance and/or upgrade. In cases of emergency, Supplier will use its best efforts to notify DMAS of a planned Downtime as soon as practicable. Maintenance or upgrades are

     not to exceed thirty-six (36) hours in duration in a single month and cannot occur Monday through Friday, between the hours of 6:00 a.m. and 8:00 p.m. Eastern Time. See Attachment A.

v) Excusable Downtime shall not include (i) an electronic hardware failure, (ii) a failure in the Supplier's Application, (iii) an electric utility failure at Supplier's facility where the Application is hosted, or (iv) a network failure up to, but not including, the interconnection point of Supplier's network to the public switched telephone network.

vi) Supplier guarantees the Application will be available for use at least ninety-nine percent (99%) of the total time during each month, excluding Excusable Downtime.

vii) Intentionally Left Blank.

viii) Supplier shall be required to notify DMAS in writing at least sixty (60) days prior to of any planned change(s) or Update(s) to the Application not outlined in the implementation timeline agreed to by both parties; its functionality; Content storage/ backup/disaster recovery, including physical location; security architecture, features or settings; terminations and/or replacement of any Supplier subcontractor. The planned changes or Updates include any change(s) that would potentially impact the secure and efficient use of the Application, as understood and agreed to between Supplier and DMAS at Contract award. The purpose of this notice is to allow sufficient time for Supplier and DMAS to discuss any technical/functional considerations and/or changes that would require action by the Commonwealth. Changes to the solution services can only be implemented via an approved change order.

ix) Supplier is responsible for documenting and maintaining any customizations made for operational use of the Application and/or for interoperability use with other systems or applications used by DMAS and paid for solely by DMAS. The associated technical data, code, documentation and other necessary information about such customizations shall be provided by Supplier to DMAS within ten (10) business days of the customizations' operational use. Suppler shall be required to routinely transfer knowledge regarding the Application and Licensed Services, including Updates and all material changes, to DMAS in a reasonable manner to ensure proper and efficient use of Application and Licensed Services without degrading performance thereof.

x) Supplier will produce a RACI chart/matrix as part of its agreement with its subcontractor tasked with providing cloud services, to document roles and responsibilities between the Supplier and the such subcontractor, for addressing security incidents. Such report shall be provided to the Department during DDI.

In addition, and at no additional cost to DMAS, Supplier shall provide access to additional Updates, features, and functionalities of the Application as are provided by Supplier to other customers of Supplier who require functionality similar to that of the Application provided to DMAS. All such additional features and functionality, where reasonably necessary, shall be accompanied by updated Documentation, whether in hard copy format or distributed electronically via email or the Supplier website. Notwithstanding the provisions of this Section and except as agreed to in writing by DMAS and Supplier, nothing in the Contract shall oblige Supplier to undertake any modifications to the Application, and all such modifications are at Supplier's sole discretion whether suggested by an DMAS or another party.

B. Ancillary Responsibilities
Supplier shall, throughout the term of this Contract, make available such resources, including Supplier personnel, as are reasonably required to: (i) train designated DMAS personnel in the use of the Application; (ii) develop modifications to the Application as agreed by DMAS and Supplier in the Contract or any exhibit hereto or as agreed to by Supplier and DMAS; and (iii) otherwise support the Application as provided under this Contract and any exhibits hereto or as agreed to between Supplier and DMAS.

C. Subcontractors
It is understood that Supplier may utilize subcontractors to provide integral components of the Licensed Services and Application; however, except for those so named at time of Contract award, Supplier shall not use new or replacement subcontractors to perform or provide integral components of the Licensed Services or Application during performance of this Contract without advance written notification to and approval by DMAS.

Supplier is responsible for the performance of its subcontractors used in providing any portion of the Licensed Services or Application. Additionally, Supplier is responsible for its subcontractors' compliance with the terms and conditions of this Contract.

If any part of this Contract is supported in whole or in part with federal funds, Supplier shall not subcontract any Services to any subcontractor that is a party excluded from Federal Procurement and Nonprocurement Programs. In no event shall Supplier subcontract with any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

5. **DMAS RESPONSIBILITIES**
Unless otherwise agreed and as applicable, DMAS or its Agent, or an Application User, will be responsible for input of Content into Supplier's Application and DMAS or its Agent will be responsible for keeping said Content current and accurate. Supplier will have no responsibility for assisting DMAS in creating, modifying or inputting the Content, unless specified in this Contract.
If Supplier issues unique USERIDs and passwords to an Application User:
i)   DMAS is responsible for protecting said passwords and for any authorized and unauthorized use made of the passwords. DMAS will fully cooperate with law enforcement authorities in the detection and prosecution of illegal activity related to unauthorized use of the Licensed Services.
ii)   DMAS shall have the right to add, change access for, or delete USERIDs at its sole discretion. DMAS shall designate administrators who will be authorized to add, change access for or delete USERIDs.
iii)   Upon notification by DMAS of an Application User's deletion, Supplier shall remove said Application User from its server within one (1) hour of receipt of such notification. If Supplier fails to make such a deletion, DMAS shall not be held liable for any charges or damages incurred due to use of the unauthorized USERID.
iv)   DMAS and Application Users of this Contract agree to notify Supplier of any degradation, potential breach, or breach of the Content and Application privacy or security as soon as possible after discovery. DMAS further agrees to provide Supplier the opportunity to participate in the investigation of the reported situation.
v)   DMAS acknowledges and agrees that it is responsible for complying with any regulations or laws applicable to the Content. In particular, DMAS shall ensure that it has the right to authorize Supplier to host, store, process, transfer and make available the Content as intended under this Contract.
vi)   DMAS will use standard governmental practice virus protection software, and other customary procedures to screen any Content to avoid introducing any virus that could disrupt the proper operation of the systems used in the provision of the Licensed Services. DMAS acknowledges and agrees that Supplier does not control the transfer of data over the internet or a public telecommunications network. DMAS also acknowledges that Supplier is responsible for the integrity and security of the data content over the internet or a public telecommunications network through implementation and management of data encryption and security protocol and that accordingly the Supplier's obligations set forth in Exhibit G and the Contract shall apply to Content that is in transit over such networks.

