

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV 3/08 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-6B OF THE C.G.S., AS APPLICABLE

1 ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 4		21 IDENTIFICATION NO. 02DSS0901HR PS13666100
31 CONTRACTOR NAME L-1 SECURE CREDENTIALING, INC.	44 ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
CONTRACTOR ADDRESS 63 Third Avenue, Burlington, MA 01803		CONTRACTOR FEM/SSN 94-3342784
STATE AGENCY Department of Social Services, 25 Sigourney Street, Hartford, CT 06106	30 AGENCY NO. DSS6000	
CONTRACT PERIOD	27 DATE (FROM) 05/01/02	28 THROUGH (TO) 08/31/09
38 INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER X <input checked="" type="checkbox"/>		
CANCELLATION CLAUSE	39 REQUIRED NO. OF DAYS WRITTEN NOTICE 30 Days	

10 CONTRACTOR AGREES TO (Include special provisions - Attach additional blank sheets if necessary.)

TO EXTEND THE TERM OF THE CONTRACT AS AMENDED FOR AN ADDITIONAL PERIOD OF TWO (2) MONTHS THROUGH AUGUST 31, 2009.

THE CONTRACTOR SHALL CONTINUE TO PROVIDE SERVICES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS AMENDED BY AMENDMENTS ONE TWO AND THREE.

ALL OTHER TERMS AND CONDITIONS IN THE CONTRACT NOT PREVIOUSLY AMENDED OR AMENDED HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ADDITIONAL PERIOD OF TWO (2) MONTHS.

111 PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES

THE TOTAL MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$175,000.00 FROM \$7,660,622.00 TO \$7,835,622.00. PAYMENTS TO THE CONTRACTOR SHALL BE MADE IN ACCORDANCE WITH THE PROVISIONS OF PART FOUR - COST AND PRICING INFORMATION AS AMENDED ON PAGES 11 AND 12 OF AMENDMENT 2.

112 ACT CD	113 DOC TYP	114 COM TY P	115 LSE TYP	116 ORIG AGENCY	117 DOCUMENT NO	118 COUNTY AGENCY DSS6000	119 COMBID NO	200 VENDOR FEM/SSN - SUFFIX 94-3342784		
221 COMMITTED AMOUNT			222 OBLIGATED AMOUNT			223 CONTRACT PERIOD (FROM/TO) 05/01/02 - 08/31/09				
24 Line No.	25 Budget Reference	26 Fund	27 Department	28 Program	29 SID	30 Account	31 Project/Grant	32 Chart 1	32 Chart 2	32 Amount
	2010	11000	DSS60451	14000	10020	51132	DSS_NONPROJECT	168009	DSS00013	175,000.00

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer-employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
33 CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Leo Sullivan</i>	TITLE Leo Sullivan, President	DATE 6/29/09	
34 AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>	TITLE Michael P. Starkowski, Commissioner	DATE 6/30/09	
35 OFFICE OF POLICY & LEGAL AID/DEPT OF ADMIN SERV	TITLE	DATE	
36 ATTORNEY GENERAL (APPROVED AS TO FORM)		DATE	

AS500

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S., AS APPLICABLE.

		⁽¹⁾ ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 3		⁽²⁾ IDENTIFICATION NO. 02DSS0901HR PS13666100	
CONTRACTOR	⁽³⁾ CONTRACTOR NAME L-1 SECURE CREDENTIALING, INC.			⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 63 Third Avenue, Burlington, MA 01803			CONTRACTOR FEIN/SSN 94-3342784	
STATE AGENCY	⁽⁵⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				⁽⁶⁾ AGENCY NO. DSS6000
CONTRACT PERIOD	⁽⁷⁾ DATE (FROM) 05/01/02	⁽⁸⁾ THROUGH (TO) 06/30/09	⁽⁸⁾ INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
	CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				⁽⁹⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days

COMPLETE DESCRIPTION OF SERVICE

⁽¹⁰⁾ CONTRACTOR AGREES TO: (Include special provisions – Attach additional blank sheets if necessary.)

TO AMEND THE CONTRACT TO REFLECT THE CONTRACTOR NAME CHANGE FROM DIGIMARC CORPORATION TO L-1 SECURE CREDENTIALING, INC.

DIGIMARC IS A WHOLLY-OWNED SUBSIDIARY OF L-1 WHICH CHANGED ITS NAME TO L-1 SECURE CREDENTIALING, INC. EFFECTIVE AUGUST 13, 2008. THERE HAS BEEN NO CHANGE TO ITS FEDERAL TAX ID NUMBER WHICH REMAINS 94-3342784.

THE CONTRACTOR SHALL CONTINUE TO PROVIDE SUCH SERVICES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS AMENDED BY AMENDMENT ONE AND AMENDMENT TWO AND AS FURTHER AMENDED BY THIS CONTRACT AMENDMENT.

COST AND SCHEDULE OF PAYMENT

⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

THE TOTAL MAXIMUM VALUE OF THIS CONTRACT IS \$7,660,622.00. PAYMENTS TO THE CONTRACTOR SHALL BE MADE IN ACCORDANCE WITH THE PROVISIONS OF PART FOUR – COST AND PRICING INFORMATION AS AMENDED ON PAGES 11 AND 12 OF AMENDMENT 2.

⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE. TYP.	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO.	⁽¹⁸⁾ COMMIT AGCY DSS6000	⁽¹⁹⁾ COMMIT. NO.	⁽²⁰⁾ VENDOR FEIN/SSN – SUFFIX 94-3342784
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⁽²¹⁾ COMMITTED AMOUNT	⁽²²⁾ OBLIGATED AMOUNT	⁽²³⁾ CONTRACT PERIOD (FROM/TO) 05/01/02 – 06/30/09
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(24) Line No.	(25) Budget Reference	(26) Fund	(27) Department	(28)		(29) Account	(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount
				Program	SID					

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, Federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY 55 4- 8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE Executive Vice President	DATE 3/19/09	
⁽³⁶⁾ AGENCY (AUTHORIZED OFFICIAL) 	TITLE Deputy Commissioner	DATE 3/30/09	
⁽³⁷⁾ OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE ASSOC. ATTY. GENERAL	DATE 4/17/09	
⁽³⁸⁾ ATTORNEY GENERAL (APPROVED AS TO FORM) 			



**SECRETARY'S CERTIFICATE
L-1 SECURE CREDENTIALING, INC.**

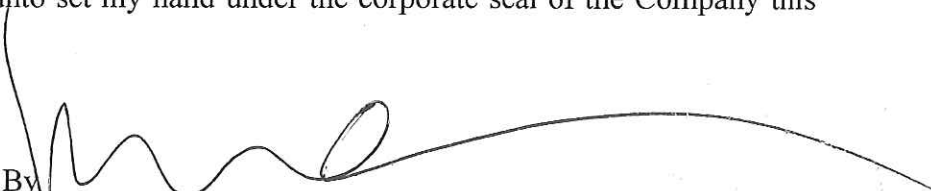
I, Mark S. Molina, certify that I am Secretary of L-1 Secure Credentialing, Inc., a Delaware corporation (the "Company") and that I have been duly appointed and am presently serving in such capacity.

I hereby further certify that Robert Eckel, Executive Vice President of the Company, is duly empowered and authorized by the Company to enter into and amend contractual instruments in the name and on behalf of the Company with the Department of Social Services of the State of Connecticut for a Non-Spending Plan program.

I hereby further certify that the Company complies with and shall continue to comply with the nondiscrimination agreements and warranties required on Connecticut General Statutes section 4a-60(a)(1) and section 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, I have hereunto set my hand under the corporate seal of the Company this 19th day of March 2009.

By



Mark S. Molina
Secretary
L-1 Secure Credentialing, Inc.

SECOND AMENDED AND RESTATED
BYLAWS
OF
L-1 SECURE CREDENTIALING, INC.

(hereinafter, the "Corporation")

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation in the State of Delaware, as set forth in the Certificate of Incorporation, shall be established and maintained at Corporation Service Company, 2711 Centerville Road, Wilmington, County of New Castle, Delaware 19808. The name of the registered agent of the Corporation at such address shall be Corporation Service Company.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II

MEETING OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meeting of stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meeting the stockholders shall elect a Board of Directors by a plurality vote, and transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings. Special Meetings of stockholders, for any purpose or purposes, may be called by the president, secretary or treasurer, and shall be called by any such officer at the request in writing of a majority of the Board of Directors. Such request shall state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings. Written notice of an Annual Meeting or Special Meeting stating the place, date and hour of the meeting and, in the case of a Special Meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 5. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 6. Voting. Any questions brought before any meeting of stockholders shall be decided by a majority vote of the number of shares entitled to vote, present in person or represented by proxy. Such votes may be cast in person or by proxy, but no proxy shall be voted on or after three (3) years from its date, unless such proxy provides for a longer period.

Section 7. Action by Consent. Any action required to be taken at any Annual Meeting or Special Meeting of stockholders, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors. The number of directors that shall constitute the Board of Directors shall be not less than one (1) nor more than fifteen (15). The number of directors shall be determined by the Board of Directors or by the stockholders. Except as provided in Section 2 of this Article, directors shall be elected by a plurality of the votes cast at Annual Meetings of stockholders, and each director so elected shall hold office until the next Annual Meeting and until his successor is duly elected and qualified, or until his earlier resignation or removal.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the stockholders, a majority vote of all directors or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 3. Committees. The Board of Directors may designate one or more committees, which committees shall, to the extent provided in the resolution of the Board of Directors establishing such a committee, have all authority and may exercise all the powers of the Board of Directors in the management of the business and affairs of the Corporation to the extent lawful under the General Corporation Law of the State of Delaware, as amended ("DGCL").

Section 4. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 5. Participation in Meetings by Conference Telephone. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 6. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the president or any one director with one day's notice to each director, either personally or by mail, telephone or facsimile transmission.

Section 7. Quorum; Board Action. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these Bylaws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and the act of a majority of the entire Board of Directors shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Actions of Board. Unless otherwise provided by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 9. Compensation. The Corporation shall reimburse the reasonable expenses incurred by members of the Board of Directors in connection with attendance at meetings of the Board of Directors and of any committee on which such member serves; provided, that the foregoing shall not preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 10. Removal. Unless otherwise restricted by the Certificate of Incorporation or by law, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV

OFFICERS

The officers of the Corporation shall consist of a president, a secretary, a treasurer and such other additional officers with such titles as the Board of Directors shall determine, all of whom shall be chosen by and shall serve at the discretion of the Board of Directors. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. All officers shall be subject to the supervision and direction of the Board of Directors. The authority, duties or responsibilities of any officer of the Corporation may be suspended by the president with or without cause. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. Right to Indemnification. Each person who was or is a party or is threatened to be made a party to or is involved (as a party, witness, or otherwise) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "Proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of the Proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent (hereafter, an "Agent"), shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended or interpreted (but, in the case of any such amendment or interpretation, only to the extent that such amendment or interpretation permits the Corporation to provide broader indemnification rights than were permitted prior thereto) against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement, and any interest, assessments or other charges imposed thereon, and any federal, state, local or foreign taxes imposed on any Agent as a result of the actual or deemed receipt of any payments under this Article) reasonably incurred or suffered by such person in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing for any of the foregoing, any Proceeding

(hereinafter "Expenses"); provided, however, that except as to actions to enforce indemnification rights pursuant to Section 3 of this Article, the Corporation shall indemnify any Agent seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article shall be a contract right.

Section 2. Authority to Advance Expenses. Expenses incurred by an officer or director (acting in his capacity as such) in defending a Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding, provided, however, that if required by the DGCL, such Expenses shall be advanced only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article or otherwise. Expenses incurred by other Agents of the Corporation (or by the directors or officers not acting in their capacity as such, including service with respect to employee benefit plans) may be advanced upon such terms and conditions as the Board of Directors deems appropriate. Any obligation to reimburse the Corporation for Expense advances shall be unsecured and no interest shall be charged thereon.

Section 3. Right of Claimant to Bring Suit. If a claim under Section 1 or 2 of this Article is not paid in full by the Corporation within one hundred eighty (180) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense (including attorneys' fees) of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending a Proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed. The burden of proving such a defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper under the circumstances because he has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 4. Provisions Nonexclusive. The rights conferred on any person by this Article shall not be exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. To the extent that any provision of the Certificate, agreement, or vote of the stockholders or disinterested directors is inconsistent with these Bylaws, the provision, agreement, or vote shall take precedence.

Section 5. Authority to Insure. The Corporation may purchase and maintain insurance to protect itself and any Agent against any Expense, whether or not the Corporation would have the

power to indemnify the Agent against such Expense under applicable law or the provisions of this Article.

Section 6. Survival of Rights. The rights provided by this Article shall continue as to a person who has ceased to be an Agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7. Settlement of Claims. The Corporation shall not be liable to indemnify any Agent under this Article (a) for any amounts paid in settlement of any action or claim effected without the Corporation's written consent, which consent shall not be unreasonably withheld, or (b) for any judicial award if the Corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

Section 8. Effect of Amendment. Any amendment, repeal, or modification of this Article shall not adversely affect any right or protection of any Agent existing at the time of such amendment, repeal or modification.

Section 9. Subrogation. In the event of payment under this Article, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Agent, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

Section 10. No Duplication of Payment. The Corporation shall not be liable under this Article to make any payment in connection with any claim made against the Agent to the extent the Agent has otherwise actually received payment (under any insurance policy, agreement, vote or otherwise) of the amounts otherwise indemnifiable hereunder.

ARTICLE VI

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telephone, electronic mail or facsimile transmission.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, may be declared by the Board of Directors at any Annual Meeting or Special Meeting, and may be paid in cash, in property, or in shares of the capital stock of the Corporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 3. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the majority vote of the entire Board of Directors. As used in this Article VIII and in these Bylaws generally, the term "entire Board of Directors" means the total number of the directors which the Corporation would have if there were no vacancies.

All parties to this contract hereby agree that the following terms and conditions are incorporated fully as part of Amendment 3, as evidenced by the signatures below.

Whistleblowing. This Agreement is subject to the provisions of § 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (b) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

 4/16/19

Date

 4/16/19

Date

L-1 Secure Credentialing, Inc. Department of Social Services

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S., AS APPLICABLE.

		⁽¹⁾ ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 2		⁽²⁾ IDENTIFICATION NO. 02DSS0901H ¹⁸ PS13666100	
CONTRACTOR	⁽³⁾ CONTRACTOR NAME DIGIMARC CORPORATION			⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	⁽³⁾ CONTRACTOR ADDRESS 9405 SW Gemini Drive, Beaverton, OR 97008			⁽⁵⁾ CONTRACTOR FEIN/SSN 94-3342784	
STATE AGENCY	⁽⁶⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				⁽⁶⁾ AGENCY NO. DSS6000
CONTRACT PERIOD	⁽⁷⁾ DATE (FROM) 05/01/02	⁽⁷⁾ THROUGH (TO) 06/30/09	⁽⁸⁾ INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER X <input checked="" type="checkbox"/>		
	CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				⁽⁹⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days

COMPLETE DESCRIPTION OF SERVICE

⁽¹⁰⁾ CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

TO AMEND THE CONTRACT TO REFLECT THE CONTRACTOR NAME CHANGE FROM DIGIMARC I.D. SYSTEMS, LLC TO DIGIMARC CORPORATION AND TO EXTEND THE TERM OF THE ORIGINAL CONTRACT AS AMENDED BY AMENDMENT ONE FOR AN ADDITIONAL TERM OF TWO YEARS THROUGH JUNE 30, 2009.

