PROFESSIONAL SERVICES CONTRACT

Contract #00000000000000000000021105

This Contract ("this Contract"), entered into by and between **Department of Workforce Development** (the "State") and **Stellarware Corporation** (the "Contractor"), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1. Duties of Contractor. The contractor shall provide the services set forth in **Exhibit A, Scope of Work** and **Exhibit B, Service Level Agreement**

2. Consideration. The Contractor will be paid at the rate listed in **Exhibit C, Cost Proposal** for performing the duties set forth above. Total remuneration under this Contract shall not exceed **$507,600.00**.

3. Term. This Contract shall be effective for a period of 2 years. It shall commence on **May 1, 2017** and shall remain in effect through **April 30, 2019**.

4. Access to Records. The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this Contract. They shall make such materials available at their respective offices at all reasonable times during this Contract, and for three (3) years from the date of final payment under this Contract, for inspection by the State or its authorized designees. Copies shall be furnished at no cost to the State if requested.

5. Assignment; Successors. The Contractor binds its successors and assignees to all the terms and conditions of this Contract. The Contractor shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent. The Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the State, provided that the Contractor gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party.

6. Assignment of Antitrust Claims. As part of the consideration for the award of this Contract, the Contractor assigns to the State all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products or services which are the subject of this Contract.

7. Audits. The Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC §5-11-1, *et seq.*, and audit guidelines specified by the State.

The State considers the Contractor to be a "Contractor" under 2 C.F.R. 200.330 for purposes of this Contract. However, if it is determined that the Contractor is a "subrecipient" and if required by applicable provisions of 2 C.F.R. 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements), Contractor shall arrange for a financial and compliance audit, which complies with 2 C.F.R. 200.500 *et seq*.

8. Authority to Bind Contractor. The signatory for the Contractor represents that he/she has been duly authorized to execute this Contract on behalf of the Contractor and has obtained all

necessary or applicable approvals to make this Contract fully binding upon the Contractor when his/her signature is affixed, and accepted by the State.

9. Changes in Work. The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. The Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories hereto. This Contract may only be amended, supplemented or modified by a written document executed in the same manner as this Contract.

10. Compliance with Laws.

A. The Contractor shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Contract shall be reviewed by the State and the Contractor to determine whether the provisions of this Contract require formal modification.

B. The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC §4-2-6, *et seq*., IC §4-2-7, *et seq*. and the regulations promulgated thereunder. **If the Contractor has knowledge, or would have acquired knowledge with reasonable inquiry, that a state officer, employee, or special state appointee, as those terms are defined in IC 4-2-6-1, has a financial interest in the Contract, the Contractor shall ensure compliance with the disclosure requirements in IC 4-2-6-10.5 prior to the execution of this contract.** If the Contractor is not familiar with these ethical requirements, the Contractor should refer any questions to the Indiana State Ethics Commission, or visit the Inspector General's website at http://www.in.gov/ig/. If the Contractor or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Contract immediately upon notice to the Contractor. In addition, the Contractor may be subject to penalties under IC §§4-2-6, 4-2-7, 35-44.1-1-4, and under any other applicable laws.

C. The Contractor certifies by entering into this Contract that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. The Contractor agrees that any payments currently due to the State of Indiana may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

D. The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Contract.

E. If a valid dispute exists as to the Contractor's liability or guilt in any action initiated by the State or its agencies, and the State decides to delay, withhold, or deny work to the Contractor, the Contractor may request that it be allowed to continue, or receive work, without delay. The Contractor must submit, in writing, a request for review to the Indiana Department of Administration (IDOA) following the procedures for disputes outlined herein. A determination by IDOA shall be binding on the parties. Any payments that the State may delay, withhold, deny, or

apply under this section shall not be subject to penalty or interest, except as permitted by IC §5-17-5.

F. The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Contract and grounds for immediate termination and denial of further work with the State.

G. The Contractor affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

H. As required by IC §5-22-3-7:

(1) The Contractor and any principals of the Contractor certify that:

(A) the Contractor, except for de minimis and nonsystematic violations, has not violated the terms of:

(i) IC §24-4.7 [Telephone Solicitation Of Consumers];

(ii) IC §24-5-12 [Telephone Solicitations]; or

(iii) IC §24-5-14 [Regulation of Automatic Dialing Machines];

in the previous three hundred sixty-five (365) days, even if IC §24-4.7 is preempted by federal law; and

(B) the Contractor will not violate the terms of IC §24-4.7 for the duration of the Contract, even if IC §24-4.7 is preempted by federal law.

(2) The Contractor and any principals of the Contractor certify that an affiliate or principal of the Contractor and any agent acting on behalf of the Contractor or on behalf of an affiliate or principal of the Contractor, except for de minimis and nonsystematic violations,

(A) has not violated the terms of IC §24-4.7 in the previous three hundred sixty-five (365) days, even if IC §24-4.7 is preempted by federal law; and

(B) will not violate the terms of IC §24-4.7 for the duration of the Contract, even if IC §24-4.7 is preempted by federal law.

11. Condition of Payment. All services provided by the Contractor under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of any federal, state or local statute, ordinance, rule or regulation.