6. **CONTENT PRIVACY AND SECURITY**
Supplier shall provide a secure environment for Content and any hardware and software, including servers, network and data components provided by Supplier as part of its performance under this Contract. Supplier shall provide a secure environment for Content and any hardware and software in accordance with Commonwealth's security standards located at:
https://www.vita.virginia.gov/library/default.aspx?id=537 in order to prevent unauthorized access to and use or modification of, and to protect, the Application and Content. Supplier agrees that all Content of DMAS is intended solely for the business of DMAS and is considered private data. Therefore, Supplier shall, at a minimum, implement the following procedures designed to protect the privacy and security of Content:
i)   User identification and access controls designed to limit access to Content to Application Users in accordance with the principles of least privilege.

ii)   Supplier shall ensure that all personnel with physical or logical access to Content will receive industry standard annual security awareness training and all other training as required by Content owner, Commonwealth security standards, regulation, or law.

iii) Supplier shall ensure that the Application(s) and/or Licensed Services are capable of auditing the following events. Successful and unsuccessful account logon events, account management events, object access, policy change, privilege functions, process tracking, and system events.

iv)   Supplier shall ensure that the Application(s) and/or Licensed Services are capable of auditing the following events, for Web applications. All administrator activity, authentication checks, authorization checks, data deletions, data access, data changes, and permission changes.

v)   Supplier shall ensure that the Application(s) and/or Licensed Services employs automated mechanisms to centrally review, analyze and correlate audit and log records from multiple components of the Application and/or Licensed Services to support organizational processes for investigation, alerting and response to suspicious activities.

vi)   Supplier shall ensure that the Application(s) and/or Licensed Services support exporting of log files to the Commonwealth for review and analysis.

vii) Supplier shall ensure that the Application(s) and/or Licensed Services are capable of maintaining all audit records in accordance with Commonwealth record retention policies found at the following URL. http://www.lva.virginia.gov/agencies/records/

viii) Provide evidence of a comprehensive continuous monitoring program encompassing all systems with access to Content.

ix)   Provide evidence that the Application(s) and/or Licensed Services adhere to a security baseline, which is based on least functionality.

x)   Supplier shall ensure that all changes to proposed Application(s) and/or Licensed Services are authorized according to change management policies.

xi)   Supplier agrees to maintain all metadata associated with any original Content submitted into the Application(s) and/or Licensed Services by DMAS for easy retrieval and access, using secure industry standard protocols, within a predefined period as specified in the Contract.

xii) Supplier agrees to provide a secure method of exporting Content when requested.

xiii) Supplier shall ensure that the Content exported from the supplier's Application or infrastructure is in an industry standard format that provides for interoperability and portability.

xiv) Supplier shall ensure that the Application(s) and/or Licensed Services provides and maintain a backup of Content that can be recovered in an orderly and timely manner within a predefined frequency consistent with recovery time and recovery point objectives, as specified in the Contract.

xv)   Supplier shall ensure that the Application and/or Licensed Services can store a backup of Content, at least daily, in an off-site "hardened" facility, located within the continental United States, maintaining the security of the Content.

xvi) Implement a contingency plan designed to maintain the access to the Application and/or Licensed Services and to prevent the unintended destruction or loss of Content. This plan should provide a predefined frequency, consistent with recovery time and recovery point objectives, as specified in the Contract, for disaster recovery and archival purposes of Content at a secure facility located within the continental United States.

xvii) Supplier shall partition, in aggregate for this Contract, all Content submitted into the Application and/or Licensed Services by DMAS in such a manner that it will not be impacted or forfeited due to E-discovery, search and seizure or other actions by third parties obtaining or attempting to obtain records, information or Content for reasons or activities that are not directly related to the business of DMAS.

xviii) Service must support multi-factor authentication for access to any administrative portal and/or any remote administrative interface.

xix) Supplier shall fully cooperate with Commonwealth incident response resources and all required law enforcement personnel for assistance in the handling and reporting of security incidents.

xx)   Supplier shall maintain an incident response program that implements incident handling for security incidents that includes preparation, detection and analysis, containment, eradication, and recovery processes.

xxi) Incident response must have the capability to support automated mechanisms for supporting incident handling processes.

xxii) Supplier shall provide documentation regarding incidents and investigations to DMAS for inclusion in the Commonwealth's incident handling system.

xxiii)   Supplier shall provide quarterly summary reports of Intrusion Detection System (IDS) and Intrusion Prevention System (IPS) events to: enterpriseservices@vita.virginia.gov

xxiv)   Supplier ensures that all Content is removed or destroyed in accordance with and/or exceeding the requirements of the Commonwealth Data Removal standard located at the following URL. http://www.vita.virginia.gov/library/default.aspx.id=537#securityPSGs

xxv)   Supplier shall support physical security measures, including securing all Content on a secure server, in locked data cabinets within a secure facility located within the continental United States.

xxvi)   Supplier shall ensure that access to facilities housing Content or supporting applications are restricted to only allow access to Supplier's personnel and agents who have a need to know in connection with operation and support of the Application and/or Licensed Services.

xxvii)   Supplier shall ensure that notification is sent to DMAS in writing thirty (30) days prior to its intention to replace or add any third-party, not to include name of individuals within the third party, that will be provided access to Content whether that access is provided by Supplier or Supplier's subcontractors. The DMAS may reject any additional or new third parties who may be provided access to Content. Supplier agrees that Supplier shall be obligated to require that any such third party institute appropriate controls with its employees to protect the Content being accessed.

xxviii)   Supplier shall ensure that the Application and/or Licensed Services operating systems, middleware, applications, and interfaces will be scanned for vulnerabilities every 30 days and scanning reports be provided to DMAS as required by Commonwealth security standards.

xxix)   Supplier shall cooperate with the Commonwealth to allow monthly vulnerability scans against all public-facing interfaces with access to Commonwealth data.

xxx)   Application and/or Licensed Services must have the capability to set affinity on tiered systems. Supplier ensures that no one hypervisor can host the application and the data storage.

xxxi)   Supplier and any subcontractors shall store, process and maintain all Content within the continental United States at all times.

xxxii)   Supplier shall report the exact geographic location (City, State) of all Commonwealth data any time that Content is not stored in a Commonwealth facility, including backup and replicated data. Supplier shall provide a report to confirm the exact geographic location of any Content not stored in a Commonwealth facility every 30 days.

xxxiii)   Supplier shall, at all times, remain compliant with the privacy and security requirements mandated by federal, state and local laws and regulations.

xxxiv)   Supplier shall ensure an independent AICPA SOC-2 (Type 2) audit is performed at least once annually of the Application's environment commencing at the end of the first 12 months of Operations. Upon request from DMAS, Supplier shall provide a non-redacted copy of the current AICPA SOC-2 (Type 2) audit performed for this Contract with the knowledge that the report will be shared within DMAS and VITA, with DMAS' auditors, the Centers for Medicare and Medicaid Services, State and Federal auditors, and/or any such duly authorized representatives, whereby DMAS otherwise agrees to maintain the confidentiality of such audit Supplier must provide DMAS the current AICPA SOC-2 (Type 2) audit report from any third-party providing services to Supplier, if said third-party services involve the processing or storage of any Content. The Trust Service Principles that should be covered in the SOC 2 Type 2 are: Security, Availability, Processing Integrity, Privacy, and Confidentiality."

xxxv)   Supplier shall have an independent third-party audit organization, at Supplier's sole cost and expense, performs a security audit (utilizing the Hosted Environment Information Security Standard [SEC525]) prior to the "go-live" date to determine control gaps between the Solution and the SEC525 framework. Supplier also understands that following Supplier's delivery to DMAS of the non-redacted copy of the security audit report, such report will be subject to review and approval by DMAS & Commonwealth Security. Failure to complete the security audit may result in remedies being levied as provided in the terms and conditions of the Contract. DMAS reserves the right to conduct a SEC525 audit or utilize an authorized third-party to conduct such an audit if DMAS deems such action necessary.