THE CONTRACTOR SHALL CONTINUE TO PROVIDE SUCH SERVICES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS AMENDED BY AMENDMENT ONE AND AS FURTHER AMENDED HEREIN ON PAGES 2 THROUGH 12.

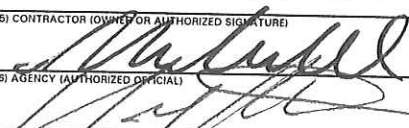
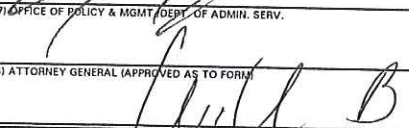


COST AND SCHEDULE OF PAYMENT

⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

THE TOTAL MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$2,306,972.00 FROM \$5,353,650.00 TO AN AMENDED MAXIMUM CONTRACT VALUE OF \$7,660,622.00. PAYMENTS TO THE CONTRACTOR SHALL BE MADE IN ACCORDANCE WITH THE PROVISIONS OF PART FOUR - COST AND PRICING INFORMATION AS AMENDED ON PAGES 11 AND 12 OF THIS CONTRACT AMENDMENT.

⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE. TYP.	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO.	⁽¹⁸⁾ COMMIT AGCY DSS6000	⁽¹⁹⁾ COMMIT. NO.	⁽²⁰⁾ VENDOR FEIN/SSN - SUFFIX 94-3342784		
⁽²¹⁾ COMMITTED AMOUNT			⁽²²⁾ OBLIGATED AMOUNT			⁽²³⁾ CONTRACT PERIOD (FROM/TO) 05/01/02 - 06/30/09				
⁽²⁴⁾ Line No.	⁽²⁵⁾ Report Reference	⁽²⁶⁾ Fund	⁽²⁷⁾ Department	⁽²⁸⁾ Program	⁽²⁹⁾ SID	⁽²⁹⁾ Account	⁽³⁰⁾ Project/Grant	⁽³¹⁾ Chart 1	⁽³²⁾ Chart 2	⁽³³⁾ Amount

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY § 4-8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE President, Government Programs	DATE 6/28/09	
⁽³⁶⁾ AGENCY AUTHORIZED OFFICIAL 	TITLE Michael P. Starkowski, Commissioner	DATE 6/29/09	
⁽³⁷⁾ OFFICE OF POLICY & MGMT / DEPT. OF ADMIN. SERV. 	TITLE ASSOC. ATTY. GENERAL	DATE 7/9/09	
⁽³⁸⁾ ATTORNEY GENERAL (APPROVED AS TO FORM) 			

5. Part Two, Mandatory Terms and Conditions on pages 2 through 23 of amendment one of the contract are amended as follows:

a. Section 1.4, Contract Revisions/Amendments is deleted in its entirety and the following substituted in its place:

1.4 Contract Revisions and Amendments

1.4.1 A formal contract amendment, in writing, shall not be effective until executed by both parties to the contract and, where applicable, the Office of the Attorney General. Such amendments shall be required for extensions to the final date of the contract period and to terms and conditions specifically stated in Part I of this contract, including but not limited to revisions to the maximum contract payment, to the unit cost of service, to the contract's objectives, services, or plan, to due dates for reports, to completion of objectives or services and to any other contract revisions determined material by the Department.

1.4.2 The Contractor shall submit to the Department in writing any proposed revision to the contract and the Department shall notify the Contractor of receipt of the proposed revision. Any proposal deemed material shall be executed pursuant to subsection (a) of this section. The Department may accept any proposal as a technical amendment and notify the Contractor in writing of the same. A technical amendment shall be effective on the date approved by the Department, unless expressly stated otherwise.

1.4.3 No amendments may be made to a lapsed contract.

b. Section 1, subsection 1.6.3.c. is amended to correct a statutory cite:

The statutory cite of "Conn. Gen. Stat. Section 4a-60" is changed to reference "Conn. Gen Stat. Section 4a-60g".

c. Section 1, subsection 1.7 is amended to effect company and contact name changes as follows:

Digimarc ID Systems, LLC is changed to Digimarc Corporation.

David Mintie is changed to Dennis Barry

Lee Vander Baan is changed to Kathleen M. Brennan

d. Section 1, is amended by the addition of the following new subsection:

1.12 Government Function & Freedom of Information

If the amount of this contract exceeds \$2,500,00.00 and the contract is for the performance of a government function as that term is defined in Connecticut General Statute, Section 1-200(11), as amended, the Department is entitled to receive a copy of the records and files related to the Contractor's performance of the governmental function and may be disclosed by the Department pursuant to the Freedom of Information Act.

e. Section 2, subsection 2.1, Ownership is deleted in its entirety and the following is substituted in its place:

2.1 Ownership

2.1.1 All products and materials developed specifically and exclusively for the Department as a result of this contract by the Contractor, or any of its subcontractors hired for the purposes of this contract, shall remain the property of the Department. Products and materials are defined as, but are not limited to, copyrighted materials, camera ready copy, mechanical, videos, brochures, posters and stock thereof; designs, data and all other matter and information that is collected or developed specifically and exclusively for the Department for the purpose of this contract. Disposition of all such products and materials shall remain at the discretion of the Department during the effective period of this contract and thereafter.

2.12 Notwithstanding anything to the contrary contained in this contract, it is understood and agreed that the Contractor shall retain all of its rights in its proprietary information including, without limitation, its methods of analysis, ideas, concepts, expressions, know how, techniques, skills, knowledge and experience possessed by the Contractor prior to, or acquired by the Contractor during, the performance of this contract and the Contractor shall not be restricted in any way with respect thereto.

f. Section 2, subsection 2.7, Credit and Rights in Data, is deleted in its entirety and the following is substituted in its place:

2.7 Credits and Rights in Data

2.7.1 "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder, including but not limited to all reports, surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

2.7.2 All materials developed specifically and exclusively for the Department during the term of this contract are considered proprietary to the Department and shall remain confidential. Throughout the term of this contract, the Contractor must secure the Department's written approval prior to the release of any confidential information whatsoever that pertains to the work or activities provided under this contract.

2.7.3 Unless expressly waived in writing by the Department, all documents, reports and other publications for public distribution during or resulting from the performances of this contract shall include a statement acknowledging the financial support of the state and the Department and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality.

2.7.4 Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the commissioner of the Department.

2.7.5 Any publication shall contain the following statement: "This publication does not express the views of the Department or the State of Connecticut. The views and opinions expressed are those of the authors."

2.7.6 The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this contract, unless expressly authorized in writing by the Department.

2.7.7 The Department and the Federal Government shall have the right to publish, duplicate, use and disclose all such data in any manner and may authorize others to do so. The Department may copyright any data without prior notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Department of such data.

g. Section 2, subsection 2.9, Confidentiality, is deleted in its entirety and the following is substituted in its place:

2.9 Confidentiality

2.9.1 All material and information provided to the Contractor by the state or acquired by the Contractor in performance of the contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with federal and state statutes and regulations. The Contractor agrees that it is prohibited from releasing any and all information provided by the Department or providers or any information generated by the Contractor without the prior express written consent of the Contract Administrator.

2.9.2 The confidentiality obligations set forth above shall not apply to data, information or material which (i) at the time disclosed to, or obtained by the Contractor, is in the public domain; (ii) becomes part of the public domain through no fault of the Contractor; (iii) is communicated to the Contractor by a third party who is not, to the Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is independently developed by the Contractor; or (v) is required to be disclosed by the Contractor pursuant to any statute, regulation, order, subpoena, document discovery request or other legal process.

h. Section 2, is amended by the addition of the following new subsections:

2.13 Related Party Transactions:

The Contractor shall report all related party transactions, as defined in this Section, to the Department on an annual basis in the appropriate fiscal report as specified in Part II of this contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to exercise influence or control, directly or indirectly. "Related party transactions" between a Contractor, its employees, Board members or members of the Contractor's governing body and a related party include, but are not limited to, (a) real estate sales or leases; (b) leases for equipment, vehicles or household furnishings; (c) mortgages, loans and working capital loans and (d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor.

2.14 Audit Liabilities

It is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under this contract to which exception has been taken or which have been disallowed because of such an exception in accordance with § 7-396a of the Conn. Gen. Stat.

i. Section 3, subsection 3.1, Hold Harmless, is deleted in its entirety and the following is substituted in its place:

3.1 Hold Harmless

3.1.1 The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut, as well as all departments, officers, agents and employees of the state from and against any and all claims, losses or suits according or resulting to any Contractors, subcontractors, laborers and any person, firm or corporation who may be directly or indirectly injured or damaged by the negligence or willful misconduct of the Contractor in the performance of this contract.

3.1.2 The Department may request, in writing, evidence of the Contractor's workers compensation insurance policy. If such a request is made, the Contractor must file such evidence of its workers compensation insurance policy with the Department's Contract Administrator, no later than fifteen (15) business days following receipt of the request. Should the Contractor fail to comply with the request in a timely manner, the Department may, at its option and discretion, invoke the provisions under Section 7.2, subsections 7.2.1 through 7.2.4 infra.

3.1.3 The Contractor, at their own expense, must defend any and all claims or suits which may be brought against the Department or the state for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or state's use of any equipment, materials or information prepared or developed by the Contractor in conjunction with the performance of this contract. The Contractor shall not be liable hereunder to the extent such suit is attributable to the acts or omissions of the state or the Department. The Contractor shall, in any such suit, satisfy any and all damages directly or indirectly assessed against the state or its departments, be it resolved by settlement, final judgment, consent or any other manner.

- j. Section 3, subsection 3.6, Litigation, is deleted in its entirety and the following is substituted in its place:

3.6 Litigation

3.6.1 The Contractor shall provide written notice to the Department of any litigation that relates to the services directly or indirectly financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.

3.6.2 The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990, executive orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other provisions of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

- k. Section 3, is amended by the addition of the following new subsections:

3.10 Lobbying

The Contractor agrees to abide by state and federal lobbying laws and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.

3.11 Compliance with Law and Policy

The Contractor shall comply with all pertinent provisions of local, state and federal laws and regulations as well as Departmental policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures that the Department has responsibility to promulgate or enforce.

3.12 Suspension or Debarment

3.12.1 Signature on this contract certifies the Contractor or any person (including subcontractors) involved in the administration of federal or state funds:

- a. is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (federal, state or local);
- b. within a three year period preceding this Contract, has not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- c. is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the above offenses; or
- d. has not within a three year period preceding this contract had one or more public transactions terminated for cause or fault.

3.12.2 Any change in the above status shall be reported to the Department immediately.

1. Section 4, subsection 4.1, Settlement of Disputes, is deleted in its entirety and the following is substituted in its place:

4.1 Settlement of Disputes and Claims Commission

- 4.1.1 Any dispute concerning the interpretation or application of this contract shall be decided by the commissioner of the Department or the commissioner's designee whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioner pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
- 4.1.2 Claims Commission. The Contractor agrees that the sole and exclusive means for the presentation of any claim against the state arising from this contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any state or federal court in addition to or in lieu of said Chapter 53 proceedings.

- m. Section 5, subsections 5.3 through 5.12 are deleted in their entirety and the following substituted in their place:

5.3 Non-discrimination Regarding Sexual Orientation: Unless otherwise provided by §46a-81p of the Conn. Gen. Stat., the Contractor agrees to the following provisions required pursuant to §4a-60a of the Conn. Gen. Stat.:

5.3.1 The Contractor agrees:

- i. and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut and that employees are treated when employed without regard to their sexual orientation;
- ii. to provide each labor union or representatives of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding a notice to be provided by the Connecticut Human Rights and Opportunities Commission advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
- iii. to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to §46a-56 of the Conn. Gen. Stat.; and
- iv. to provide the Connecticut Human Rights and Opportunities Commission with such information requested by the commission and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and §46a-56 of the Conn. Gen. Stat.

5.3.2 The Contractor shall include the provisions of Subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with §46a-56 of the Conn. Gen. Stat. provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

5.4 Executive Orders Nos. 16, 17, and 7C

5.4.1 Executive Order No. 3: Nondiscrimination - This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated before completion. The Contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three and that the Contractor will not discriminate in employment practices or policies, will file all reports as required and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

5.4.2 Executive Order No. 16: Violence in the Workplace Prevention Policy

This contract is also subject to provisions of Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999 and, as such, this contract may be cancelled, terminated or suspended by the contracting agency or the state for violation of or noncompliance with said Executive Order No. Sixteen. The parties to this contract, as part of the consideration hereof, agree that:

- i. The Contractor shall prohibit employees from bringing into the state work site, except as may be required as a condition of employment, any weapon/dangerous instrument defined in Subsection (ii) to follow;
- ii. Weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon. Dangerous instrument means any instrument, article or substance that, under the circumstances, is capable of causing death or serious physical injury;
- iii. The Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threatening to cause, physical injury or death to any individual in the state work site;
- iv. The Contractor shall adopt the above prohibitions as work rules, violation of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall require that all employees are aware of such work rules; and
- v. The Contractor agrees that any subcontract it enters into in the furtherance of the work to be performed hereunder shall contain the provisions (i) through (iv), above.

5.4.3 Executive Order No. 17: Connecticut State Employment Service Listings

This contract is also subject to provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973 and, as such, this contract may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

5.4.4 Executive Order No. 7C: State Contracting Standards Board

This contract is also subject to provisions of Executive Order No. Seven C of Governor M. Jodi Rell promulgated July 13, 2006 and, as such, this contract may be canceled terminated or suspended by the contracting agency for violation of or noncompliance with said Executive Order No.7C. The parties to this contract, as part of the consideration hereof, agree that:

- i. The State Contracting Standards Board ("the Board") may review this contract and recommend to the state contracting agency termination of the contract for cause. The state contracting agency shall consider the recommendations and act as required or permitted in accordance with the contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state contracting agency and any other affected party in accordance with the notice provisions in the contract no later than fifteen (15) days after the Board finalizes its recommendation. For the purposes of this Section, "for cause" means:
 - a violation of the State Ethics Code (Conn. Gen. Stat. Chapter 10) or §4a-100 of the Conn. Gen. Stat.; or
 - wanton or reckless disregard of any state contracting and procurement process by any person substantially involved in such contract or state contracting agency.
- ii. For the purposes of this section, "contract" shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a contract for the sale or purchase of a fee simple interest in real property following transfer of title; and
- iii. Notwithstanding the contract value listed in §§ 4-250 and 4-252 of the Conn. Gen. Stat. and section 8 of Executive Order No. One, all State Contracts between state agencies and private entities with a value of \$50,000 or more in a calendar or fiscal year shall comply with the gift and campaign contribution certification requirements of §4-252 of the Conn. Gen. Stat. and section 8 of Executive Order No. One. For purposes of this section, the term "certification" shall include the campaign contribution and annual gift affidavits required by section 8 of Executive Order No. One.