12. Confidentiality of State Information. The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected information. The Contractor covenants that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this Contract will not be disclosed to or discussed with third parties without the prior written consent of the State.

The parties acknowledge that the services to be performed by Contractor for the State under this Contract may require or allow access to data, materials, and information containing Social Security numbers maintained by the State in its computer system or other records. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Contractor and the State agree to comply with the provisions of IC §4-1-10 and IC §4-1-11. If any Social Security number(s) is/are disclosed by Contractor, Contractor agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this contract.

13. Continuity of Services.

A. The Contractor recognizes that the service(s) to be performed under this Contract are vital to the State and must be continued without interruption and that, upon Contract expiration, a successor, either the State or another contractor, may continue them. The Contractor agrees to:

1. Furnish phase-in training; and
2. Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

B. The Contractor shall, upon the State's written notice:

1. Furnish phase-in, phase-out services for up to sixty (60) days after this Contract expires; and
2. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the State's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Contract are maintained at the required level of proficiency.

C. The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this Contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

D. The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations).

14. Debarment and Suspension.

A. The Contractor certifies by entering into this Contract that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term “principal” for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

B. The Contractor certifies that it has verified the state and federal suspension and debarment status for all subcontractors receiving funds under this Contract and shall be solely responsible for any recoupment, penalties or costs that might arise from use of a suspended or debarred subcontractor. The Contractor shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Contract.

15. Default by State. If the State, sixty (60) days after receipt of written notice, fails to correct or cure any material breach of this Contract, the Contractor may cancel and terminate this Contract and institute measures to collect monies due up to and including the date of termination.

16. Disputes.

A. Should any disputes arise with respect to this Contract, the Contractor and the State agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes.

B. The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all of its responsibilities under this Contract that are not affected by the dispute. Should the Contractor fail to continue to perform its responsibilities regarding all non-disputed work, without delay, any additional costs incurred by the State or the Contractor as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the State for such costs.

C. If the parties are unable to resolve a contract dispute between them after good faith attempts to do so, a dissatisfied party shall submit the dispute to the Commissioner of the Indiana Department of Administration for resolution. The dissatisfied party shall give written notice to the Commissioner and the other party. The notice shall include: (1) a description of the disputed issues, (2) the efforts made to resolve the dispute, and (3) a proposed resolution. The Commissioner shall promptly issue a Notice setting out documents and materials to be submitted to the Commissioner in order to resolve the dispute; the Notice may also afford the parties the opportunity to make presentations and enter into further negotiations. Within thirty (30) business days of the conclusion of the final presentations, the Commissioner shall issue a written decision and furnish it to both parties. The Commissioner's decision shall be the final and conclusive administrative decision unless either party serves on the Commissioner and the other party, within ten (10) business days after receipt of the Commissioner's decision, a written request for reconsideration and modification of the written decision. If the Commissioner does not modify the written decision within thirty (30) business days, either party may take such other action helpful to resolving the dispute, including submitting the dispute to an Indiana court of competent jurisdiction. If the parties accept the Commissioner's decision, it may be memorialized as a written Amendment to this Contract if appropriate.

D. The State may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the State to the Contractor of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for the Contractor to terminate this Contract, and the Contractor may bring suit to collect these amounts without following the disputes procedure contained herein.

E. With the written approval of the Commissioner of the Indiana Department of Administration, the parties may agree to forego the process described in subdivision C. relating to submission of the dispute to the Commissioner.

F. This paragraph shall not be construed to abrogate provisions of Ind. Code 4-6-2-11 in situations where dispute resolution efforts lead to a compromise of claims in favor of the State as described in that statute. In particular, releases or settlement agreements involving releases of legal claims or potential legal claims of the state should be processed consistent with Ind. Code 4-6-2-11, which requires approval of the Governor and Attorney General.

17. Drug-Free Workplace Certification. As required by Executive Order No. 90-5 dated April 12, 1990, issued by the Governor of Indiana, the Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The Contractor will give written notice to the State within ten (10) days after receiving actual notice that the Contractor, or an employee of the Contractor in the State of Indiana, has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of this certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State for up to three (3) years.

In addition to the provisions of the above paragraph, if the total amount set forth in this Contract is in excess of $25,000.00, the Contractor certifies and agrees that it will provide a drug-free workplace by:

A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;

B. Establishing a drug-free awareness program to inform its employees of: (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will: (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

D. Notifying the State in writing within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;

E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

18. Employment Eligibility Verification. As required by IC §22-5-1.7, the Contractor swears or affirms under the penalties of perjury that the Contractor does not knowingly employ an unauthorized alien. The Contractor further agrees that:

A. The Contractor shall enroll in and verify the work eligibility status of all his/her/its newly hired employees through the E-Verify program as defined in IC §22-5-1.7-3. The Contractor is not required to participate should the E-Verify program cease to exist. Additionally, the Contractor is not required to participate if the Contractor is self-employed and does not employ any employees.

B. The Contractor shall not knowingly employ or contract with an unauthorized alien. The Contractor shall not retain an employee or contract with a person that the Contractor subsequently learns is an unauthorized alien.