xxxvi)   Supplier shall ensure that external connections incorporated into the Application and/or Licensed Services have appropriate security controls including industry standard intrusion detection and countermeasures that will detect and terminate any unauthorized activity prior to entering the firewall maintained by Supplier.

xxxvii)   Supplier shall ensure that the Application and/or Licensed Services will utilize industry standard firewalls regulating all data entering the internal data network from any external source which

will enforce secure connections between internal and external systems and will permit only authorized data to pass through.

xxxviii) Supplier shall ensure that the Application and/or Licensed Services will use industry standard encryption techniques to protect Content that is transmitted or stored on behalf of the Commonwealth. Supplier shall ensure that the Application will provide for the Commonwealth to maintain exclusive control of all encryption keying material.

xxxix) Supplier shall ensure that they will apply all security updates to its systems as required by Commonwealth security standards. For third-party hosted systems, updates should be installed in compliance with SEC 525. Systems hosted by the Commonwealth should have updates installed in compliance with SEC 501. Please refer to the following link for the above mentioned Commonwealth security standards.
http://www.vita.virginia.gov/library/default.aspx.id=537#securityPSGs.

xl) Supplier shall ensure that they will utilize industry standard malware protection, incorporating both signature and non-signature-based detection mechanisms, on all systems with access to Content.

xli) Supplier shall ensure that malware protection will be centrally managed and receive regular automatic updates to malicious code protection mechanisms and data files from the software vendor.

xlii) Within fifteen (15) business days after the expiration or termination of this Contract, Supplier shall confirm in writing to DMAS that all Content has been removed from all systems where the Content resided during performance of this Contract in a manner that complies with and/or exceeds the Commonwealth Data Removal standard located at the following URL: http://www.vita.virginia.gov/library/default.aspx.id=537#securityPSGs provided, however, that such time period shall be observed where the permitted destruction method is physical but if the removal method is electronic, Supplier and DMAS shall mutually agree upon a timeframe based on the volume of Content subject to the electronic removal process, not to exceed the timelines necessary for compliance with SEC 514. The written confirmation shall include (i) sufficient detail describing the processes and procedures used in removing the Content, (ii) information about the locations of where it was removed from within the Application and storage and other locations, and (ii) the date the removals were performed. All metadata, in its original form, shall be returned to DMAS.

xliii) Supplier shall provide training for Supplier personnel regarding the security and data recovery programs referenced in this Section.

xliv) Supplier shall perform testing of the systems and procedures outlined in this Section; and

xlv) Supplier shall use audit controls that record and monitor Application and Licensed Services activity continuously.

xlvi) Should Supplier fail to perform in compliance with any provision of this Section, DMAS may provide Supplier with a written notice to cure. Supplier shall have thirty (30) days to cure its noncompliance, or with agreement from DMAS and VITA, in its governance role, may request a reasonable extension for time to cure providing DMAS, and a copy to VITA at: enterpriseservices@vita.virginia.gov,with a written plan of action to cure. The time period for curing the breach may be adjusted by DMAS upon written notice to the Supplier, at DMAS' sole discretion. If Suppler fails to cure, DMAS may deem Supplier in breach and/or default of the Contract and may immediately terminate the Contract, in whole or in part. Upon such termination, neither the Commonwealth, nor DMAS, nor VITA shall have any future liability except DMAS will be responsible for deliverables accepted by DMAS and Licensed Services rendered to DMAS by Supplier. In the event of such termination, Supplier shall accept return of any deliverable that was not accepted by DMAS, and Supplier shall refund any monies paid by DMAS for such deliverable and for any unused, remaining term paid for in advance by DMAS for the Licensed Services up to the date of such termination. Supplier agrees that DMAS may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including reprocurement or transition costs or injunctive or other equitable relief.

7. **PROPRIETARY RIGHTS**
   A. **Supplier's Proprietary Rights**
   Except as otherwise stated herein, the Licensed Services (including without limitation, the Application and Updates, and Supplier Product, except to the extent that Supplier Product contains Content) and Documentation are the sole and exclusive property of Supplier and its licensors. All

modifications, enhancements, Updates, and translations of the Licensed Services shall be deemed a part thereof.

B. DMAS Requirements and License Restrictions
Except as otherwise provided in this Contract or as provided by law:
i)   DMAS will use commercially reasonable efforts to ensure that Application Users comply with all of the terms and conditions hereof;

ii)   DMAS shall not reverse engineer, decompile, disassemble, or otherwise attempt to derive source code or other trade secrets from any of the software comprising or in any way making up a part of the Application;

iii)   DMAS shall not directly or indirectly copy or reproduce all or any part of the Application, whether electronically, mechanically or otherwise, in any form including, but not limited to, the copying of presentation, style or organization, without prior written permission from Supplier; provided, however, DMAS may reproduce and distribute any Application output generated from the relevant DMAS's Content, and an Application User may reproduce and distribute any Application output generated pursuant to the permissions set forth in this Contract;

iv)   DMAS shall not rent, lease, sublicense, resell for profit, loan, distribute, network or modify the Application or Supplier Product or any component thereof, provided as part of the Licensed Services, except as otherwise authorized by Supplier. However, DMAS may reproduce and distribute any Application output (e.g., reports) generated by DMAS using the Application, and an Application User may reproduce and distribute any reports or output generated by the Application User using the Application and pursuant to the permissions in this Contract;

v)   DMAS shall only use the Application and Supplier Product in the normal course of business, in connection with, and as part of, the Licensed Services;

vi)   DMAS shall not attempt to gain unauthorized access to the Application or Licensed Services, other user accounts, computer systems or networks connected to the Licensed Services;

vii)   DMAS shall not remove, obscure or alter Supplier's proprietary notices, disclaimers, trademarks, or other proprietary rights notices of any kind affixed or contained in the Application or Licensed Services or any written or electronic report, output or result generated in connection with the Licensed Services;

viii) DMAS shall take reasonable care not to, and shall not intentionally or knowingly, use the Application to post, transmit, distribute, store or destroy any information: (i) in violation of any applicable law, statute, ordinance or regulation; (ii) in a manner that shall infringe the intellectual property rights of others; (iii) that is defamatory or trade libelous, or (iv) that contains any Computer Viruses;

ix)   DMAS shall not use the Application or Licensed Services for any illegal, obscene, offensive or immoral purpose.

C. DMAS Proprietary Rights
Except as otherwise stated herein and with the exception of any applicable third-party rights, Content and any customizations made for DMAS operation of the Application or for interoperability with other DMAS systems or applications paid for by DMAS, are and shall remain the sole and exclusive property of DMAS, including all applicable rights to patents, copyrights, trademarks, trade secrets or other proprietary property rights thereto. Additionally, all right, title and interest in and to any Content or customizations relating to DMAS business shall remain the property of DMAS, whether or not supplied to Supplier or uploaded into the Application. Nothing in this Contract shall be construed as conveying any rights or interest in Content or customizations to Supplier. Upon termination of the Contract, Supplier agrees to either provide the Content and customizations to DMAS, or, at DMAS request, certify in writing that said Content and customizations in all formats, have been destroyed.