5.5 Nondiscrimination and Affirmative Action Provisions in Contracts of the State and Political Subdivisions Other Than Municipalities

5.5.1 The Contractor agrees to comply with provisions of § 4a-60g of the Conn. Gen. Stat.

Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

- i. The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved;
- ii. the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

- iii. the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
- iv. the Contractor agrees to comply with each provision of this section and §§ 46a-68e and 46a-68f of the Conn. Gen. Stat. and with each regulation or relevant order issued by said commission pursuant to §§ 46a-56, 46a-68e and 46a-68f of the Conn. Gen. Stat. ; and
- v. the Contractor agrees to provide the Connecticut Human Rights and Opportunities Commission with such information requested by the commission and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and § 46a-56 of the Conn. Gen. Stat. If the contract is a public works contract, the Contractor agrees and warrants that they will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

5.5.2 For the purposes of this section, "minority business enterprise" means any small Contractor or supplier of materials 51% or more of capital stock, if any, or assets of which is owned by a person or persons:

- i. who are active in the daily affairs of the enterprise;
- ii. who have the power to direct the management and policies of the enterprise; and
- iii. who are members of a minority, as such term is defined in Subsection (a) of § 32-9n of the Conn. Gen. Stat.

5.5.3 "Good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

5.5.4 Determinations of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative action advertising; recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

5.5.5 The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.

5.5.6 The Contractor shall include the provisions of Subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provision shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with § 46a-56 of the Conn. Gen. Stat.; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

5.6 Americans with Disabilities Act of 1990

This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 USCS §§12101-12189 and §§12201-12213) (Supp. 1993); 47 USCS §§225, 611 (Supp. 1993). During the term of the contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability that may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of Sec. 504 of the federal Rehabilitation Act of 1973, as amended, 29 U.S.C. §794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.

5.7 Utilization of Minority Business Enterprises

It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government contracts. The Contractor agrees to use best efforts consistent with 45 C.F.R. 74.160 et seq. (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds; and §§13a-95a, 4a-60, to 4a-62, 4b-95(b) and 32-9e of the Conn. Gen. Stat. to carry out this policy in the award of any subcontracts

5.8 Non-Smoking

If the Contractor is an employer subject to the provisions of §31-40q of the Conn. Gen. Stat., the Contractor agrees to provide the Department with a copy of its written rules concerning smoking. The rules or a statement that the Contractor is not subject to the provisions of §31-40q of the Conn. Gen. Stat. must be received by the Department prior to this contract's approval.

n. Section 9, is amended by the addition of the following new subsections:

9.7 Mergers and Acquisitions

- 9.7.1 Contracts in whole or in part are not transferable or assignable without the prior written consent of the Department.
- 9.7.2 At least ninety (90) days before the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets and any change in fiduciary responsibility, the Contractor shall provide the Department with written notice of such changes.
- 9.7.3 The Contractor shall comply with requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written consent as required by Section II.D.2 above. The Department shall notify the Contractor of such determination not later than forty-five (45) business days from the date the Department receives such requested documentation.

9.8 Equipment

In the event this contract is terminated or not renewed, the Department reserves the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least \$2,500. Equipment shall be considered purchased from Contractor funds and not from Department funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.

9.9 Non-enforcement not to constitute waiver

The failure of either party to insist upon strict performance of any terms or conditions of this contract shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.

9.10 Contract Reduction

9.10.1 The Department reserves the right to reduce the contracted amount of compensation at any time in the event that:

- i. the Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld; or
- ii. Federal funding reductions result in reallocation of funds within the Department.

9.10.2 The Contractor and the Department agree to negotiate on the implementation of the reduction within thirty (30) days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within thirty (30) calendar days of such formal notification and a contract amendment has not been executed, the Department may terminate the contract sixty (60) days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

9.11 Campaign Contribution Restrictions.

Pursuant to Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies state contractors, prospective contractors, and their principals are prohibited from soliciting or making contributions to state political campaigns. For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the Department certifies that they have provided and the Contractor's authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice (SEEC Form 11) advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice.

6. Part Four, Cost and Pricing Information, sections 1 through 3, including all subsections, are deleted in their entirety and the following are substituted in their place:

1. EBT Card Cost and Price

1.1. Delivery

The card production price shall remain fixed for the term of the contract and represent the total fees for the card production and delivery to the Department at 25 Sigourney Street, Hartford, CT.

1.2. Business Cost

The Department shall pay the Contractor an all-inclusive per card rate of \$1.12 for the entire contract term including extensions should the Department exercise its option to extend the contract. The total estimated EBT card cost for the two-year contract extension term is \$940,800 and shall not exceed this amount without formal amendment to this Contract

1.3. Postage

The Department shall reimburse the Contractor for actual postage expenses for the mailing of select cards to recipients at a U.S. standard postage rate. The estimated postage for the two year-term extension is \$219,240.00 assuming an annual volume of 420,000 mailings per year and at the current postage rate.

1.4. Invoice

The Contractor shall invoice the Department on a monthly basis for the actual number of correct and accurate cards produced and delivered to the Department or mailed directly to recipients and the actual postage cost. Such invoices shall be in a format approved by the Department.

2. Client and Employee Identification Cards - Digital Imaging Maintenance and Support Services Cost and Price

2.1. Product Purchases

- 2.1.1. All Product Purchases for products listed in Exhibit Two will be at the rate as listed in Exhibit Two below for the term of this contract.
- 2.1.2. All Product Purchases for products not listed in Exhibit Two below will be at the Contractor's best rate available to government entities at the then existing rate or such other rate schedule as may be included in this Contract.
- 2.1.3. The Contractor shall invoice the Department according to the following terms:
- 2.1.3.1. Contractor may invoice the Department no more frequently than monthly.
- 2.1.3.2. Charges for Maintenance Support including technical and support services shall be invoiced on a monthly or other periodic basis as may be mutually agreed upon by the Department and the Contractor.

2.2. Maintenance Support Services

- 2.2.1. The Maintenance Support Services shall be for the length of the extension and shall commence when the Contractor receives an order for said services.
- 2.2.2. The initial Term for support services for Products added to the System already enrolled under said Maintenance Support Services shall be coterminous with the applicable term of the services for a given Product and, for the purposes of changes to Maintenance support service charges, the services will be deemed to have the same commencement date as the applicable term to which a Product is added.
- 2.2.3. Maintenance Support Services will continue at the rates shown below on the Maintenance Payment Schedule until terminated or cancelled according to the terms and conditions of this Contract.
- 2.2.4. All Product maintenance and service charges shall be based on the Maintenance Payment Schedule as follows:

Year	Per Month Rate	Total Per Year
(Current Year) July 1, 2006 – June 30, 2007	\$44,862	\$538,344.00
July 1, 2007 – June 30, 2008	\$46,234	\$554,808.00
July 1, 2008 – June 30, 2009	\$47,677	\$572,124.00

2.3. Identification Card Costs (based on an annual card volume of 50,000)

- 2.3.1. from July 1, 2007 through June 30 2009 \$0.43 per card

2.4 Card Design Upgrade Payment Schedule

- 2.4.1 One Card Design change is included in the contract extension (not to exceed \$24,000 in value) per Digimarc Quote FQ20060717CT01

3. Total Contract Cost Summary for the Contract Extension Term - July 1, 2007 - June 30, 2009

3.1 EBT card cost for the 2 year extension	\$ 940,800
3.2 Postage	\$ 219,240
3.3 Digital Imaging Maintenance Support Services	\$1,126,932
3.4 Identification Card Costs 7/1/2007 - 6/30/2009	\$ 20,000
3.5 Card Design Upgrade	\$ 0

Total Contract Cost for the two year period 7/1/2007 through 6/30/2009 = \$2,306,972

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE**

DIVISION

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 1		(2) IDENTIFICATION NO. 09DSS0901HR 999L1SCEN02	
CONTRACTOR	(3) CONTRACTOR NAME L-1 Secure Credentialing, Inc.			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 296 Concord Road, Third Floor, Billerica, MA 01821			CONTRACTOR FEIN/SSN 94-3342784	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				(6) AGENCY NO. DSS6000
CONTRACT PERIOD	(7) DATE (FROM)	(8) THROUGH (TO)	(8) INDICATE		
	09/01/09	08/31/15	MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days

COMPLETE DESCRIPTION OF SERVICE

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

The terms of contract number 09DSS0901HR/999L1SCEN02 are hereby amended as follows on pages 2 through 8 of this first amendment.

ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT NOT SPECIFICALLY AMENDED HEREIN, REMAIN IN FULL FORCE AND EFFECT.

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

The elimination of the maintenance and operation of the Digital Imaging System, effective September 1, 2010, results in a decrease of \$2,872,988.00 to the original maximum contract value of \$6,500,000.00.

Payments related to the Contractor for the performance of tasks set forth in this amendment for the Summer EBT Program for Children shall not exceed \$62,188.00.

The maximum contract value for the provision of services pursuant to the terms of this contract as amended shall not exceed \$3,689,200.00.

Specific payment terms for the period September 1, 2010 through August 31, 2015 are set forth in paragraph 9 on pages 5 - 6 of this amendment.

(12) ACT CD	(13) DOC TYP	(14) COM TY P	(15) LSE. TYP.	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY DSS6000	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 94-3342784		
(21) COMMITTED AMOUNT				(22) OBLIGATED AMOUNT		(23) CONTRACT PERIOD (FROM/TO) 09/01/09 - 08/31/15				
(24) Line No.	(25) Budget Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(30) Account	(31) Project/Grant	(32) Chart 1	(33) Chart 2	(33) Amount

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE President	DATE 5/6/11	
(36) AGENCY (AUTHORIZED OFFICIAL)	TITLE Roderick L. Bremby, Commissioner-	DATE 5/25/11	
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM)	ASSOC. ATTY. GENERAL	DATE 7/25/11	

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE**

DIVISION

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-96 OF THE C.G.S. AS APPLICABLE.

(11) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 1	(2) IDENTIFICATION NO. 09DSS0901HR 999L1SCEN02
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CONTRACTOR	(3) CONTRACTOR NAME L-1 Secure Credentialing, Inc.	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	CONTRACTOR ADDRESS 296 Concord Road, Third Floor, Billerica, MA 01821	

STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106	(6) AGENCY NO. DSS6000
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CONTRACT PERIOD	(7) DATE (FROM) 09/01/09	THROUGH (TO) 08/31/15	(8) INDICATE			
				MASTER AGREEMENT <input type="checkbox"/>	CONTRACT AWARD <input type="checkbox"/>	NO <input type="checkbox"/>

CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days
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COMPLETE DESCRIPTION OF SERVICE	(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)
	<p>The terms of contract number 09DSS0901HR/999L1SCEN02 are hereby amended as follows on pages 2 through 8 of this first amendment.</p> <p>ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT NOT SPECIFICALLY AMENDED HEREIN, REMAIN IN FULL FORCE AND EFFECT.</p>

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
The elimination of the maintenance and operation of the Digital Imaging System, effective September 1, 2010, results in a decrease of \$2,872,988.00 to the original maximum contract value of \$6,500,000.00.

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The maximum contract value for the provision of services pursuant to the terms of this contract as amended shall not exceed \$3,689,200.00.

Specific payment terms for the period September 1, 2010 through August 31, 2015 are set forth in paragraph 9 on pages 5 - 6 of this amendment.

(12) ACT CD	(13) DOC TYP	(14) COM TY P	(15) LSE. TYP.	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY DSS6000	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 94-3342784
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(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT	(23) CONTRACT PERIOD (FROM/TO) 09/01/09 - 08/31/15
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(24) Line No.	(25) Project Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(30) Account	(31) Project/Grant	(32) Chart 1	(32) Chart 2	(33) Amount

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS

STATUTORY AUTHORITY §§ 4- 8, 17b-3

(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE President	DATE 6/6/11
(36) AGENCY (AUTHORIZED OFFICIAL) 	TITLE Roderick L. Bremby, Commissioner	DATE 5/25/11
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE	DATE

(38) ATTORNEY GENERAL (APPROVED AS TO FORM) 	ASSOC. ATTY. GENERAL	DATE 7/25/11
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PART I

Scope of services, Contract Performance, and Payment Provisions

1. Section B Scope of Work, subsection 1, is amended by the addition of the following Definition:
SEBTC: Summer EBT Program for Children.
2. Section B Scope of Work, subsection 2 a 1 of the original contract is deleted and replaced with the following:
 - a. Produce and deliver EBT and SEBTC Cards. EBT cards are benefit cards used by Department clients to access their SNAP (Supplemental Nutrition Assistance Program) and Cash benefits at point of sale (POS) devices in retail stores or at ATM (automated teller machines). SEBTC cards are benefit cards used by Department clients to access their Summer Food Service Program Benefits during the months in which schools are not in session at those point of sale (POS) devices in retail stores that accept SNAP
3. Effective September 1, 2010, Section B Scope of Work, subsection 2 b, 2c and 2d on pages 3 and 4 of the original contract are deleted in their entirety and replaced with the following:
 - a. The Contractor shall continue to operate the Department's current DIS, an integrated collection of hardware and software products used by the Department to collect, provide, process, maintain and view client identification information including biometric data (fingerprint identification), demographic data and photographic data; produce employee identification cards with picture; and produce reports and statistical data as directed by the Department, however, the Contractor shall not be required to provide preventive or remedial maintenance of the DIS unless requested and approved by the Department in accordance with the Remedial Service Process set forth in section 5d of this amendment.
4. Add a new subsection 3A to Section B Scope of Work, as follows:

The provisions of Section B Scope of Work Section 3 of the original contract that apply to the production of EBT cards shall also apply to the production of SEBTC cards.

- a. The operation of the SEBTC program is limited to the period of time that the SEBTC clients are not in school, estimated to begin sometime in the third or fourth week of June, but before July 1 of each year, through and including the third or fourth week of August, but before the Labor Day holiday.
- b. The initial batch of SEBTC cards shall be produced by the Contractor following the Contractor's receipt from the Department of the initial SEBTC Card file. The Department and the Contractor shall, upon the Contractor's receipt of the file for the initial batch of SEBTC cards, agree upon the date that the Contractor shall be obligated to complete production and mailing of the initial batch of SEBTC cards.
 - i. The Department expects that the file shall be provided to the Contractor and the Contractor shall produce and mail the initial batch of SEBTC cards so that the cards will reach the clients before the last day that school is in session, estimated to be on or about the third week of June.

- c. Following the production and mailing of the initial batch of SEBTC cards the Contractor shall receive from the Department a batch file of any replacement cards that would need to be produced. This batch file will be received by the Contractor on a daily basis until otherwise notified by the Department.
 - i. The Department expects that the last day that the Contractor shall receive a daily batch file for the production of replacement SEBTC cards shall be on or about the last week of August, in advance of the Labor Day Holiday.
5. Section B Scope of Work, Section 4 - DIGITAL IMAGING SYSTEM on pages 6, 7 and 8 of the original contract are deleted in their entirety and replaced with the following:
- a. The provisions of this section shall, unless otherwise specifically stated, shall apply to the current and existing DIS, including AFIS and the Central File Server (collectively, the "System").
 - b. Pursuant to the terms of contract number 02DSS0901HR by and between the Department of Social Services and L-1 Secure Credentialing, the predecessor contract to this contract which expired by its terms on August 31, 2009, the Contractor developed, implemented and currently operates a functioning DIS, including AFIS and the functionality to produce Employee Identification cards. Beginning September 1, 2009 the Contractor shall continue to operate the existing DIS, including AFIS and the functionality to produce Employee Identification cards in accordance with the terms of this section.
 - c. Appendix 1 to this contract identifies the location of the of the Admin Work Stations and Enrollment Stations that together with a Central File Server located at the State of Connecticut Department of Information Technology, make up the System.
 - d. The Contractor shall:
 - i. Make available as requested by the Department, support staff for the operation and Department-requested maintenance of the System.
 - ii. If requested by the Department, provide the Department with access to fingerprint analysis services, with qualified staff for the purpose of confirming suspected duplicate client cases, performing minutiae analysis and acting as an expert witness at administrative and/or judicial hearings.
 - iii. If requested by the Department, provide the Department with the expertise necessary to defend the ability or integrity of the System in any legal proceeding involving any third parties at no cost to the State during the term of this Contract.
 - iv. If requested by the Department, maintain the System hardware.
 - v. Supply the Department with the consumables needed by the Department for the production of the employee identification cards.