Subject to all Content security, data privacy, and security requirements, obligations, and restrictions set forth herein, DMAS grants to Supplier the nonexclusive right to host, store, process and transfer the Content solely for the purposes of and only to the extent necessary for Supplier to provide the Licensed Services and as otherwise set forth in the Contract.

8. **TRANSITION ASSISTANCE**
    Upon execution of this Contract, Supplier and DMAS will develop a transition plan ("Transition Plan") in writing detailing what shall occur upon termination or expiration of the Contract. The Transition Plan will detail each party's respective tasks for the orderly transition and migration of all Content & Work Product stored by Supplier/Supplier's Escrow Agent pursuant to the Contract to DMAS archive and/or to a system or application maintained by DMAS or a third party application service provider.

    At a minimum, the Transition Plan shall provide that upon expiration or termination of this Contract for any reason, Supplier will return all Content in its possession to DMAS in a format accessible without the use of Supplier's Application. In addition, Supplier will, at DMAS option, continue to provide Licensed Services for up to six (6) months after the date of expiration or termination of the Contract in order to facilitate DMAS transition to a new service provider. Supplier shall also provide such reasonable assistance as may be requested by DMAS to effectuate such transition.

    Supplier shall, within thirty (30) days of expiration, completion, or termination of this Contract provide to all DMAS a complete set of all Content provided to Supplier by DMAS and/or its Application Users and stored by the Application on behalf of DMAS. Supplier's failure to do so shall constitute a material breach of this Contract and, in addition to the remedies set forth in this Contract, DMAS may exercise all available rights and remedies under law and equity.

    The obligations set forth in this section and in any Transition Plan developed pursuant to the Contract may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months, pursuant to the *Code of Virginia* §2.2-4309 (B). In the event of a termination for breach and/or default of Supplier, Supplier shall perform such obligations at no charge or fee to DMAS; otherwise, Supplier shall perform such obligations at the hourly rate or a charge agreed upon by Supplier and DMAS.

9. **COMMENCEMENT AND ACCEPTANCE OF LICENSED SERVICES**
    A. **Licensed Services Commencement Date**
        The Supplier shall begin delivery of Licensed Services on the date requested by DMAS and agreed to by the Supplier in the Contract and implementation timeline. DMAS may delay the Licensed Services commencement date by notifying the Supplier at least ten (10) days before the scheduled Licensed Services commencement date.

    B. **Acceptance**
        The Application shall be deemed accepted when DMAS reasonably determines that DMAS and its Application Users can successfully access and use all functionalities of the Application, which Supplier is required to provide to such Users based upon the mutually agreed upon acceptance criteria. DMAS agrees to complete Acceptance testing within a mutually agreed upon number of days after receiving written notice from Supplier of the ability of DMAS and its Application Users to access the Application that is set forth in the mutually agreed upon Master Work Plan. Supplier agrees to provide to DMAS such assistance and advice as DMAS may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses incurred which will be reimbursable by DMAS at the then current per diem amounts set forth by the Virginia Department of Accounts and published at: http://www.doa.virginia.gov/ or a successor URL(s). DMAS shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance testing based upon the mutually agreed upon acceptance criteria. Should DMAS fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) business days following the Acceptance testing period, the Application shall be deemed Accepted.

    C. **Cure Period**
        If during the Acceptance test period, DMAS is unable to access the licensed functionalities of the Application, Supplier shall provide DMAS with such access, and DMAS Application Users with their required access, within seven (7) days of written notice of inability to access, or as otherwise agreed between DMAS and Supplier in the Contract. Should Supplier fail to provide access to the licensed functionalities of the Application, DMAS may, in its sole discretion: (i) reject the Application in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Application access with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Application access while reserving its right to revoke Acceptance if timely correction is not forthcoming.

If DMAS and its Application Users are unable to access the licensed functionalities of the Application after a second set of acceptance tests, Supplier shall be deemed in default of the Contract. In the event of such default, DMAS may, at its sole discretion, terminate the Contract, in whole or in part, for the Licensed Services to be provided thereunder by Supplier.

10. RECORDS AND AUDIT

In addition to the requirements outlined below, the Supplier must comply, and must require compliance by its subcontractors with the security and confidentiality of records standards.

1) Access to Records - DMAS, the Centers for Medicare and Medicaid Services, state and federal auditors, or any of their duly authorized representatives shall have access to any pertinent books, annual reports, management's report on internal control over financial reporting, SAS 70 audit reports, fee schedules, documents, papers, and records of the Supplier and any of its subcontractors pertaining to the Services. Access to such records includes any records that are stored offsite. Supplier's (x) cost structure, including overhead, general and administrative expenses, and profit factors, (y) data or information of other customers or clients of Supplier or (z) other Confidential Information of Supplier, that are not directly relevant for the authorized purposes of the audit shall be excluded from review.

At its own expense, DMAS, the Centers for Medicare and Medicaid Services, state and federal auditors, or any of their duly authorized representatives, shall be allowed to inspect and audit any of the documents as set forth above, including, medical and/or financial records of the Supplier and its subcontractors for the purpose of confirming (a) that the Services are being provided in accordance with this Contract and (b) whether the Charges are accurate and were calculated in accordance with this Contract.

This right to audit shall be further limited as follows:
i).   Terminates for this Contract, three (3) years after applicable Services are complete;
ii). Occurs at Supplier's premises, during normal business hours at mutually agreed upon times;
iii). Only takes place upon reasonable notice of at least two (2) weeks; and
iv). iv). Takes place no more frequently than annually or based on reasonable concern of DMAS.

2) Retention of Records - The Supplier shall retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the final payment. When an audit, litigation, or other action involving or requiring access to records is initiated prior to the end of said period, however, records shall be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.

3) **Confidentiality and Security**. DMAS shall not use any competitors of Supplier (or any Supplier subcontractor) to conduct any such audit without Supplier's prior written consent. Supplier shall not unreasonably withhold such written consent. The auditors and other representatives of DMAS shall execute and deliver such confidentiality and non-disclosure agreements and comply with such security and confidentiality requirements as Supplier may require in connection with such audits.

The Supplier shall not have the right to audit, or require to have audited, DMAS.

11. APPLICATION AND LICENSED SERVICES SUPPORT

At any time during the term of this Contract, Supplier shall provide the following Application Services (including telephonic support and all necessary travel and labor) without additional charge to DMAS in order to ensure DMAS and its Application Users are able to access and use the Application in accordance with the Requirements of the Contract, and Exhibit B.

A. **Coverage**
Twenty-four (24) hours per day, seven (7) days a week, Supplier provide to DMAS all reasonably necessary telephone or written consultation requested by DMAS in connection with use, problems and operation of the Application.

B. **Service Levels**
Within one (1) hour after a request from DMAS or VITA, in its governance role, Supplier will respond to such request for support of Licensed Services regarding the Application and Licensed Services, including Application, Supplier Product and documentation in accordance with the procedures identified in Attachment B, Table of Service Levels, Response and Resolution Times and Escalation Procedures for Licensed Services. In each case, DMAS may describe the problem by telephone or electronic mail or via a web site provided by Supplier. Supplier shall use its best efforts/commercially reasonable efforts to meet Response Time and Resolution Time and other obligations under this Contract.