- vi. Ensure that all of the data on the Contractor's servers located at the State of Connecticut Department of Information Technology are backed up on a daily basis.
 - vii. Provide On-going Education and Training as required by the Department in support of the System including card production, software applications, and the data capture workstations.
 - viii. If requested by the Department through the Manager of the Department's Fraud and Recoveries Unit, the Contractor shall provide remedial maintenance of the system in accordance with the following process;
 1. The Manager of the Department's Fraud and Recoveries Unit or their authorized designee, contacts the Contractor to request a service call.
 2. The Contractor diagnoses the service need during the request process or requests approval from the Department's Fraud and Recoveries Manager or their authorized designee to travel to the location to conduct an on-site diagnosis.
 3. Following the diagnosis the Contractor shall determine the most cost-effective method to repair the equipment, if authorized by the Department to do so, and advise the Department of the cost.
 4. If authorized by the Department the Contractor shall repair the equipment and thereafter invoice the Department for the cost of the repair in accordance with the payment terms set forth herein.
 5. The Department shall have no liability for the cost of the repairs unless the Contractor obtained the approval of the Department in advance of the repair in accordance with this process.
 6. To complete any authorized repairs the Contractor shall, when possible, replace System parts with used or refurbished System parts. All parts removed from the System and replaced with used or refurbished parts shall be the property of the Contractor. All System parts shall be the property of the DSS.
 7. The Contractor shall have full access to any part of the System to provide authorized services thereon based upon the prior approval of the Department.
 - ix. The Contractor's software maintenance releases shall be licensed only for use on the designated computer system(s) under the license terms and conditions of this Contract.
6. Section C TECHNOLOGY REFRESH on pages 8 through 13 of the original contract is deleted in its entirety.
 7. Section D1 – MISCELLANEOUS PROVISION on page 13 of the original contract is deleted and replaced with the following:
 - a. SEBTC Card Design and Employee Card Design Upgrade: The Contractor shall:
 - i. work with the Department to design a new SEBTC card and card carrier to support the Department's Summer EBT Program for Children, and
 - ii. throughout the term of this contract, provide the DEPARTMENT, up to five (5) opportunities to design new Employee Identification Card formats.

8. Sections D2, D3, D4 and D6 - MISCELLANEOUS PROVISIONS on page 13 of the original contract are deleted in their entirety and replaced with the following:

D.2 Performance Bond: The Department requires a fully operational EBT card system throughout the term of this contract. Failure of the Contractor to provide a fully operational system at any time during the term of the contract will cause considerable harm to the Department and its clients. To mitigate such harm the Department requires the Contractor to obtain and maintain a Performance Bond in the amount of \$150,000.00. The Performance Bond must be provided by an insurer, which has been previously approved by the Department. A bond shall be provided for the duration of the Contract and for any subsequent extensions to the Contract. The Contractor may provide an annual renewable bond provided that any such bond must be renewed or replaced during the required coverage period prior to the expiration of any such existing bond.

D.3 and D.4 – RESERVED

D.6. Change Order Process: Throughout the term of this Contract the Department or the Contractor may require or suggest a Change to the Card Production Process. Proposed changes shall be transmitted to the other party in writing specifying the extent of the change and the monetary impact, if any. Neither party shall incur costs associated with a proposed change, unless or until both parties have agreed to the change and corresponding costs. The Department and the Contractor shall, following the execution of this contract, develop a change order control process to ensure that changes are only made following the agreement of the parties of the scope, implementation and cost of the change.

9. Effective September 1, 2010, Section E – PAYMENT PROVISIONS – on page 14 of the original contract is deleted in its entirety and replaced with the following:

PAYMENT PROVISIONS

- A) SEBTC Card Production: The Contractor shall invoice the Department for actual costs associated with the development of the SEBTC, the modifications necessary to produce the SEBTC card in accordance with the terms of this contract and a supply of 20,000 cards. Such costs shall not exceed \$20,000.00. The Contractor shall provide the DEPARTMENT with a detailed invoice outlining the costs.
- B) Card Production and Delivery: The card production price shall remain fixed for the specified periods within the term of the contract and represent the total fees for the card production and delivery to the Department at 25 Sigourney Street, Hartford, CT.
- 1) For EBT and Medical Cards the Department shall pay the Contractor an all-inclusive per card rate of \$1.08 and for SEBTC cards the Department shall pay the Contractor an all-inclusive per card rate of \$1.35. These rates shall stay in effect for the entire contract term including the two one-year extensions should the Department exercise its option to extend the contract.
 - 2) The Department shall reimburse the Contractor for actual postage expenses for the mailing of select cards to recipients at a U.S. standard postage rate.

- 3) The Contractor shall invoice the Department on a monthly basis for the actual number of correct and accurate cards produced and delivered to the Department or mailed directly to recipients and the actual postage cost. Such invoices shall be in a format approved by the Department.
- C) Employee Identification Cards – The Department shall pay the Contractor \$0.43 per card used by the Department in the production of the Employee Identification Cards.
- D) Section E 3 - Digital Imaging System Maintenance and Support Services Cost and Price – DELETED
- E) Section E 4 - Additional WorkStations – DELETED.
- F) Payment Terms - Remedial Maintenance Process described in paragraph 5d of this first amendment.
 - 1) The Contractor may invoice the Department \$155.00 per hour for each hour or part of an hour that the Contractor works on an authorized service call.
 - 2) The Contractor may invoice the Department \$0.55 per mile for any travel required by the Contractor to provide service in response to an authorized service call.
 - 3) The Contractor may invoice the Department \$155.00 per hour for each hour or part of an hour that the Contractor works on an authorized Bench Repair and
 - 4) The Contractor may invoice the Department for the costs associated with the purchase of replacement parts necessary to complete a repair for an authorized service call.
 - 5) These rates shall remain in effect through December 31, 2011. Thereafter the Department and the Contractor shall, if necessary, negotiate new rates for services associated with the authorized service calls.

10. Delete Part II – MANDATORY TERMS AND CONDITIONS, Section B 14 - Choice of Law and Choice of Forum, Settlement of Disputes, Office of the Claims Commission on pages 18 and 19 of the original contract and replace with the following:

Choice of Law/Choice of Forum, Settlement of Disputes, Claims Against the State.

(a) The Contract shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

(b) Any dispute concerning the interpretation or application of this Contract shall be decided by the Agency Head or his/her designee whose decision shall be final, subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the Agency Head pursuant to this section, the Contractor shall be afforded an opportunity to be heard and

to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Agency shall proceed diligently with the performance of the Contract.

(c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Title 4, Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings, except as authorized by that Chapter, in any state or federal court in addition to or in lieu of said Chapter 53 proceedings.

11. Delete Part II – MANDATORY TERMS AND CONDITIONS, Section D6 - Government Function; Freedom of Information on page 25 of the original contract and replace with the following:

Freedom of Information.

(a) Contractor acknowledges that the Agency must comply with the Freedom of Information Act, C.G.S. §§ 1-200 et seq. (“FOIA”) which requires the disclosure of documents in the possession of the State upon request of any citizen, unless the content of the document falls within certain categories of exemption, as defined by C.G.S. § 1 - 210(b).

(b) Governmental Function. In accordance with C.G.S. § 1-218, if the amount of this Contract exceeds two million five hundred thousand dollars (\$2,500,000), and the Contractor is a “person” performing a “governmental function”, as those terms are defined in C.G.S. §§ 1-200(4) and (11), the Agency is entitled to receive a copy of the Records and files related to the Contractor’s performance of the governmental function, which may be disclosed by the Agency pursuant to the FOIA.

12. Delete Part II – MANDATORY TERMS AND CONDITIONS, Section D7 - Whistleblowing on page 25 of the original contract and replace with the following:

Whistleblowing.

This Contract is subject to C.G.S. § 4-61dd if the amount of this Contract is a “large state contract” as that term is defined in C.G.S. § 4-61dd(h). In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee’s disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars (\$5,000) for each offense, up to a maximum of twenty per cent (20%) of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day’s continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the relevant sections of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

13. Delete Part II – MANDATORY TERMS AND CONDITIONS, Section D10 – Executive Orders on pages 26 and 27 of the original contract and replace with the following:

Executive Orders.

This Contract is subject to Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace. This Contract may also be subject to Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. All of these Executive orders are incorporated into and made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Agency shall provide a copy of these Orders to the Contractor.

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERE TO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

(1) ORIGINAL <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/>	(2) IDENTIFICATION NO. 09DSS0901HR 999L1SCEN02
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CONTRACTOR	(3) CONTRACTOR NAME L-1 SECURE CREDENTIALING, INC.	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	CONTRACTOR ADDRESS 296 Concord Road, Third Floor, Billerica, MA 01821	CONTRACTOR FEIN/SSN 94-3342784

STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106	(6) AGENCY NO. DSS6000
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CONTRACT PERIOD	(7) DATE (FROM) 09/01/09	THROUGH (TO) 08/31/15	(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>
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CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days
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COMPLETE DESCRIPTION OF SERVICE	(10) CONTRACTOR AGREES TO: (Include special provisions – Attach additional blank sheets if necessary.) The Contractor shall produce and deliver client and employee plastic identification cards with a high-coercivity POS/ATM readable stripe; provide digital imaging maintenance and support to the Department's existing digital imaging equipment; and plan, purchase, implement, maintain and support a technology refresh of the existing digital imaging equipment. Services shall be performed in accordance with the provisions of the scope of work set forth on pages 2 through 15 of this contract and in accordance with the Mandatory Terms and Conditions of pages 16 to 27
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COST AND SCHEDULE OF PAYMENT	(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. For the period 9/1/09 through 8/31/15 the maximum contract value shall not exceed \$6,500,000.00. Specified payment provisions are set forth on page 14, Section E of this contract.
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(12) ACT. CD.	(13) DOC. TYP.	(14) COM. TY. P.	(15) LSE. TYP.	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT. AGCY DSS6000	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 94-3342784
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(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT	(23) CONTRACT PERIOD (FROM/TO) 09/01/09 – 08/31/15
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(24) Line No.	(25) Budget Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(29) Account	(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS	(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Leo Sullivan</i>	(31) STATUTORY AUTHORITY §§ 4- 8, 17b-3 TITLE Leo Sullivan , President	DATE 12-4-09
	(36) AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>	TITLE Michael P. Starkowski, Commissioner	DATE 12/7/09
	(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV. <i>Assoc. Atty. General</i>	TITLE ASSOC. ATTY. GENERAL	DATE 12/15/09
	(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>Assoc. Atty. General</i>	TITLE ASSOC. ATTY. GENERAL	DATE 12/15/09

PART I

Scope of services, Contract Performance, and Payment Provisions

A. **TERM** - This contract shall be in effect from 09/01/09 through 08/31/15. There are two (2) additional one-year options to extend this agreement that may be exercised at the sole discretion of the Department subject to successful negotiations. Extension years may be exercised separately or together and extensions of less than one-year are acceptable.

B. Scope of Work

1) Definitions: The following terms and definitions apply to this Contract:

- a) **Admin Work Station:** Computer and equipment used by Department staff to view data and images in the Digital Imaging System.
- b) **AFIS:** Automated Fingerprint Identification System
- c) **ANSI:** American National Standards Institute, the sole U.S. representative of the ISO.
- d) **ATM:** Automatic Teller Machine
- e) **CLID:** Client Identification
- f) **Department or DSS:** The State of Connecticut Department of Social Services
- g) **DIS:** Digital Imaging System
- h) **DOIT:** The State of Connecticut Department of Information and Technology
- i) **Duplicate Images:** One person's fingerprints under more than one identity.
- j) **EBT:** Electronic Benefit Transfer
- k) **Employee ID Card** – Picture identification cards used by Department employees to gain access to Department buildings.
- l) **Enrollment Station** - Computer and equipment used by Department staff to capture a client's photograph, signature and fingerprints.
- m) **Exchange Unit:** New, remanufactured or repaired hardware in working order that Contractor conveys to Department as a replacement for a Failed Unit.
- n) **Failed Unit:** Any part of the System for which maintenance service has been ordered from Contractor under the terms and conditions of this Contract, which is deemed eligible by the Contractor for exchange or repair by the Contractor which is identified by Department as not in working order.
- o) **GA:** General Assistance
- p) **ISO Standards:** Standards published by the International Organization for Standardization that for purposes of this contract, establish the parameters for the EBT and Medical Benefit Cards produced by the Contractor through this contract.
- q) **Maintenance Support Services:** Those maintenance services ordered by the Department to become effective at the end of the applicable warranty period for the Products and for which the Department shall pay Contractor according to the applicable rates shown on the Product Schedule. These same services provided by Contractor during the applicable warranty period shall be at no cost to the Department.
- r) **OEM:** Original Equipment Manufacturer.
- s) **OEM Specifications:** Those specifications released by the OEM relating to Products, offered for general distribution and sale that describe standard product characteristics, functions and capabilities.

- t) **One-to-Many (1 :N):** Refers to the AFIS system ability to search for a match in the AFIS database comparing one record to many records.
- u) **Parameter File:** The file containing messages the contractor will print on the card carrier. Each message will be identified by a distinct code and the contractor will use those codes to print messages on the card carrier.
- v) **POS:** Point of Sale
- w) **PPM:** Prime Period Maintenance. Product maintenance performed between 8:00 AM and 5:00 PM Monday through Friday, exclusive of Department holidays. Product maintenance performed during any other time is hereinafter referred to as "Off Hours".
- x) **Product(s):** A Contractor furnished unit or aggregation of electronic or mechanical components or parts (including Contractor -furnished firmware and software) configured and interconnected as a system capable of being operated to process information according to written Contractor specifications, and any custom developed/ enhanced Contractor computer software generated at the request of the Department, if applicable, along with all related materials, documentation and information received by Department from Contractor that is specified in any Attachment.
- y) **Software:** Computer program(s) that instruct(s) or control(s) the System, to provide user access to on-line capabilities and produce reports, other outputs, and provides the Department meaningful use of the System.
- z) **State:** The State of Connecticut.
- aa) **Supplies:** Those items required to successfully operate any Product in the installed environment. Such supplies may include, but are not limited to: magnetic media (disks, tapes, etc.), lubrication/cleaning materials, and other such items which may become necessary for successful Product operation.
- bb) **System:** The DIS, including AFIS and all peripherals.
- cc) **TANF:** Temporary Assistance for Needy Families.

2) Overview:

- a) Throughout the term of the contract the Contractor shall perform the following tasks in accordance with the terms of this contract.
 - 1) Produce and deliver EBT Cards. EBT cards are benefit cards used by Department clients to access their SNAP (Supplemental Nutrition Assistance Program) and Cash benefits at point of sale (POS) devices in retail stores or at ATM (automatic teller machines);
 - 2) Produce and deliver three (3) types of Medical Cards: Medical cards are benefit cards used by Department clients to access their HUSKY A, HUSKY B or Charter Oak medical benefits; and
 - 3) Provide the Department with the consumables needed by the Department to produce the employee identification cards.
- b) Beginning September 1, 2009 the Contractor shall continue to operate and maintain the Department's current DIS an integrated collection of hardware and software products used by the Department to:
 - 1) collect, provide, process, maintain and view client identification information including biometric data (fingerprint identification), demographic data and photographic data;
 - 2) produce employee identification cards with picture; and
 - 3) produce reports and statistical data as directed by the Department.
- c) During the twelve month period following the execution of this contract, the Contractor shall plan, develop and implement a Technology Refresh of the current DIS, including AFIS which shall include the conversion of the data from the existing DIS into the refreshed DIS.