The level of severity (e.g., 1, 2, 3), shall be defined by DMAS via approval of the Supplier's "Quality Management Plan" and "Risk and Issues Management Plan", which includes the escalation management plan."

C. **Application Evolution**
Should Supplier merge or splinter the Application previously provided to DMAS, such action on the part of Supplier shall not in any way result in DMAS being charged additional license or support fees in order to access the Application, to enable its Application Users to access the Application, or to receive enhancements, releases, upgrades or support for the Application.

12. SERVICE LEVELS AND REMEDIES
A. **Availability**
Supplier's failure to make the Licensed Services Available to DMAS and its Application Users at least 99% of the time in any given month during the term of the Contract commencing thirty (30) days following the completion of the applicable Design, Development and Implementation ("DDI") phase for the Licensed Services whose availability is being measured, excluding scheduled maintenance or excusable downtime, where Supplier failed to meet the Requirements, shall be deemed a service level default ("Service Level Default") and DMAS may obtain the non-exclusive remedies set forth in Attachment A , Table of Service Levels and Remedies for Licensed Services.

For purposes of this Contract, "Available" means that DMAS and its Application Users are able to access all features and functions of the Application and Licensed Services required by DMAS, including but not limited to the Application and Supplier Product.

In the event Suppler fails to meet all applicable Service Levels during any given month of the term of the Contract, DMAS may terminate the Contract without penalty upon written notice to Supplier and, in addition to the remedies available under this Section, receive any additional remedies set forth in the Contract.

Credits shall be applied against the next invoice. In the event a Service Level Default occurs after DMAS has given notice of termination pursuant to the Term and Termination section of this Contract or due to non-appropriation of funds, or DMAS has made final payment to Supplier for the Application and Licensed Services and no further invoices shall issue as a result, Supplier shall refund to DMAS the amount of the appropriate Service Level Credit due for the period of default. Service Level Agreements are set forth in Attachment A.

B. **Provisioning**
Incremental adds, moves or reductions in the scope of the Licensed Service (e.g., USERIDs), shall be completed within one (1) business hour, or the timeframe otherwise mutually agreed to by the Parties, of a written request (including e-mail or submission to Supplier's provisioning website) from DMAS's designated administrator. In the event that provisioning is not made available within one (1) business hour of the request, a credit for the incremental amount of the revision shall be applied against the next invoice for 1/30th of the corresponding pro-rated amount.

C. Reporting

Once each calendar month during the term of this Contract commencing thirty (30) days following the completion of the applicable Design, Development and Implementation ("DDI") phase for the Licensed Services whose availability is being measured, Supplier shall provide DMAS with a written report that shall contain information with respect to the performance of the Application and Licensed Services. Supplier shall submit a copy of each report to VITA at: enterpriseservices@vita.virginia.gov. Such report, unless otherwise agreed upon by the parties, shall be in conformity with the reporting Supplier provides to its other customers utilizing an application and licensed services identical or similar to the Application and Licensed Services provided to DMAS. Representatives of Supplier and DMAS, and VITA at its option, shall meet as often as may be reasonably requested by either party, but no less often than once each calendar quarter, to review Supplier's performance of Licensed Services and the performance of the Application and to discuss technical plans, financial matters, system performance, service levels and for any other matters related to this Contract that may be reasonably requested by either Supplier or DMAS. Supplier shall notify VITA of such meetings by email to: enterpriseservices@vita.virginia.gov. DMAS or VITA may independently audit the report at its expense no more than two (2) times annually.

D. Failure to Meet Service Level Commitments

In the event that such Application fails to meet the Service Levels specified herein, Supplier will be assessed the penalty stated in Attachment A to this Exhibit G, and will: (i) promptly replace the Application with an Application that conforms to this Contract and such specifications; or (ii) repair the Application, at Supplier's expense, so that it conforms to this Contract and such specifications. In the event Supplier fails to comply with these remedies, DMAS may exercise all available rights and remedies under law and equity, and the Contract.

E. Escalation Procedures

Supplier shall provide a Performance Reporting Plan and Status Summary to DMAS that shall track Supplier's performance against its applicable Service Level Commitments and resolution of Corrective Action Plans at the frequency and with the content set forth in Supplier's Technical Proposal. The content of Supplier's Performance Reporting Plan and Status Summary shall be one of the mutually agreed upon DDI implementation documents. The escalation procedures established in Section 11.F of the Contract shall apply as appropriate.

13. CYBER SECURITY LIABILITY INSURANCE

In addition to other insurance coverage requirements in the Contract, Supplier shall carry Cyber Security Liability insurance coverage in the amount of $5,000,000 per claim and in the aggregate.

14. ESCROW AGREEMENT

Supplier shall maintain copies of all Work Product developed under this Contract for DMAS in a (re)useable format and any available English language technical and/or user documentation, if any (the "Escrowed Materials") in an escrow account, and shall maintain with escrow agent the executed agreement attached hereto as Exhibit C (Escrow Agreement).

DMAS acknowledges that, prior to the Effective Date of this Contract, Supplier delivered to DMAS and DMAS received a copy of the executed Application Escrow Agreement naming the Commonwealth of Virginia as a third party beneficiary. DMAS has reviewed the Application Escrow Agreement to ensure that such Application Escrow Agreement does not impose upon the Commonwealth any requirements other than administrative responsibilities necessary for the operation of the Application Escrow Agreement. If events give rise to a need for the escrow agent to release escrowed materials to the Commonwealth, the Commonwealth's sole responsibility shall be to request the release of such materials from the escrow agent. Supplier agrees to notify DMAS in writing not less than thirty (30) calendar days prior to termination or any modification of the Application Escrow Agreement.

[Any Content Escrow Agreement shall name as a third party beneficiary DMAS whose Content is kept in escrow pursuant to such Content Escrow Agreement. Supplier warrants that the information and materials to be kept in escrow in a media safe environment for the benefit of the Commonwealth pursuant to the Escrow Agreement are specifically identified and listed in Attachment A to the Application Escrow Agreement and include the most current version used by DMAS of:

i) The Escrowed Materials for the Application software and all future releases,

ii) All Documentation must be provided in unprotected MS Word and other commonly used formats that can be updated.

Supplier warrants that all Escrowed Materials shall be deposited in escrow for DMAS on a rolling semi-annual basis, such that updates or modifications to Escrowed Materials already deposited are added to prior deposits of the Escrowed Materials with that frequency. All Escrowed Material deposits shall be verified by the Escrow Agent within 30 days after deposit to validate the completeness, accuracy and functionality of the Supplier's escrow deposits. The verification process to be performed by the Escrow Agent for the original deposit and subsequent deposits shall be detailed in the Escrow Agreement and a detailed report of all tests of such verification shall be submitted in writing to DMAS within 10 business days of completion. To perform such verification, Escrow Agent shall conduct a verification process that includes but is not be limited to the following:

i.   File List Test - To ensure the deposited items are catalogued and confirm they are readable, (re)useable, and virus free
ii.   Inventory and Analysis Test – To provide a complete audit and inventory of the deposit including analysis of deposited media to verify the presence of build instructions, to identify all of materials necessary to recreate the original development environment and to confirm the presence of all build instructions, file classification tables, database schema and listings.