- d) Following the implementation, conversion to and the testing of the refreshed DIS, including AFIS the Contractor shall for the balance of the contract term operate and maintain the refreshed DIS, including AFIS in accordance with the provisions of this contract.

3) Production of Electronic Benefit Transfer (EBT) and Medical Benefit Cards

- a) The Department requires the daily production of new and replacement EBT and Medical Benefit Cards for all clients eligible and enrolled in the Department's public assistance programs. Critical to this contract is the quality and durability of the cards, the timeliness of production, and the delivery of the cards to the Department or the Department's eligible clients and a "failsafe" backup card production system.
- b) The Contractor shall produce EBT cards that function in a financial electronic network, meeting all required ISO/ANSI published standards and enabling future integration with DSS' published Electronic Benefit Transfer specifications.
- c) The Contractor shall produce HUSKY A, HUSKY B and Charter Oak Medical Benefit cards that meet all required ISO/ANSI standards. The Department shall approve all design and technical changes prior to the production of the cards.
- d) The Contractor shall produce EBT and Medical Benefit Cards that comply with ISO/ANSI standards 7810, 7811, 7812 and 7813.
- e) Following the exhaustion of the Contractor's current supply of card stock, the Contractor shall select and utilize a card with a high coercivity magstripe with a minimum three-year life expectancy for the production of the EBT and Medical Benefit Cards.
- f) The Contractor shall produce EBT and Medical Benefit Cards that:
 - 1) Are tamper resistant with graphics specified by the Department;
 - 2) Are uniquely printed with the information provided by the Department to the Contractor through the Card Order File; have Department specific graphics;
 - 3) have a signature stripe; and
 - 4) have protective laminate to ensure the integrity of the printed data quality for the life of the identification card.
- g) The Department shall within each 24-hour day period between 11:00 p.m. and 4:00 a.m. transmit to the Contractor a daily Card Order File for each of the EBT; HUSKY A Medical, HUSKY B Medical and Charter Oak Cards that the Contractor shall be required to produce. The Card Order File contains the identification information that the Contractor is required to print on the EBT and Medical Benefit Cards. For each EBT and Medical Card produced the Contractor shall:
 - 1) Ensure the card quality including the correctness of the data prior to delivery of the cards. If the card data does not correspond to the data from the Card Order File transmitted by the Department or the data placed on the card is incorrectly placed or is defective in some other way, the Contractor shall reject and destroy the card and create a new card.
 - 2) Provide a Card Carrier. The Card Carrier shall be an 8.5" x 11" piece of paper that holds the card when inserted into an envelope. In addition to holding the card, the Card Carrier shall contain the personalized data for the specific client identified on the card supplied to the Contractor by the Department through the daily Card Order File.
 - 3) Provide a Card Storage Sleeve for each EBT card produce. The Contractor shall supply a pre-printed card storage sleeve with each EBT card produced incorporating a message or similar message as shown below in both English and Spanish:
 - (a) The Food Stamp Program is an equal opportunity program. If you believe you have been a victim of discrimination in your efforts to receive food stamp benefits because of your race, color, national origin, age, sex, disability, religious belief or political beliefs, write immediate to : Administrator, Food and Nutrition Service, 3101 Park Center Drive, Alexandria, VA 22302-1594
 - (b) El Programa de Cupones para Alimento esta conformidad con las leyes de igualdad de oportunidades. Si usted cree que ha sido discriminado en sus esfuerzos para obtener beneficios de cupones para alimentacion debido a su raza, color, origen nacional, edad, sexo, incapacidad, creencia política o religiosa, escriba inmediatamente a la siguiente oficina : Administrator, Food and Nutrition Service, 3101 Park Center Drive, Alexandria, VA 22302-1594

- h) The Contractor shall produce the EBT and Medical Benefit cards at its Rocky Hill, CT facility and deliver the cards by the time frames described below. If, however the Department fails to transmit the Daily Card Order File to the Contractor by 8:00 AM the Contractor, while obligated to produce and deliver the cards will not be required to comply with the stated delivery times. In such cases the Contractor shall notify the Department as to the expected delivery time which shall be as commercially reasonable as possible.
- 1) Daily EBT Card Production: The Contractor shall prepare the EBT Cards, printed in accordance with the information from the Card Order File, for mailing and deliver them, sorted by zip code to DSS Central Office at 25 Sigourney Street, Hartford, CT by 11:00 a.m. within the same 24-hour day period the Department transmits the Card Order File. The EBT Cards are prepared for mailing when they have been printed, placed in a Card Carrier with a Card Storage Sleeve in a sealed envelope affixed with the mailing address, including zip code and with the USPS approved address data bar code that will allow the Department to mail the envelopes at the best rate for first class mail. The Contractor will be responsible for the costs associated with the delivery of the EBT cards to DSS Central Office and the Department will be responsible for affixing and paying for the postage on the envelopes and mailing the same.
- 2) Daily Medical Benefit Card Production: The Contractor shall prepare the HUSKY A, HUSKY B and Charter Oak Cards, printed in accordance with the information from the Card Order File, for mailing and deliver them to a U.S. Postal Service facility by 3:00 pm each day following the receipt of the Department's Card Order File. The Medical Benefit Cards are prepared for mailing when they have been printed, placed in a Card Carrier in a sealed envelope affixed with the mailing address, including zip code and with the USPS approved address data bar code. For the HUSKY A Medical Benefit Cards the Contractor shall be required to address and sort the envelopes with "Zip plus four". The Contractor shall be responsible for mailing the Medical Benefit Cards and the cost associated with the mailing. On a monthly basis the Department shall reimburse the Contractor for actual postal costs following the Contractor's submission of an invoice to the Department.
- i) The Contractor shall maintain a backup facility in a separate location to replicate its EBT and Medical Card production capability there for any day's production run or part of a production run, if the need should arise.
- j) The Contractor shall secure all materials and data used to produce the cards to prevent counterfeiting; to prevent the unauthorized of the data and materials and protect client confidentiality.
- k) The Contractor shall maintain an audit file on all cards produced by the Contractor and shall provide the audit file to the Department upon request. The Contractor shall identify in the audit file, the original Card Order File provided by DSS by specific date. (The Card Order File from the previous night.)
- l) The Contractor shall provide the Department Daily Production Statistics and Monthly Audit Reports. The Contractor shall report on the date and time when the Card Order Files were received, total number of records received in each Card Order File, total number of cards produced, any failures identified during the production cycle, and the time of delivery to the post office for the Medical Benefit Cards or to DSS Central Office for the EBT Cards.
- m) The Contractor shall notify the DSS Project Manager identified in the Notices Section of this Contract, or designee, of all production problems, delays and unauthorized system access so that alternative measures can be taken to result in timely delivery of the identification cards and shall provide the Department with and maintain a current "problem escalation contact list" of key Contractor staff available to aid in the resolution of any production problems.
- n) The Department shall provide the Contractor with the connectivity necessary for the Contractor to establish and maintain a computer-to-computer data link with DSS to receive the Card Order File.
- o) The Contractor shall continue to maintain the two desktop systems and card printers located on the 7th floor of the Department's Central Office at 25 Sigourney Street, Hartford. One system is used by the Department for the production of emergency EBT and/ or Medical Benefit cards and the other for the production of employee identification cards and. The Contractor shall repair or replace the existing desktop systems and card printers within 24 hours for the emergency EBT system and 4 hours for the employee ID system, from the time the Department reports any malfunction or problem to the Contractor.

- p) Fully Operational means that the Contractor is correctly receiving EBT and Medical Card data, maintaining all necessary system files, producing 100% of the cards in response to the transmitted card order file, and delivering the EBT and Medical Cards to DSS as required by this contract.
- q) Performance Failure: The Contractor shall be liable to the Department for resulting damages if the Contractor does not remain Fully Operational at any time throughout the term of the Contract and through any subsequent extensions to the Contract. The Contractor shall not be liable for such damages if the Contractor is not or does not remain Fully Operational during the contract term because the Department has failed to meet its obligations under this Contract and that failure of the Department was the direct cause of the Contractor's failure to become or failure to remain Fully Operational throughout the term of the Contract.
- r) Performance Failure: A Performance Failure will be deemed to have occurred if for any two days during a 30 calendar day period, the Department determines that the Contractor has on those days failed to produce and deliver 100% of the cards ordered according to the specifications described in this Contract. The Department must notify the Contractor that a Performance Failure has occurred in writing within ten (10) calendar days after the second day of performance failure during the 30-calendar day period. If no such notice is provided by the Department to the Contractor within that time, then the provisions of this Section shall automatically be deemed null and void for the first performance failure during the 30 calendar day period and shall have no further force and effect. The second day of performance failure then becomes the first day of performance failure for the next 30-calendar day period. If the Department determines that a Performance Failure has occurred and issues such notice to the Contractor, then the Contractor shall have five (5) business days from the date of such notice to appeal such notification to the Department's Contract Administrator. If the Contract Administrator determines that a Performance Failure has occurred and that the Department is not at fault for causing such Performance Failure, the Department may call for execution of the Payment and Performance Bond and may terminate this Contract.
- s) Alternative Effort: If, in the reasonable judgment of the Department, a default by the Contractor is not so substantial as to require termination and reasonable efforts to induce the Contractor to cure the default are unavailing, and the default is capable of being cured by the Department or by another resource without unduly interfering with continued performance by the Contractor, the Department may provide or procure the services reasonably necessary to cure the default, in which event the Contractor shall reimburse the Department for the reasonable cost of the procured services and the costs associated with the procurement of the services. If the Contractor fails to reimburse the department, then the Department may deduct these costs from the fees otherwise owed the Contractor. In addition, the Contractor must cooperate with any resources utilized by the Department under this section in allowing access to the Contractor's facility, documentation, software, utilities and equipment used in providing contracted deliverables. The Contractor shall remain liable for all system support and administration performance criteria, maintenance of and further enhancements to any applications developed by these resources to the extent that it constitutes the Contractors work product whether impacted by the work of the other resource or not.

4) DIGITAL IMAGING SYSTEM

- a) The provisions of this section shall, unless otherwise specifically stated, shall apply to the current and existing DIS, including AFIS and the Central File Server (collectively, the "System").
- b) Pursuant to the terms of contract number 02DSS0901HR by and between the Department of Social Services and L-1 Secure Credentialing, the predecessor contract to this contract which expired by its terms on August 31, 2009, the Contractor developed, implemented and currently operates a functioning DIS, including AFIS and the functionality to produce Employee Identification cards. Beginning September 1, 2009 until such time as the Contractor completes the DIS Technology Refresh as described in Section 4 of this contract, the Contractor shall continue to maintain the existing DIS, including AFIS and the functionality to produce Employee Identification cards in accordance with the terms of this section.
- c) Appendix 1 to this contract identifies the location of the of the Admin Work Stations and Enrollment Stations that together with a Central File Server located at the State of Connecticut Department of Information Technology, make up the System that the Contractor is required through this contract to maintain.
- d) The Contractor shall:
 - 1) Provide full-time, in state support staff for the ongoing maintenance and operation of the System.

- 2) Provide a toll-free Hotline support for end users during the Department's normal business hours between 8:00 AM (ET) and 4:30 PM (ET).
 - 3) Provide the Department with access to fingerprint analysis services, with qualified staff for the purpose of confirming suspected duplicate client cases, performing minutiae analysis and acting as an expert witness at administrative and/or judicial hearings.
 - 4) Provide the Department with the expertise necessary to defend the ability or integrity of the System in any legal proceeding involving any third parties at no cost to the State during the term of this Contract.
 - 5) Maintain all hardware, including warehousing replacement parts necessary to meet the applicable System Performance requirement.
 - 6) Supply the Department with the consumables needed by the Department for the production of the employee identification cards.
 - 7) Ensure that all of the data on the Contractor's servers located at the State of Connecticut Department of Information Technology are backed up on a daily basis.
 - 8) Provide On-going Education and Training as required by the Department in support of the System including card production, software applications, and the data capture workstations.
- e) System Performance: The performance of the System shall be determined by a review of the operational capability of the System for productive Department use. System performance shall be based on the Department's experienced rate of recoverable and non-recoverable operating errors or failures that preclude productive Department use of the System according to existing operating specifications.
- f) The required performance measure (Computed % Performance) for the System is ninety-nine percent (99%) uptime availability, rounded to two (2) decimals, for productive Department use, computed as follows:
- 1) $\text{Computed \% Performance} = (\text{Available uptime}) - (\text{Cumulative Downtime}) / (\text{Available Uptime}) \times 100$ - Where Available Uptime is equal to a thirty (30) day month, twenty-four (24) hours per day and Cumulative Downtime is equal to those hours of Available Uptime during Monday through Friday, exclusive of scheduled System Downtime (Preventive Maintenance and scheduled upgrades), during which time the Department is precluded from the productive Product use.
 - 2) EXAMPLE: Available Uptime is 720 hours and Cumulative Downtime is 7.2 $\text{Computed \% Performance} = ((720 - 7.2) / 720) \times 100 = 99.00\%$ A given instance of System Downtime shall start upon Contractor receipt of a bonafide Department service request to remedy any System error or failure.
- g) Instances of System Downtime shall end with documented proof by Contractor to the Department that, the System has been fully restored to Contractor's applicable operational specifications and made ready for the productive Department use. The calculated time period of a given instance of System downtime shall exclude the following periods: (1) any nonproductive System use time caused by the Department or a third party; and (2) any time during which the Department fails to make the System available for Contractor's remedial service.
- h) The Department reserves the right to withhold up to the total amount due Contractor for the specified period for the given hardware and/or software Product(s) if the Contractor does not meet the above specified requirements.
- i) The Contractor shall provide Preventive Maintenance of the System to ensure that the System meets the stated Performance Requirement. Preventive Maintenance (PM) shall include comprehensive PM performed at each office location on Appendix 1 to this contract. The PM program shall include equipment cleaning, calibration, and customer service support for the office manager and operators of the imaging system. The Contractor shall conduct Preventive Maintenance of the current System no more than two times during the period beginning September 1, 2009 through the date that the Technology Refresh of the System is complete.
- j) Preventive Maintenance shall be conducted at a time mutually agreeable to the Department and Contractor and may be performed concurrently with remedial maintenance if convenient to both parties.
- k) During the Preventive or remedial maintenance process the Contractor may replace System parts with new, used or refurbished System parts. All parts removed from the System and replaced with new, used or refurbished parts shall be the property of the Contractor. All new, used or refurbished System parts shall be the property of the DSS.
- l) The Contractor shall have full access to any part of the System to provide required services thereon based upon the prior approval of the Department.

- m) The Contractor shall not be responsible for the consequences of any repair, adjustment, or modification of the System performed by any person not representing Contractor; however, this provision does not preclude Contractor granting approval of such maintenance actions by persons not representing the Contractor.
- n) The Contractor may invoice the Department for the hours, or portion thereof, expended by the Contractor traveling to and from the Department site if the Contractor is called to the Department site for which the Contractor determines that there was no need for Contractor services and the Department agrees.
- o) The Contractor shall respond to a request from the Department for on site remedial maintenance of the System within four (4) hours after receipt of a telephone call for the service. This four hour response time frame does not relieve the Contractor from maintaining the System Performance requirements.
- p) The Contractor's software maintenance releases shall be licensed only for use on the designated computer system(s) under the license terms and conditions of this Contract.
- q) Remedial Maintenance shall include on-site repair or exchange of System hardware, at the Contractor's option subject to the following conditions:
 - 1) The Contractor shall replace a Failed Unit, if necessary, by a unit of equal or higher quality. If the Contractor determines that a permanent replacement unit is required for a Failed Unit, the Contractor must receive the prior approval of the Department before the Contractor replaces the unit. The Failed Unit shall become the property of the Contractor upon Department's receipt and installation of the Exchange Unit or, if later, upon receipt of the Failed Unit by Contractor.
 - 2) The Department warrants that the title of the Failed Unit and Contractor warrants that the title of the Exchange Unit shall be free and clear of all claims, liens and encumbrances including security interests.
- r) Inoperable Equipment/Systems Notification and Response: When the trouble is determined to be an equipment problem, the DSS office agent calls the Contractor's Help Desk who will assist the office in determining that the equipment in question is malfunctioning and in need of replacement and/or service.
 - 1) If on-site repair is determined, the Technician makes note of the reported problem and its location in a service log, and notifies the appropriate service representative via cell phone. Copies of the service log shall be made available to the Department upon request.
 - 2) The service representative calls the DSS office back within sixty minutes. The service representative informs DSS office personnel of his estimated arrival time to repair or exchange the failed equipment. The service representative, upon arrival at the DSS office, notifies the person in charge of his arrival and then repairs or replaces the malfunctioning equipment. When repairs are completed, routine preventive maintenance procedures may also be performed, if agreed to by the office manager.
 - 3) Before departing from the office, the CSR completes the Service Call Report form. The CSR and office personnel shall sign this report. The form indicates the date and time the maintenance call was received, the date and time the CSR arrived at the field office, type and model number of equipment serviced, time the equipment was made operational, and a brief but concise description of the problem and the resolve. A copy is given to the office. (In the event the service is done after hours, the Report is left in a prearranged location in the office) with a copy to the DSS Project Manager.

C. TECHNOLOGY REFRESH

1. In consideration of the Department's agreement to enter into this contract through August 31, 2015 plus the availability of two option years the Contractor shall, during the twelve month period following the date that this contract is fully executed, plan, purchase, install and ensure the operation of a complete technology refresh of the existing System, replacing all equipment specified in Appendix 1 to this contract with new and updated equipment.
2. The technology refresh shall include the purchase and installation of new computers, monitors, peripherals, fingerprint capture devices, and cameras to replace the existing 26 systems deployed throughout the state. This includes the existing CT field offices, the portable system (defined below) and a system at the Contractor's facility in Rocky Hill. The 26 replacement systems do not include the spares pool which the Contractor shall maintain.
3. The Contractor shall provide DSS with one 1 portable workstation and related peripherals in the form of a laptop computer.

4. The Contractor shall provide a new state-of-the-art automated fingerprint identification system (AFIS). This AFIS system will provide superior investigational tools that will further reduce fraud attempts that could otherwise impact the State's benefit budget.
5. The Department agrees that as part of the technology refresh, the card printers currently used for employee ID cards in the field will be eliminated. The Contractor will provide a single system to produce employee ID cards at one State location designated by the Department.
6. The Contractor shall provide a revised Disaster Recovery (DR) offering that will include a "warm" card production site at another of Contractor's secured facility.
7. The Contractor shall also refresh the servers that the Contractor currently supports that are located at CT DOIT.
8. Within sixty (60) days of the date that this contract is executed by the parties the Contractor and the Department shall conduct a kick-off meeting during which time the Contractor and the Department shall develop and agree upon a Project Schedule that will include but not be limited to the process and timeline to:
 - a. At a minimum, replicate the functionality of the existing System with updated hardware and software;
 - b. Transition usage from the current existing System to the refreshed System;
 - c. Conduct Acceptance Testing of the System;
 - d. Convert the data from the existing System to the refreshed System; and
 - e. Train Department personnel on the refreshed System.
9. The Department and the Contractor may agree to revise the Project Schedule, however, the refresh shall be complete and the Refreshed system fully operational by the end of the twelfth month following the date that this contract is executed by the parties.
10. Unless specifically stated otherwise, following the successful implementation of the refreshed System the Contractor shall for the remaining term of this contract maintain the refreshed System in accordance with the terms for the maintenance of the existing System set forth in section 3 of this contract.
11. System Specifications. While the Department and the Contractor shall determine and agree upon the refreshed System Specifications with the development of the Project Schedule, at a minimum, the Contractor shall provide a refreshed System that meets the following specifications.
 - (a) A computer-based one-to-many fingerprint search system including:
 - (1) Fingerprint search server -Fingerprint search engine(s): A fingerprint search server that will contain the minutiae database and the search application for the captured information.
 - (2) Department staff at an Admin Workstation or Enrollment station shall have the ability to communicate with the search server through the search application.
 - (b) A database of fingerprint minutiae to be stored on the search server in a minutiae record (the minutiae database) that will meet the following requirements:
 - (1) The fingerprint minutiae database shall store a maximum of two million records.
 - (2) The minutiae database will contain two minutiae records, a minutiae pair, for each client that the Department images at an Enrollment Station.
 - (3) Minutiae records shall contain a combination of the following person identifier and finger identifier fields that will uniquely specify a single minutiae record in the search database:
 - (i) Fingerprint minutiae: the set of numeric data extracted from the raw fingerprint image that uniquely identifies, in a compact manner, the fingerprint. The DIS will provide core fingerprint minutiae extraction functionality.
 - (ii) Fingerprint minutiae index: The minutiae index is a compact encoding of the minutiae and serves to speed fingerprint matching.
 - (iii) Finger identifier: The finger identifier will specify which finger (ie. left index, right thumb) the minutiae represents.
 - (iv) Person Identifier: The person identifier will specify the individual from whom the minutiae was obtained.
 - (4) DIS System Database Configuration. The DIS System Database shall store:

- (i) Reference Data: The reference data file contains fields defined by DSS that are used by the Department to assign each client a unique system identification number (client identification number).
 - (ii) Color Photo: A single color photo for each client primarily used by the Department for visual verification of identity. The DIS file format shall meet industry standards and the DIS shall allow the transmission of the photo to other systems for use by the Department in other applications.
 - (iii) Minutiae: A copy of each client minutiae record is stored in a file known as the Minutiae Database. Each minutiae record includes the Department assigned unique system identification number. When Department staff conduct a search through an Admin Work Station or Enrollment Station and a match is found, the system identification number from the matched minutiae record is used to retrieve the corresponding client file from the database.
 - (iv) Signature: A single signature is stored for each client primarily used by the Department to verify the identity of the client. The Contractor shall utilize the industry standard for the signature file format. The DIS shall allow the Department to transmit the stored signature to other systems for use by the Department in other applications.
- (c) Fingerprint search application software that will allow one-to-many searches of the fingerprint minutiae database. The Fingerprint search application will serve as the interface between the search database and the Admin Work Station and/or Enrollment Stations and shall perform the following functions:
- (1) Database Query/Delete/Modify:
 - (i) Through this function the Department users shall have the ability to retrieve a specific Client's record from the Central File Server for review and for deletion or modification. The retrieved record shall include client reference data and photo images. The Department user shall be able to enter any of the known client identification data fields at an Admin Work Station or Enrollment Station to initiate a database retrieval request. The retrieved record shall be displayed on the Work station screen and the Department user shall have the ability to review, modify or delete the record. All query/delete/modify transactions shall be recorded by the User's operator ID for audit and reporting.
 - (ii) Data Input Specification:
 - 1. The client data captured by the Department at an Enrollment Station shall include reference data, two index finger images, the associated minutiae records for the two finger images, and a color photo image and signature.
 - 2. The Department user shall have the ability to retrieve the client related data through the DIS from the state server via the capture application by querying the client identification number. Retrieved reference data shall include all the client related data including client identification number, case number, social security number, name, date of birth and other information specified by the State. The software also stores in the reference record system generated control information including date, time, operator ID and office code.
 - 3. The software shall capture finger images at a high resolution of 500 dpi and meet the current ANSI/NIST-CSL1-1993 specification. The size of the captured color photo images shall be 2-1/2" x 2-1/2" with 24 bit color resolution to provide reliable photo image comparison by the operator.
 - (2) Special Investigative Unit - The Special Investigative Unit shall be able to perform duplicate enrollment queries, special investigative functions, report generation, and system administration and include the capability to print compatible data in color.
 - (3) Duplicate Enrollment Query – Through this function the user shall have the ability to initiate a Duplicate Enrollment Query using the unique transaction ID number generated by the Central File Server for the duplicate enrollment transaction. The reference data, finger images and photo images of the new applicant and the matching file candidate are retrieved from the Central File Server and are displayed on terminal screen for visual verification by the technician. The finger images/photo images and the reference data are displayed in split-screen format and the technician can make hard copy outputs of any of the screens for investigations or court presentations.
 - (4) Exception Enrollment Query – Through this function the user shall be able to validate enrollment of applicants who had no finger images due to "exception" finger conditions (amputated, etc.). The technician initiates an Exception Enrollment Inquiry to the Central File Server. The photo images stored in the

- exception database are retrieved and displayed in groups of images per screen for operator verification along with the client identification number. The operator can press the ID button to obtain a full screen display of the reference record and photo image for a closer comparison of the file record with the original enrollment record. If the examination indicates a duplicate enrollment, the operator can delete the enrollment from the central database using the standard deletion function.
- (5) System Communications - All remote Enrollment Workstations shall have the ability to communicate with the Central File Server located at the Central site via a TCP/IP network.
- (d) Each of the Admin Work Stations and Enrollment Stations shall:
- (1) Operate on the Contractor's current supported operating systems using an object oriented code base that are configured at installation to satisfy the needs of the Department for client enrollment, verification, or investigation.
 - (2) Be developed based on current Department user interface requirements.
 - (3) Utilize software that shall support the image capture peripherals including camera/strobe, signature transaction terminal, and fingerprint scanner as required.
 - (4) Include technology that will allow a Department user at an Admin Work Station or Enrollment Station:
 - (i) Review demographics. Each Admin Work Station and Enrollment Station shall include a demographic review screen that is synchronized with the DSS mainframe based demographics database, referenced by DSS designated key fields.
 - (ii) Capture Portrait Images. Each Enrollment station shall include a full frame video camera with high speed strobe illumination will be used to acquire quality portrait images for employee identification cards, central image storage and other client and employee identification uses. The camera stand assemble shall be interfaced to a multi-function adapter which provides frame grabbing, strobe synchronous control and power. Workstation software modules shall provide live and strobe illuminated calibration, capture, exposure adjustment, image compression, image/data encapsulation and upload.
 - (iii) Capture Signatures: Each Enrollment station shall include a signature transaction device, with illuminated visual feedback, to capture a signature image as it is entered and with real time operator review. Artifact points, clearly not related to the actual signature, shall be automatically removed. The software modules shall provide for signature transaction device calibration, capture, image compression, image/data encapsulation and upload.
 - (iv) Capture Fingerprints and conduct quality assessment, minutia extraction, verification and identification. Each Enrollment station shall be equipped with a fingerprint device that shall be supported by the same adapter that supports the video camera. The fingerprint software module shall have the ability to:
 1. Analyze the captured fingerprint image based on a number of criteria,
 2. Initiate a recapture process including corrective actions if needed,
 3. Extract minutia, and
 4. Compress the fingerprint image.
 - (5) Communicate between each Admin Work Stations and Enrollment station to allow Department users to positively identify any client.
- (e) Each Admin Work Station and Enrollment Station shall maintain a real time, bi-directional network connection with both the Image Server and the Fingerprint Server via the Network server that processes requests from and manages communications with the Admin and Enrollment workstations. Images (portrait, signature, fingerprint) and data (demographics, minutiae) captured at the Enrollment Station shall be uploaded or retrieved on demand from the centrally located servers.
- (f) Each Admin Work Station and Enrollment Station shall be designed for desktop use and shall include a desktop computer and no less than a 17" LCD display.
- (g) Central File Server - The refreshed System shall include a dedicated, stand- alone Central File Server located at DOIT.
- (1) The file server shall utilize standard communication interfaces and communication protocols (standard LAN/WAN interfaces running under Open System Architecture) with the individual Admin Work Stations and Enrollment Stations.
 - (2) The file server shall support the following functions:

- (i) Database storage for the client enrollment records (photo, signature, finger image, and applicant data).
 - (ii) Search Facility for performing client identification processing. The search process supports both open search (match of new applicant's minutiae records against the entire enrolled minutiae database performed during enrollment) and Verification match of a client's finger image against their file on the database.
 - (iii) Simultaneous communication with all the remote on-line Admin Work Stations, Enrollment Stations, and the Special Investigative unit.
- (h) The file server shall support the following automated functions at an Enrollment Station without the need for user intervention:
- (1) Enrollment requests
 - (i) Enrollment requests consist of reference data and minutiae records from a client file. The file server searches the entire existing minutiae database for a minutiae record when the file server receives a request.
 - (ii) If the search does not find the client in the existing database, the file server creates a new client file in the database and inserts the corresponding reference data and minutiae records. The file server transmits a "Successful Enrollment" response to the requesting terminal. The file server receives the client's color photo and finger images from the requesting terminal and inserts them into the database.
 - (iii) If the search does find the client in the existing database, the file server creates a separate duplicate client file in the database and inserts the corresponding reference data and minutiae records. The file server transmits an "Unsuccessful Investigative Enrollment" response to the requesting terminal. The file server removes the reference data and color photo from the existing file in the database and transmits the data and photo to the requesting terminal. The file server receives the duplicate applicant color photo and finger images from the requesting terminal and immediately inserts them into the new duplicate applicant file for investigation and resolution.
 - (2) Verification – Verification requests can be transmitted from an Admin Workstation or an Enrollment station.
 - (i) Verification requests shall consist of a single item of reference data (Client ID Number) and the minutiae record from a single finger image captured from the person associated with that Client ID Number.
 - (ii) The file server shall search the minutiae records from the file corresponding to the Client ID Number submitted and performs a one-to-one match of both file minutiae records with the submitted minutiae record when the file server receives a request.
 - (iii) If the one-to-one match is positive against either finger, the reference data and color photo corresponding to the client the file server removes the record from the file and transmits it to the requesting terminal.
 - (iv) If the one-to-one match is negative, the file server transmits a negative response to the requesting terminal.
 - (3) Database Query requests consist of a single item of reference data (Client ID Number). The file server transmits all file data (color photo, finger images, and reference data) corresponding to the Client ID number submitted to the requesting Admin Work Station or Enrollment Station.
 - (4) Database Update/Delete requests: Department users may initiate this function by issuing a standard query request using any of the reference data (Client ID Number). The file server transmits all file data, (color photo, finger images, and reference data) corresponding to the reference number to the requesting terminal when the file server receives a request. The user may modify any of the data by sending an update request to the file server to perform database update or by sending a delete request to delete the record from the database.
 - (5) The file server shall create a log file of all transactions processed and operator IDs. This log will always contain a complete history for of system operations.
 - (6) The file server must provide a Central File System Administrator screen to allow starting of file server functions, stopping of file server functions, on-screen review of the file server log file, and hard copy printing of the file server log file and hard copy reports of system activities.
 - (7) The File Server shall be connected over a state network.