Supplier warrants that the Escrow Agreements provide or shall provide for, among other items, the release of the list of items on Attachment A of each Escrow Agreement which could occur upon the happening of certain events, including, but not limited to, Supplier's failure to carry out its support and maintenance obligations imposed by this Contract for a period of sixty (60) days, Supplier's breach or default under this Contract, Supplier's bankruptcy and/or Supplier's failure to continue to do business in the ordinary course. Any Content Escrow Agreement shall also provide for the release of the escrowed items in the event the DMAS Content is destroyed, lost, or damaged or following the termination or expiration of this Contract for Licensed Services. Supplier agrees to pay all expenses associated with establishing and maintaining the escrow accounts and the contents mentioned above.

Subject to the information and materials listed on Attachment A of the Application Escrow Agreement being released to the Commonwealth pursuant to the terms of the Application Escrow Agreement, which is an agreement supplementary hereto, Supplier hereby grants to the Commonwealth a royalty-free, perpetual, irrevocable license, that permits disclosure to a third party support-vendor of a complete and accurate copy of the Escrowed Materials for the Application licensed hereunder, along with all related documentation.

15.   **GENERAL WARRANTY**
Supplier warrants and represents to DMAS that Supplier will fulfill its contractual obligations and meet all needed requirements as described in the Contract as follows:

A. **Licensed Services, Application and Documentation**
Supplier warrants the following with respect to the Licensed Services and the Application:
i.   Supplier is possessed of superior knowledge with respect to the Application and is aware that DMAS is relying on Supplier's skill and judgment in providing the Licensed Services, including the Application.
ii.   Supplier represents and warrants (i) that it shall perform the Licensed Services in conformity to the specifications set forth in the Requirements of this Contract in a professional and workmanlike manner and (ii) that the Licensed Services shall not infringe any third party proprietary rights including (without limitation) any trademark, trade name, trade secret, copyright, moral rights, patents or similar intellectual property rights.
iii.   Supplier warrants that the Application and Licensed Services will conform in all material respects to the Requirements set forth in this Contract. Supplier warrants that the Application and Licensed Services will conform to the applicable specifications and documentation, not including any post-Acceptance modifications or alterations to the documentation which represent a material diminishment of the functionality of the Application, Licensed Services or Supplier Product. Supplier also warrants that such Application and Licensed Services are compatible with and will operate successfully when

used on the equipment in accordance with the documentation and all of the terms and conditions hereof.

iv.   The Application provided hereunder is at the current release level unless DMAS has specified an older version in the Contract;

v.   No corrections, work arounds or future Application releases provided by Supplier shall degrade the Application, cause any other warranty to be breached, or require DMAS to acquire additional hardware equipment, software, or licensed services;

vi.   Supplier warrants that all post-Acceptance Updates, changes, alterations or modifications to the Application, Licensed Services and documentation by Supplier will be compatible with, and will not materially diminish the features or functionality of the Application, Licensed Services and/or Supplier Product when used on the equipment in accordance with the documentation and all of the terms and conditions hereof.

vii.   Supplier warrants that the Documentation and all modifications or amendments thereto which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow a knowledgeable user to understand and utilize fully the Application without reference to any other materials or information.

For clarity, Supplier is not directly warranting performance of the AWS cloud platform, Supplier is passing through the AWS cloud platform warranty as stated in Exhibit G, Attachment C, (4).

The warranties set forth above shall not apply when: (a) the defect is solely caused by any unauthorized act or omission of the DMAS or a DMAS third party; (b) a person other than Supplier (or under the express direction or authorization of Supplier, including Supplier's subcontractors) makes any revisions or modifications to the Licensed Services or Application after its delivery to the DMAS; (c) the malfunction of any DMAS-supplied Software or equipment; or (d) DMAS operates the Licensed Services or Application other than in accordance with the applicable documentation or design, or on hardware not recommended, supplied or approved by Supplier.

B. Privacy and Security
Supplier warrants that Supplier and its employees, subcontractors, partners and third party providers have taken all necessary and reasonable measures to ensure that the Application, Licensed Services, Supplier Product, and any related deliverables do not include any degradation, known security vulnerabilities, or breach of privacy or security. Supplier agrees to notify DMAS of any occurrence of such as soon as possible after discovery and provide DMAS with fixes or upgrades for security vulnerabilities within 90 days of discovery.

C. Operating System and Software Supportability
Supplier warrants that Supplier and its employees, subcontractors, partners and third party providers have taken all necessary and reasonable measures to ensure that the Application, Licensed Services, Supplier Product, and any deliverables do not have dependencies on other operating systems or software that are no longer supported by Supplier, or its Subcontractors, partners and third-party providers.

D. Access to Product and Passwords
Supplier warrants that the Application and Licensed Services do not contain disabling code or any program device or other undisclosed feature, including but not limited to, viruses, worms, trojan horses, or other code which is designed to permit unauthorized access, delete, disable, deactivate, interfere with or otherwise harm the Application, Licensed Services or the hardware or software of DMAS or its Application Users. In addition, Supplier warrants that DMAS and its Application Users will be provided commercially reasonable uninterrupted access to the Application. Supplier also warrants that it will not cancel or otherwise terminate access to the Application by disabling passwords, keys or tokens that enable continuous use of the Application by DMAS and its Application Users during the term of this Contract. Supplier further warrants that the Application and Licensed Services are compatible with and will operate successfully on the equipment.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE

16. ACCEPTABLE USE POLICY
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TABLE OF SERVICE LEVELS AND REMEDIES FOR LICENSED SERVICES

Supplier and DMAS shall mutually agree upon the definitions and other aspects of the Service Levels, the Service Level Methodology and severity levels that shall be subject to the Service Level Agreement MCSS-SLA-21, and other applicable service levels requiring clarification.

ID	Description	Measurement	Remedy
MCSS-SLA-001	Online user interface response time	> 4 seconds at the demarcation of the Commonwealth firewall	2% of monthly contract value
MCSS-SLA-002	Website response times Website response time is measured at the Contractor's router	> two (2) seconds ninety-nine percent (99%) of the time	1% of monthly contract value
MCSS-SLA-003	Fully adjudicate contractor responsible suspended claims	Fully adjudicated > 30 days from original pend date.	1% of monthly contract value
MCSS-SLA-004	Mail ID cards to members	> 1 business day from posting of eligibility or replacement request	1% of monthly contract value
MCSS-SLA-005	Complete all scheduled batch jobs (schedule to be determined and mutually agreed upon) The definition of the batch jobs to be included in each category will be defined during the requirements phase. Category 1: Mission critical processes, such as managed care assignments Category 2: Reports	< 100% on time in category System generated batch job complete per schedule	Category 1: 2% of monthly contract value Category 2: 1% of monthly contract value
MCSS-SLA-006	All Modular Core Services Solutions defined reports shall be available online or delivered to the ECM system by scheduled time as defined and mutually agreed upon	< 100% on time System generated start and end date/time	1% of monthly contract value
MCSS-SLA-007	Send out mailings: • Letters • System generated output • Ad hoc correspondence	< 100% on time mailed > 1 business day after transaction triggers letter generation	2% of monthly contract value
MCSS-SLA-008	Incorrect payments over or under corrected in 10 days	> 10 days	2% of monthly contract value