- (8) The File Server shall backup all database files, all minutiae record files, all system files, and the file server log file to tape each night after all daily functions are complete.
- (9) The File Server shall backup all database files and records each Friday night for the prior seven (7) days.
- (i) Each Admin Work Station shall include system report generation which can only be performed by authorized operators, designated by the Department's System Manager. The data analysis workstation will be periodically loaded with all information from the central file server. This data will be available for AD HOC retrieval of statistic information and generation of standard reports established by the Department. Customized reports shall be produced via an automated report writer to meet specific requirements of the operators.
- (j) Enrollment Workstations shall have the ability to print the following two types of outputs: Printing of Workstation Screen Images -The operator shall be able to print what appears on the workstation screen with reference data, finger images, and photo images using the laser printer connected to the workstation. The printers necessary to support this operation will be provided by the Department. Daily Activity Reports -The Enrollment Workstation logs all transactions performed each day by operator ID and time.
- (k) Software Engineering: The Contractor shall provide software development services to seamlessly integrate the CPU, fingerprint scanner, and software modules into the capture station.
- (l) System Security: All Workstations shall use finger image based biometric logon security integrated with the standard operator ID and password validation to restrict system access to authorized operators of the system. When the system is turned on the operator login screen is displayed. The operator is granted access to the application only upon successful finger image based verification of operator's identity.
- (1) Access privileges, including the access to client reference record information, are restricted only to authorized operators ensuring the confidentiality of these records in accordance with applicable state and local laws and accepted standards for privacy. The file records can be specified with "read only" access to the Department personnel as designated by the Department.
- (m) Refreshed System Test Implementation: The Contractor shall make available to the Department hardware and software engineers who will be available from the start of technology refresh to 30 days after the technology refresh is complete.

D. MISCELLANEAOUS PROVISIONS

1. Card Design Upgrade: The Contractor shall provide the Department, up to five (5) opportunities over the life of this contract, to design new Employee Identification Cards formats.
2. Performance Bond: The Department requires a fully operational EBT card system throughout the term of this contract. Failure of the Contractor to provide a fully operational system at any time during the term of the contract will cause considerable harm to the Department and its clients. To mitigate such harm the Department requires the Contractor to obtain a Performance Bond according to the details listed below:
3. Performance Bond: The Contractor must, within thirty (30) days following the execution of the Contract provide the Department with a payment and Performance Bond. The bond shall be in the amount of \$250,000 and shall be provided by an insurer, which has been previously approved by the Department. A bond shall be provided for the duration of the Contract and for any subsequent extensions to the Contract. The Contractor may provide an annual renewable bond provided that any such bond must be renewed or replaced during the required coverage period prior to the expiration of any such existing bond.
4. Performance Bond Reduction – Following the Department's acceptance of the refreshed System the Department and the Contractor agree to negotiate the need and/or amount of the Performance Bond. Such negotiation shall occur within sixty (60) days of the Department's acceptance of the refreshed System in accordance with the agreed upon Project Schedule.
5. Reciprocal Marketing Agreement: The Contractor shall provide the Department with a credit for supporting formally requested visits to the Department for marketing purposes. Requests must be in writing by the Contractor and approved by the Commissioner of the Department or his/her duly designated representative. Formal visits to the Department

sponsored site by potential Contractor or subcontractor Departments may include benchmarks and/or other demonstrations, utilizing Department owned or leased equipment and supported by State personnel. This credit shall be in the sum of one thousand dollars (\$1000.00) per day and can be used toward the payment of new equipment or services provided by the Contractor to the Department. In no event shall any data be made available to any individuals participating in any such visitation without the written permission of the Commissioner of the Department or his/her duly designated representative.

6. Change Order Process: Throughout the term of this Contract the Department or the Contractor may require or suggest a Change to the Card Production Process, the existing System or the Refreshed System. Proposed changes shall be transmitted to the other party in writing specifying the extent of the change and the monetary impact, if any. Neither party shall incur costs associated with a proposed change, unless or until both parties have agreed to the change and corresponding costs. The Department and the Contractor shall, following the execution of this contract, develop a change order control process to ensure that changes are only made following the agreement of the parties of the scope, implementation and cost of the change.

E. PAYMENT PROVISIONS

1. Card Production and Delivery: The card production price shall remain fixed for the specified periods within the term of the contract and represent the total fees for the card production and delivery to the Department at 25 Sigourney Street, Hartford, CT.
 - a. The Department shall pay the Contractor an all-inclusive per card rate of \$1.08 for the entire contract term including two one-year extensions should the Department exercise its option to extend the contract.
 - b. The Department shall reimburse the Contractor for actual postage expenses for the mailing of select cards to recipients at a U.S. standard postage rate.
 - c. The Contractor shall invoice the Department on a monthly basis for the actual number of correct and accurate cards produced and delivered to the Department or mailed directly to recipients and the actual postage cost. Such invoices shall be in a format approved by the Department.
2. Employee Identification Cards – The Department shall pay the Contractor \$0.43 per card used by the Department in the production of the Employee Identification Cards.
3. Digital Imaging System Maintenance and Support Services Cost and Price
 - a. During the period September 1, 2009 through the end of the twelfth month following the date that this contract is executed the Contractor shall invoice the Department and the Department shall pay the Contractor the monthly maintenance fee of \$46, 247.00
 - b. Beginning with the first month following the implementation and operation of the technology refresh through the twelfth month, the Contractor shall invoice the Department and the Department shall pay the Contractor the monthly maintenance fee of \$48, 000.00.
 - c. At the start of each new twelve month period or part thereof, the monthly maintenance fee shall be increased by the core Consumer Price Index in effect for the first month of the next twelve-month period. If the CPI has decreased, the monthly maintenance fee shall remain at the prior years level. CPI will be provided by the Bureau of labor and Statistics as per their Annual CPI increase.
4. Additional WorkStations: If, throughout the term of this Contract the Department requests additional Admin and/or Enrollment Work Stations, they shall be made available to the Department at the price of \$18,500.00. Each additional workstation shall include: CPU, Monitor, Mouse, Keyboard, Camera Tower, Finger Logon Device for Operator, Biometric Finger Capture for Enrolment, Applicable Software, Installation, Maintenance and Support Services.

F. LIAISON: Both parties agree to have specifically named liaisons at all times. These representatives of the parties will be the first contacts regarding any questions and problems that arise during implementation and operation of this contract.

G. NOTICES

1. Wherever under this contract one party is required to give notice to the other, such notice shall be deemed given upon delivery, if delivered by hand (in which case assigned receipt will be obtained), or 3 days after posting if sent by registered or certified mail, return receipt requested. Notices shall be addressed as follows:

a. In case of notice(s) to the Contractor:

Bob Eckel
L-1 Secure Credentialing Inc.
296 Concord Road, Third Floor
Billerica MA 01821

978-215-2400

b. In case of notice(s) to the Department regarding this contract:

Kathy Brennan
Contract Administration Unit
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
Kathleen.brennan@ct.gov
(860) 424-5693

c. In case of notice(s) to the Department regarding the scope of services:

Kristin Krawetzky
Project Manager
Central Processing Unit
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
kristin.krawetzky@ct.gov
(860) 424-5756

d. In case of notice to the Department for fiscal matters:

Lee Voghel
Director, Division of Fiscal Analysis
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
Lee.voghel@ct.gov
(860) 424-4852

2. Said notices shall become effective on the date of receipt as specified above or the date specified in the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address, which shall be effective on the tenth day following receipt.

PART II. MANDATORY TERMS AND CONDITIONS

The Contractor agrees to comply with the following mandatory terms and conditions.

A. CLIENT-RELATED SAFEGUARDS

1. **Inspection of Work Performed.** The Department or its authorized representative shall at all times have the right to enter into the Contractor's premises, or such other places where duties under the contract are being performed, to inspect, to monitor or to evaluate the work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work. The Contractor shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by federal or state law. Written evaluations pursuant to this section shall be made available to the Contractor.
2. **Safeguarding Client Information.** The Department and the Contractor agree to safeguard the use, publication and disclosure of information on all applicants for and all clients who receive service under this contract with all applicable federal and state law concerning confidentiality.

B. CONTRACTOR OBLIGATIONS

1. Credits and Rights in Data.

- (a) Unless expressly waived in writing by the Department, all documents, reports, and other publications for public distribution relating to the services provided by the Contractor through this contract shall include a statement acknowledging the financial support of the state and the Department and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the Commissioner of the Department. Any publication shall contain the following statement: "This publication does not express the views of the Department or the State of Connecticut. The views and opinions expressed are those of the authors." The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this contract, unless expressly authorized in writing by the Department. The Department shall have the right to publish, duplicate, use and disclose all such data in any manner, and may authorize others to do so. The Department may copyright any data without prior notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Department of such data.
- (b) "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder, including but not limited to all reports, surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

2. **Organizational Information, Conflict of Interest.** Annually during the term of the contract, the Contractor shall submit to the Department the following: a copy of its most recent Annual Report as filed with the Office of the Secretary of the State or such other information that the Department deems appropriate with respect to the organization and affiliation of the Contractor and related entities.

3. **Federal Funds.** The Contractor shall comply with requirements relating to the receipt or use of federal funds. The Department shall specify all such requirements in Part I of this contract.
4. **Audit Requirements.** The Contractor shall provide for an annual financial audit acceptable to the Department for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The Contractor will comply with federal and state single audit standards as applicable.

5. **Prohibited Interest.** The Contractor warrants that no state appropriated funds have been paid or will be paid by or on behalf of the Contractor to contract with or retain any company or person, other than bona fide employees working solely for the Contractor, to influence or attempt to influence an officer or employee of any state agency in connection with the awarding, extension, continuation, renewal, amendment, or modification of this agreement, or to pay or agree to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.
6. **Offer of Gratuities.** By its agreement to the terms of this contract, the Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered or received by any of the aforementioned officials or employees from the Contractor or its agents or employees.
7. **Related Party Transactions.** The Contractor shall report all related party transactions, as defined in this clause, to the Department on an annual basis in the appropriate fiscal report as specified in Part I of this contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a Contractor, its employees, Board members or members of the Contractor's governing body, and a related party include, but are not limited to:
- (a) real estate sales or leases;
 - (b) leases for equipment, vehicles or household furnishings;
 - (c) mortgages, loans and working capital loans; and
 - (d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor.
8. **Lobbying.** The Contractor agrees to abide by state and federal lobbying laws, and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.
9. **Suspension or Debarment.**
- (a) Signature on Contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:
 - (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (Federal, State or local);
 - (2) within a three year period preceding this Contract, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or Contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
 - (3) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the above offenses;
 - (4) has not within a three year period preceding this agreement had one or more public transactions terminated for cause or fault.
 - (b) Any change in the above status shall be immediately reported to the Department.
10. **Liaison.** Each party shall designate a liaison to facilitate a cooperative working relationship between the Contractor and the Department in the performance and administration of this contract.

11. Subcontracts. For purposes of this clause subcontractors shall be defined as providers of direct human services. Vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program. The subcontractor's identity, services to be rendered and costs shall be detailed in Part I of this contract. Notwithstanding the execution of this contract prior to a specific subcontractor being identified or specific costs being set, no subcontractor may be used or expense under this contract incurred prior to identification of the subcontractor or inclusion of a detailed budget statement as to subcontractor expense, unless expressly provided in Part I of this contract. No subcontractor shall acquire any direct right of payment from the Department by virtue of the provisions of this clause or any other clause of this contract. The use of subcontractors, as defined in this clause, shall not relieve the Contractor of any responsibility or liability under this contract. The Contractor shall make available copies of all subcontracts to the Department upon request.

12. Independent Capacity of Contractor. The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in the performance of this contract will act in an independent capacity and not as officers or employees of the State of Connecticut or of the Department.

13. Indemnification.

(a) The Contractor shall indemnify, defend and hold harmless the State of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:

(1) claims arising directly or indirectly, in connection with the contract, including the acts of commission or omission (collectively the "Acts") of the Contractor or Contractor Parties; and

(2) liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with claims, Acts or the contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this contract. The contractor's obligations under this section to indemnify, defend and hold harmless against claims includes claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the contract.

(b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such claims.

(c) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the claims.

(d) The Contractor shall carry and maintain at all times during the term of the contract, and during the time that any provisions survive the term of the contract, sufficient general liability insurance to satisfy its obligations under this contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Agency prior to the effective date of the contract. The Contractor shall not begin performance until the delivery of the policy to the Agency.

(e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a claim against a third party.

(f) This section shall survive the termination, cancellation or expiration of the Contract, and shall not be limited by reason of any insurance coverage.

Update
14. Choice of Law and Choice of Forum, Settlement of Disputes, Office of the Claims Commission.

(a) The Contractor agrees to be bound by the laws of the State of Connecticut and the federal government where applicable, and agrees that this contract shall be construed and interpreted in accordance with Connecticut law and Federal law where applicable.

- (b) Any dispute concerning the interpretation or application of this contract shall be decided by the Commissioner of the Department or his/her designee whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioner pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
- (c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any State or Federal Court in addition to or in lieu of said Chapter 53 proceedings.

15. Compliance with Law and Policy. Contractor shall comply with all pertinent provisions of local, state and federal laws and regulations as well as Departmental policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures which the Department has responsibility to promulgate or enforce.

16. Facility Standards and Licensing Compliance. The Contractor will comply with all applicable local, state and federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and federal authorities. Unless otherwise provided by law, the Contractor is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance or criteria.

17. Reports. The Contractor shall provide the Department with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the contract. All requests for such information shall comply with all applicable state and federal confidentiality laws. The Contractor agrees to provide the Department with such reports as the Department requests.

18. Delinquent Reports. The Contractor will submit required reports by the designated due dates as identified in this agreement. After notice to the Contractor and an opportunity for a meeting with a Department representative, the Department reserves the right to withhold payments for services performed under this Contract if the Department has not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this agreement or previous agreements for similar or equivalent services the Contractor has entered into with the Department.

19. Record Keeping and Access. The Contractor shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this contract. These records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the state or, where applicable, federal agencies. The Contractor shall retain all such records concerning this contract for a period of three (3) years after the completion and submission to the state of the Contractor's annual financial audit.

20. Workforce Analysis. The Contractor shall provide a workforce analysis affirmative action report related to employment practices and procedures.

21. Litigation.

- (a) The Contractor shall provide written notice to the Department of any litigation that relates to the services directly or indirectly financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.
- (b) The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other provisions of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

C. ALTERATIONS, CANCELLATION AND TERMINATION

1. Contract Revisions and Amendments.

- (a) The Contractor shall submit to the Department in writing any proposed revision to the contract and the Department shall notify the Contractor of receipt of the proposed revision.
- (b) Contract amendments must be in writing and shall not be effective until executed by both parties to the contract, and, where applicable, approved by the Attorney General.
- (c) No amendments may be made to a lapsed contract.

2. Contract Reduction.

- (a) The Department reserves the right to reduce the Contracted amount of compensation at any time in the event that:
 - (1) the Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld; or
 - (2) federal funding reductions result in reallocation of funds within the Department.
- (b) The Contractor and the Department agree to negotiate on the implementation of the reduction within thirty (30) days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within 30 calendar days of such formal notification and a contract amendment has not been executed, the Department may terminate the contract sixty (60) days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

3. Default by the Contractor.

- (a) If the Contractor defaults as to, or otherwise fails to comply with, any of the conditions of this contract the Department may:
 - (1) withhold payments until the default is resolved to the satisfaction of the Department;
 - (2) temporarily or permanently discontinue services under the contract;
 - (3) require that unexpended funds be returned to the Department;
 - (4) assign appropriate state personnel to execute the contract until such time as the contractual defaults have been corrected to the satisfaction of the Department;
 - (5) require that contract funding be used to enter into a subcontract arrangement with a person or persons designated by the Department in order to bring the program into contractual compliance;
 - (6) terminate this contract;
 - (7) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the state or the program(s) provided under this contract or both;
 - (8) any combination of the above actions.
- (b) In addition to the rights and remedies granted to the Department by this contract, the Department shall have all other rights and remedies granted to it by law in the event of breach of or default by the Contractor under the terms of this contract.
- (c) Prior to invoking any of the remedies for default specified in this paragraph except when the Department deems the health or welfare of service recipients is endangered as specified in of this contract or has not met requirements as specified in this contract, the Department shall notify the Contractor in writing of the specific facts and circumstances constituting default or failure to comply with the conditions of this contract and proposed remedies.

Within five (5) business days of receipt of this notice, the Contractor shall correct any contractual defaults specified in the notice and submit written documentation of correction to the satisfaction of the Department or request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within five (5) business days of the written request. At the meeting, the Contractor shall be given an opportunity to respond to the Department's notice of default and to present a plan of correction with applicable time frames. Within five (5) business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her response to the information provided including acceptance of the plan of correction and, if the commissioner finds continued contractual default for which a satisfactory plan of corrective action has not been presented, the specific remedy for default the Department intends to invoke. This action of the Commissioner shall be considered final.

(d) If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the agreed upon plan of correction, the Department may proceed with default remedies.

4. **Non-enforcement Not to Constitute Waiver.** The failure of either party to insist upon strict performance of any terms or conditions of this agreement shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.

5. **Cancellation and Recoupment.**

(a) This agreement shall remain in full force and effect for the entire term of the contract period, above, unless either party provides written notice 30 days or more from the date of termination, except that no cancellation by the Contractor may be effective for failure to provide services for the agreed price or rate and cancellation by the Department shall not be effective against services already rendered, so long as the services were rendered in compliance with the contract during the term of the contract.

(b) In the event the health or welfare of the service recipients is endangered, the Department may cancel the contract and take any immediate action without notice it deems appropriate to protect the health and welfare of service recipients. The Department shall notify the Contractor of the specific reasons for taking such action in writing within five (5) business days of cancellation. Within five (5) business days of receipt of this notice, the Contractor may request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within five (5) business days of the written request. At the meeting, the Contractor shall be given an opportunity to present information on why the Department's actions should be reversed or modified. Within five (5) business days of such meeting, the Commissioner of the Department shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Department. This action of the Commissioner shall be considered final.

(c) The Department reserves the right to cancel the contract without prior notice when the funding for the contract is no longer available.

(d) The Department reserves the right to recoup any deposits, prior payment, advance payment or down payment made if the contract is terminated by either party. Allowable costs incurred to date of termination for operation or transition of program(s) under this contract shall not be subject to recoupment. The Contractor agrees to return to the Department any funds not expended in accordance with the terms and conditions of the contract and, if the Contractor fails to do so upon demand, the Department may recoup said funds from any future payments owing under this contract or any other contract between the State and the Contractor.

6. **Equipment.** In the event this Contract is terminated or not renewed, the Department reserves the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least \$5,000. Equipment shall be considered purchased from Contractor funds and not from Department funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.

7. **Termination.** All notices of termination as defined in the subsections below shall be signed by the Contract Administrator and/or designee, shall specify a date of termination and shall be delivered to the Contractor no less than 30 days prior to the specified date of termination.

a. ***Termination for Convenience:***

i. The Department may terminate performance of work under the Contract in whole or in part whenever for any reason the Department shall determine that such termination is in the best interest of the Department and/or the State of Connecticut.

ii. In the event that the Department elects to terminate the Contract pursuant to this provision, the Contract Administrator and/or designee shall notify the Contractor by certified mail, return receipt requested. Termination shall be effective as of the close of business on the date specified in the notice.

b. ***Termination for Financial Instability:***

i. In the event that the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under this contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets, the Department may, at its option, immediately terminate this contract.

ii. In the event the Department elects to terminate this contract under this provision, it shall do so by the Contract Administrator and/or designee sending notice of termination to the Contractor by certified mail, return receipt requested, specifying the date of termination.

iii. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks related to the subcontract are performed in accordance with the terms of the contract and agrees that the filing of a petition in bankruptcy by or against a subcontractor shall, in no way, relieve Contractor of its duties under this contract.

c. ***Procedure for Termination:***

In addition to the requirements set forth above, upon delivery by certified mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the Contractor shall:

i. Stop work under the contract on the date and to the extent specified in the Notice of Termination.

ii. If the Department so directs in writing, terminate all subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination or assign to the Department in the manner and to the extent directed by the Contract Administrator all of the right, title, and interest of the Contractor under the subcontracts not so terminated, in which case the Department shall have the right, in its discretion, to settle or pay any and all claims arising out of the termination of such subcontracts.

iii. Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.

iv. Be entitled to payment for services rendered through the effective date of termination.

8. Transition after Termination or Expiration of Contract. In the event that this contract is terminated for any reason except where the health and welfare of service recipients is endangered or if the Department does not offer the Contractor a new contract for the same or similar service at the contract's expiration, the Contractor will assist in the orderly transfer of clients served under this contract as required by the Department and will assist in the orderly cessation of operations under this contract. Prior to incurring expenses related to the orderly transfer or continuation of services to service recipients beyond the terms of the contract, the Department and the Contractor agree to negotiate a termination amendment to the existing agreement to address current program components and expenses, anticipated expenses necessary for the orderly transfer of service recipients and changes to the current program to address service recipient needs. The Contractual agreement may be amended as necessary to assure transition requirements are met during the term of this contract. If the

transition cannot be concluded during this term, the Department and the Contractor may negotiate an amendment to extend the term of the current contract until the transition may be concluded.

9. **Program Cancellation.** Where applicable, the cancellation or termination of any individual program or services under this Contract will not, in and of itself, in any way affect the status of any other program or service in effect under this Contract.

10. **Mergers and Acquisitions.**

- (a) Contracts in whole or in part are not transferable or assignable without the prior written agreement of the Department.
- (b) At least ninety (90) days prior to the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility, the Contractor shall provide the Department with written notice of such changes.
- (c) The Contractor shall comply with requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written agreement. The Department shall notify the Contractor of such determination not later than forty-five (45) business days from the date the Department receives such requested documentation.

D. **STATUTORY AND REGULATORY COMPLIANCE**

- 1. **Americans with Disabilities Act of 1990.** This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101-12189 and §§ 12201-12213) (Supp. 1993); 47 USCS §§ 225, 611 (Supp. 1993). During the term of the Contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of § 504 of the Federal Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.
- 2. **Utilization of Minority Business Enterprises.** It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government Contracts. The Contractor agrees to use best efforts consistent with 45 C.F.R. §§ 74.160 *et seq.* (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds; and §§ 13a-95a, 4a-60 to 4a-62, 4b-95(b), and 4a-60q of the Connecticut General Statutes to carry out this policy in the award of any subcontracts.
- 3. **Priority Hiring.** Subject to the Contractor's exclusive right to determine the qualifications for all employment positions, the Contractor shall use its best efforts to ensure that it gives priority to hiring welfare recipients who are subject to time limited welfare and must find employment. The Contractor and the Department will work cooperatively to determine the number and types of positions to which this paragraph shall apply. The Department of Social Services regional office staff or staff of Department of Social Service Contractors will undertake to counsel and screen an adequate number of appropriate candidates for positions targeted by the Contractor as suitable for individuals in the time limited welfare program. The success of the Contractor's efforts will be considered when awarding and evaluating Contracts.
- 4. **Non-discrimination Regarding Sexual Orientation.** Unless otherwise provided by Conn. Gen. Stat. § 46a-81p, the Contractor agrees to the following provisions required pursuant to § 4a-60a of the Connecticut General Statutes:
 - (a) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;
 - (2) the Contractor agrees to provide each labor union or representatives of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the Contractor's commitments under this

section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

- (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to § 46a-56 of the Connecticut General Statutes;
- (4) the Contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and § 46a-56 of the Connecticut General Statutes.

(b) The Contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a Contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with § 46a-56 of the Connecticut General Statutes provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

5. Nondiscrimination and Affirmative Action Provisions in Contracts of the State and Political Subdivisions Other Than Municipalities. The Contractor agrees to comply with provisions of § 4a-60 of the Connecticut General Statutes:

- (a) Every Contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:
 - (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved;
 - (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;
 - (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to Conn. Gen. Stat. §§ 46a-56, 46a-68e and 46a-68f;
 - (5) the Contractor agrees to provide the commission of human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and Conn. Gen. Stat. § 46a-56. If the Contract is a public works Contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

- (b) For the purposes of this section, "minority business enterprise" means any small Contractor or supplier of materials fifty-one per cent or more of capital stock, if any, or assets of which is owned by a person or persons:
 - (1) who are active in the daily affairs of the enterprise;
 - (2) who have the power to direct the management and policies of the enterprise; and
 - (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. § 49-60g.
- (c) For the purposes of this section, "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determinations of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative action advertising; recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
- (e) Contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a Contract with the state and such provision shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

UPDATE

- 6. **Government Function; Freedom of Information.** If the amount of this Contract exceeds two million five hundred thousand dollars (\$2,500,000), and the Contract is for the performance of a governmental function, as that term is defined in Conn. Gen. Stat. § 1-200(11), the Department is entitled to receive a copy of the records and files related to the Contractor's performance of the governmental function, and may be disclosed by the Department pursuant to the Freedom of Information Act.
- 7. **Whistleblowing.** This Agreement is subject to the provisions of § 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.
- 8. **Campaign Contribution Restrictions.** On February 8, 2007, Governor Rell signed into law Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies.

For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11.

9. **Non-smoking.** If the Contractor is an employer subject to the provisions of § 31-40q of the Connecticut General Statutes, the Contractor agrees to provide upon request the Department with a copy of its written rules concerning smoking. Evidence of compliance with the provisions of § 31-40q of the Connecticut General Statutes must be received prior to Contract approval by the Department.

10. Executive Orders.

(a) Executive Order No. 3: Nondiscrimination. This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this Contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. 3 or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Contract. The parties to this Contract, as part of the consideration hereof, agree that said Executive Order No. 3 is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to Contract performance in regard to nondiscrimination, until the Contract is completed or terminated prior to completion. The Contractor agrees, as part consideration hereof, that this Contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. 3 and that the Contractor will not discriminate in employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

(b) Executive Order No. 16: Violence in the Workplace Prevention Policy. This Contract is subject to provisions of Executive Order No. 16 of Governor John J. Rowland promulgated August 4, 1999, and, as such, this Contract may be cancelled, terminated or suspended by the Contracting agency or the State for violation of or noncompliance with said Executive Order No. 16. The parties to this Contract, as part of the consideration hereof, agree that:

(1) Contractor shall prohibit employees from bringing into the state work site, except as may be required as a condition of employment, any weapon/dangerous instrument defined in Section 2 to follow;

(2) weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon. Dangerous instrument means any instrument, article or substance that, under the circumstances, is capable of causing death or serious physical injury;

(3) Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threatening to cause, physical injury or death to any individual in the state work site;

(4) Contractor shall adopt the above prohibitions as work rules, violation of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall require that all employees are aware of such work rules;

(5) Contractor agrees that any subcontract it enters into in the furtherance of the work to be performed hereunder shall contain the provisions 1 through 4, above. (c) Executive Order No. 17: Connecticut State Employment Service Listings. This Contract is subject to provisions of Executive Order No. 17 of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Contract may be canceled, terminated or suspended by the Contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order Number 17, notwithstanding that the Labor Commissioner may not be a party to this Contract. The parties to this Contract, as part of the consideration hereof, agree that Executive Order No. 17 is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the Contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to Contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

(d) Executive Order No. 7C: Contracting Standards Board. This Contract is subject to provisions of Executive Order No. 7C of Governor M. Jodi Rell, promulgated on July 13, 2006. The Parties to this Contract, as part of the consideration hereof, agree that:

(1) The State Contracting Standards Board ("Board") may review this Contract and recommend to the state Contracting agency termination of this Contract for cause. The State Contracting agency shall consider the

recommendations and act as required or permitted in accordance with the Contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state Contracting agency and any other affected party in accordance with the notice provisions in the Contract not later than fifteen (15) days after the Board finalizes its recommendation. For the purposes of this Section, "for cause" means: (A) a violation of the State Ethics Code (Chap. 10 of the general statutes) or section 4a-100 of the general statutes or (B) wanton or reckless disregard of any state Contracting and procurement process by any person substantially involved in such Contract or state Contracting agency.

- (2) For purposes of this Section, "Contract" shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a Contract for the sale or purchase of a fee simple interest in real property following transfer of title.
 - (3) Notwithstanding the Contract value listed in sections 4-250 and 4-252 of the Conn. Gen. Stat. and section 8 of Executive Order Number 1, all State Contracts between state agencies and private entities with a value of \$50,000 (fifty thousand dollars) or more in a calendar or fiscal year shall comply with the gift and campaign contribution certification requirements of section 4-252 of the Conn. Gen. Stat. and section 8 of Executive Order Number 1. For purposes of this section, the term "certification" shall include the campaign contribution and annual gift affidavits required by section 8 of Executive Order Number 1.
- (e) Executive Order No. 14: Procurement of cleaning products and services. This Agreement is subject to the provisions of Executive Order No. 14 of Governor M. Jodi Rell promulgated April 17, 2006. Pursuant to this Executive Order, the contractor shall use cleaning and/or sanitizing products having properties that minimize potential impacts on human health and the environment, consistent with maintaining clean and sanitary facilities.

Digital Imaging System
Equipment Location

999L1SCCEN02
09DSS0901HR

Location	Enrollment Station	Admin Station	Card Printer
Hartford - Central Office - 25 Sigourney St (7th floor)	X		
Hartford - Central Office - 25 Sigourney St (7th floor)	X	X	
Hartford - Central Office - 25 Sigourney St (8th floor)		X	X
Hartford - Central Office - 25 Sigourney St (10th floor)		X	
Hartford - 3580 Main Street	X		
Hartford - 3580 Main Street	X		
Hartford - 3580 Main Street		X	
Manchester - 699 East Middle Tpke	X		
New Britain - 30 Christian Lane	X		
New Haven - 194 Bassett St	X		
New Haven - 194 Bassett St	X		
New Haven - 194 Bassett St		X	
Middletown - 117 Main St Ext	X		
Bridgeport - 925 Housatonic Ave	X		
Bridgeport - 925 Housatonic Ave	X		
Bridgeport - 925 Housatonic Ave		X	
Norwalk- NEON (Norwalk Economic Opportunity Now, Inc) 95 S Main St.	X		
Stamford - 1642 Bedford St	X		
Norwich - 401 W Thames St, Unit 102	X		
Willimantic - 676 Main St	X		
Danbury - 342 Main St	X		
Torrington - 62 Commercial Blvd	X		
Waterbury - 249 Thomaston Ave	X		
Portable/laptop - BUS	X		
Servers ETC in East Hartford			
ER EBT Workstation			
Rocky Hill - L1 workstation	X		Maintain existing system

Specifications for Enrollment and Admin Stations are set forth in Part I Section C 11 (d), (e) & (f) on page 11 of this contract.