ID	Description	Measurement	Remedy
MCSS-SLA-009	MES critical batch transactional data exchange delivery during agreed upon uptime	< 100% of time	2% monthly contract value
MCSS-SLA-010	Modular Core Services Solutions on-line services, such as portals, availability during agreed uptimes	< 100% of time	2% of monthly contract value
MCSS-SLA-011	All Test regions available during scheduled uptime	< 100% operational	1% of monthly contract value
MCSS-SLA-012	**DDI Key Positions:** • Executive Account Director • Account Manager • Operational Business Manager • Project Manager (Certification) • Systems/Technical Manager • QA Manager • Testing/Conversion Manager **Operations and Maintenance Key Positions:** • Executive Account Director • Account Manager • Operational Business Manager • Systems/Technical Manager • QA Manager • Testing Manager • Certification Manager (12 months)	> 15 calendar days from vacancy for interim fill, and > 60 days from vacancy for permanent key position	1% of monthly contract value
MCSS–SLA- 013	Not Applicable to OPSS	Not Applicable to OPSS	Not Applicable to OPSS
MCSS-SLA-014	Adhere to applicable State and Federal laws, rules, regulations, guidelines, policies, and procedures relating to information systems, information systems security and privacy, physical security, PHI confidentiality and privacy.	The Contractor will assume all liabilities including any incurred cost to the Department for the violation of applicable State and Federal laws, rules, regulations, guidelines, policies, and procedures relating to information systems, information systems security and privacy, physical security, PHI confidentiality and privacy.	Incurred costs
MCSS-SLA-015	Process claims in a timely manner	Clean Paper claims processed from receipt through adjudication in greater than 24 hours	1% of monthly contract value

ID	Description	Measurement	Remedy
		EDI and DDE claims processed from receipt through adjudication in greater than 24 hours	
MCSS-SLA -016	Post of real-time transaction data to the ISS Contractor shall not exceed specified time frame based on the category of the service. The definition of the transactions to be included in each category will be defined during the requirements phase. Category 1: less than or equal to 1 second Category 2: less than or equal to 3 seconds Category 3: less than or equal to 6 seconds Category 4: less than or equal to 20 seconds	Any transactions in a category exceed the measurement in any clock hour	2% of monthly contracted value
MCSS-SLA-017	Posting of batch files to the ISS Contractor shall not exceed specified time frame based on the category of the service. The definition of the batch files to be included in each category will be defined during the requirements phase. Category 1: mission critical processes less than or equal to 60 minutes Category 2: low priority processes less than or equal to 4 hours	Any batch file in a category exceeds the measurement time frame	2% of monthly contract value
MCSS-SLA-018	Must meet all published VITA security requirements	Once identified > 1 day	2% of monthly contract value
MCSS-SLA-019	Configuration requests must be applied in the DMAS test region with 2 business days	> 2 business days	2% of monthly contract value
MCSS-SLA-020	All COTS packages must be no less than current release -1 version	Upon Release of COTS version	2% of annual contract value
MCSS-SLA-021	The Contractor will prioritize all defects into severity levels as defined by DMAS and resolve them according to the established timeframes for the production system defects	< 100%	1% of the monthly contract value

ID	Description	Measurement	Remedy
	Severity Level One (1) Defects: within 60 minutes of notification to or from Contractor		
	Severity Level Two (2) Defects: within 4 hours		
	Severity Level Three (3) Defects: within 8 hours		
	Severity Level Four (4) or higher: within an agreed upon schedule between the Contractor(s) and the Department after the defect was identified		
MCSS-SLA-022	On the occurrence of a disaster, the Contractor will restore essential services irrespective of the time the incident occurred	> 120 clock minutes	2% of the annual contract value
MCSS-SLA-023	A comprehensive technical and operational test of the Disaster Recovery (DR) Plan and Business Continuity Plan	Failure to pass the annual test in a contract year	2% of the annual contract value
MCSS-SLA-024	Medicaid Memo posted online within 1 business day of receipt by Contractor Measure from Virginia Medicaid Memo timestamp posting to Contractor timestamp posting	> 24 hours	1% of monthly contract value
MCSS-SLA-025	Establish individual security & access to system	> 2 business days from request	1% of annual contract value
MCSS-SLA-026	The Contractor's solution must be certified by CMS.	Solution is not certified by CMS	Reimbursement to the Department for the difference in FFP funds received from CMS for the period of time the system is not certified
MCSS-SLA-027	Not Applicable to OPSS	Not Applicable to OPSS	Not Applicable to OPSS

The following SLAs apply specifically to the Provider or Member Call Center and will only be applicable if the respective option is selected by DMAS.

Call Center SLAs

ID	Description	Measurement	Remedy
MCSS-SLA-028	Not Applicable to OPSS	Not Applicable to OPSS	Not Applicable to OPSS
MCSS-SLA-029	Not Applicable to OPSS	Not Applicable to OPSS	Not Applicable to OPSS
MCSS-SLA-030	Member Call Center/Help Desk by Split: Average Speed of Answer	Daily average speed to connect to a CSR from the time the call is connected to the ACD > 180 seconds (this includes front messaging)	1% of monthly contract value
MCSS-SLA-031	Member Call Abandonment Rate	Daily average abandonment rate > 5%	1% monthly contract value

ATTACHMENT B

ESCALATION PROCEDURES FOR LICENSED SERVICES

The following escalation procedures shall be followed with respect to risks and/or issues arising out of this Contract, or this Exhibit G, by both parties (the "Escalation Procedures"). Risks and issues shall first be surfaced by the personnel for either party; i.e., by either the Department Project Manager or the Supplier Account Manager for the Contract (the "First Level of Escalation"). If the applicable risk and/or issue is not resolved at the First Level of Escalation within ten (10) calendar days from the date that the issue or risk is first documented in writing by one party to the other party, either party may escalate the unresolved risk and/or issue to increasingly higher levels of management within each party based on the individuals within the reporting structure for each party described below:

Level of Escalation	DMAS	Accenture
First	Director of the Enterprise Project Management Office (PMO)	Accenture Account Manager for the Contract
Second	Chief Information Officer	Accenture State Healthcare Services (ASHS) Chief Executive Officer
Third	Deputy Director for Finance	Accenture Health & Public Service North America – Health and Human Services Lead
Fourth	Agency Director	Accenture Health & Public Service North America - Operating Unit Lead

Either party may change the name and/or title of one or more of the Escalation Levels set forth above, where such change shall be effective upon written notice to the other party provided under this Contract.

ATTACHMENT C

AWS IAAS SPECIFIC TERMS

This **Attachment C** sets out the general terms and conditions for the provision of AWS IaaS, procured by Supplier to DMAS for the purposes of hosting the Licensed Services as further detailed in Exhibits A and G. Unless explicitly stated otherwise, the parties agree that the terms of the Contract, and in particular Exhibit G, concerning Cloud Service will not apply to or govern the provision or receipt of the AWS IaaS. DMAS will be responsible for any security vulnerabilities, and the consequences of such vulnerabilities, introduced by or through DMAS' Content and DMAS' applications, including any viruses, Trojan horses, worms or other programming routines contained in DMAS' Content or DMAS' applications that could limit or harm the functionality of a computer or that could damage, intercept or expropriate data. Conversely, Supplier and/or AWS will only be liable for security vulnerabilities to the extent Supplier and/or AWS has failed to implement the security controls and mechanisms that are its responsibilities under this Exhibit G and provided such failure was not due to DMAS or a DMAS third party including the Application Users.

GovCloud Related Provisions: Primary Solution Usage

The following terms apply for use of the AWS GovCloud, the primary Solution provided by Supplier.

1 U.S. Persons Restricted Access. The AWS GovCloud (US) region is the only AWS region that has physical and logical access controls that limit access to the AWS Network by AWS personnel to U.S. Persons. DMAS represents and warrants that it will only access the AWS GovCloud (US) region if: (i) DMAS is a U.S. Person; (ii) DMAS, if required by the International Traffic In Arms Regulations has and will maintain a valid Directorate of Defense Trade Controls registration; (iii) DMAS is not subject to export restrictions under U.S. export control laws and regulations (e.g. DMAS is not a denied or debarred party or otherwise subject to sanctions); and (iv) DMAS maintains an effective compliance program to ensure compliance with applicable U.S. export control laws and regulations including the ITAR. If requested by AWS, DMAS agrees to provide AWS with additional documentation and cooperation to verify the accuracy of the representations and warranties set forth in this Section.

2. DMAS Responsibilities.
DMAS is responsible for verifying that all End Users accessing DMAS Content in the AWS GovCloud (US) region are eligible to gain access to DMAS Content. The Services may not be used to process or store classified data. If DMAS introduces classified data into the AWS Network, DMAS will be responsible for all sanitization costs incurred by AWS. DMAS' liability under this provision is exempt from any limitations of liability.

Public Cloud Hosting Related Provisions: Disaster Recovery (DR) Usage

The following terms apply for use of the AWS Public Cloud, the Disaster Recovery (DR) portion of Solution that is provided by Supplier.

1. With regard to the provision of the Licensed Services, DMAS hereby acknowledges and agrees that Supplier shall procure public cloud infrastructure services and that the Licensed Services shall be hosted on the said public cloud infrastructure, provided by Amazon Web Services Inc. ("AWS IaaS"). The AWS IaaS shall be subject to such standard terms and conditions that AWS customarily makes its services available to customers.

2. DMAS hereby acknowledges, accepts and agrees that Supplier may have to suspend the Licensed Services, or remove any relevant Content as described below, where any access of use by the DMAS or its Application users, or the Content: (i) poses a significant security risk to or may otherwise materially adversely impact the AWS cloud infrastructure and/or other systems and solutions over which the Licensed Services are being provided; (ii) infringes or otherwise violates the rights or other interests of a third party, entails illegal or otherwise prohibited content or activities, or otherwise subjects Supplier (or AWS) to a potential liability; (iii) where Supplier (or AWS) is required to do so under any applicable laws, or any court's or governmental body's order. It is the intention of Supplier (and AWS) to use this right where and to the extent necessary only. Therefore, when allowed under the applicable laws and if otherwise reasonable under the circumstances, Supplier shall always provide DMAS with a written

notice prior to such suspension or removal, in order to provide the DMAS an opportunity to take mitigating steps to avoid any such action.

3.   **Service Level Agreement**. AWS shall provide the AWS IaaS in accordance with the applicable service level agreement located at: https://aws.amazon.com/govcloud-us/details/.   DMAS acknowledges that AWS has reserved the right to make changes to, replace and discontinue this service level agreement, but where such change will materially reduce the benefits offered to DMAS under the service level agreement in relation to the AWS IaaS, the changes will only apply to DMAS sixty (60) days after the effective date of such changes.

4.**AWS Warranties.** AWS has represented and warranted to Supplier that the AWS IaaS will perform materially in accordance with the documentation located at http://aws.amazon.com/documentation, which may be updated by AWS from time to time. AWS has also represented and warranted to Supplier that it will use commercially reasonable efforts to ensure that those portions of the AWS IaaS that are of a type ordinarily affected by viruses utilize enterprise-grade security software designed to detect and remove malicious or hidden mechanisms or code designed to damage or corrupt the AWS IaaS or Content.

5.   **Disclaimer.** SUBJECT TO THE WARRANTIES PROVIDED IN THE CONTRACT AND EXHIBIT G THAT WILL APPLY FULLY TO THE SUPPLIER'S SERVICES AS SET FORTH IN THE CONTRACT AND EXHIBIT G BUT NOT TO THE AWS IAAS, and EXCEPT AS EXPRESSLY PROVIDED IN THIS ATTACHMENT C, SUPPLIER AND ITS AFFILIATES MAKE NO REPRESENTATIONS AND PROVIDE NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE REGARDING THE AWS IAAS UTILISED TO HOST THE LICENSED SERVICES, INCLUDING ANY WARRANTY THAT THE AWS IAAS WILL BE AVAILABLE, UNINTERUPTED, ERROR FREE, OR THAT ANY CONTENT, INCLUDING CLIENT DATA OR CONTENT, WILL BE SECURE OR NOT OTHERWISE LOST OR DAMAGED, AND INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR QUIET ENJOYMENT, AND ANY WARRANTIES ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE. SUPPLIER, ITS AFFILIATES AND AWS DISCLAIM ALL, AND THE OTHER PARTY AGREES THAT IT IS NOT ENTITLED TO, ANY EQUITABLE OR IMPLIED INDEMNITIES. THESE DISCLAIMERS SHALL ONLY APPLY TO THE EXTENT PERMITTED BY APPLICABLE LAW.

6.   **Security Audit Reports**. AWS uses external auditors to verify the adequacy of its security measures, including the security of the physical data centers from which AWS provides the AWS IaaS. This audit: (a) will be performed at least annually; (b) will be performed according to ISO 27001 standards or such other alternative standards that are substantially equivalent to ISO 27001; (c) will be performed by independent third party security professionals at AWS' selection and expense; and (d) will result into a confidential summary concerning the results of the audit ("**Summary Report**") so that DMAS can reasonably verify AWS' compliance with the security obligations under this Attachment C. At DMAS' written request to Supplier, and provided that DMAS has first executed AWS' standard unilateral non-disclosure agreement, Supplier will procure from AWS a copy of the confidential Summary Report to DMAS.

7.   **Hosting of Content**. As per DMAS' request, the Licensed Services and thereby the Content will be hosted in AWS' US East Region. AWS has committed to Supplier that it will not transfer Content from this selected region without first notifying DMAS and VITA in its governance role by notice to: enterpriseservices@vita.virginia.gov, unless necessary to comply with the law or a valid and binding order of a law enforcement agency (such as a subpoena or court order).

8. HIPAA Data. The parties shall comply with the Business Associate Addendum attached to this **Contract** as Exhibit XX, as applicable.