C. The Contractor shall require his/her/its subcontractors, who perform work under this Contract, to certify to the Contractor that the subcontractor does not knowingly employ or contract with an unauthorized alien and that the subcontractor has enrolled and is participating in the E-Verify program. The Contractor agrees to maintain this certification throughout the duration of the term of a contract with a subcontractor.

The State may terminate for default if the Contractor fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

19. Employment Option. If the State determines that it would be in the State's best interest to hire an employee of the Contractor, the Contractor will release the selected employee from any non-competition agreements that may be in effect. This release will be at no cost to the State or the employee.

20. Force Majeure. In the event that either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately or as soon as is reasonably possible under the circumstances give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, all obligations under this Contract shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this Contract.

21. Funding Cancellation. When the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be canceled. A determination by the Director of State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

22. Governing Law. This Contract shall be governed, construed, and enforced in accordance with the laws of the State of Indiana, without regard to its conflict of laws rules. Suit, if any, must be brought in the State of Indiana.

23. HIPAA Compliance. If this Contract involves services, activities or products subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Contractor covenants that it will appropriately safeguard Protected Health Information (defined in 45 CFR 160.103),

and agrees that it is subject to, and shall comply with, the provisions of 45 CFR 164 Subpart E regarding use and disclosure of Protected Health Information.

24. Indemnification. The Contractor agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all third party claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the Contractor and/or its subcontractors, if any, in the performance of this Contract. The State shall not provide such indemnification to the Contractor.

25. Independent Contractor; Workers' Compensation Insurance. The Contractor is performing as an independent entity under this Contract. No part of this Contract shall be construed to represent the creation of an employment, agency, partnership or joint venture agreement between the parties. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party. The Contractor shall provide all necessary unemployment and workers' compensation insurance for the Contractor's employees, and shall provide the State with a Certificate of Insurance evidencing such coverage prior to starting work under this Contract.

26. Information Technology Enterprise Architecture Requirements. If the Contractor provides any information technology related products or services to the State, the Contractor shall comply with all IOT standards, policies and guidelines, which are online at http://iot.in.gov/architecture/. The Contractor specifically agrees that all hardware, software and services provided to or purchased by the State shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. 794d) and IC §4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT in advance. The State may terminate this Contract for default if the Contractor fails to cure a breach of this provision within a reasonable time.

27. Insurance.

A. The Contractor and their subcontractors (if any) shall secure and keep in force during the term of this Contract the following insurance coverages (if applicable) covering the Contractor for any and all claims of any nature which may in any manner arise out of or result from Contractor's performance under this Contract:

1. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liability limits not less than $700,000 per person and $5,000,000 per occurrence unless additional coverage is required by the State. The State is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Contract.

2. Automobile liability for owned, non-owned and hired autos with minimum liability limits of $700,000 per person and $5,000,000 per occurrence. The State is to be named as an additional insured on a primary, non-contributory basis.

3. Errors and Omissions liability with minimum liability limits of $1,000,000 per claim and in the aggregate. Coverage for the benefit of the State shall continue for a period of two (2) years after the date of service provided under this Contract.

4. Fiduciary Liability is required if the Contractor is responsible for the management and oversight of various employee benefit plans and programs such as pensions, profit-sharing and savings, among others. These contractors face potential claims for mismanagement brought by plan members. Limits should be no less than $700,000 per cause of action and $5,000,000 per occurrence.

5. Valuable Papers coverage, available under an Inland Marine policy, is required when any plans, drawings, media, data, records, reports, billings and other documents are produced or used under this agreement. Insurance must have limits sufficient to pay for the re-creation and reconstruction of such records.

6. The Contractor shall secure the appropriate Surety or Fidelity Bond(s) as required by the state department served or by applicable statute.

7. The Contractor shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of workers' compensation coverage meeting all statutory requirements of IC §22-3-2. In addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.

B. The Contractor's insurance coverage must meet the following additional requirements:

1. The insurer must have a certificate of authority or other appropriate authorization to operate in the state in which the policy was issued.

2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Contractor.

3. The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty to indemnify the State under this Contract shall not be limited by the insurance required in this Contract.

4. The insurance required in this Contract, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State agency.

5. The Contractor waives and agrees to require their insurer to waive their rights of subrogation against the State of Indiana.

C. Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract. The Contractor shall furnish a certificate of insurance and all endorsements to the State before the commencement of this Contract.

28. Key Person(s).

A. If both parties have designated that certain individual(s) are essential to the services offered, the parties agree that should such individual(s) leave their employment during the term of this

Contract for whatever reason, the State shall have the right to terminate this Contract upon thirty (30) days' prior written notice.

B. In the event that the Contractor is an individual, that individual shall be considered a key person and, as such, essential to this Contract. Substitution of another for the Contractor shall not be permitted without express written consent of the State.

Nothing in sections A and B, above shall be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person. Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

Key person(s) to this Contract is/are **N/A**

29. Licensing Standards. The Contractor, its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules, or regulations governing services to be provided by the Contractor pursuant to this Contract. The State will not pay the Contractor for any services performed when the Contractor, its employees or subcontractors are not in compliance with such applicable standards, laws, rules, or regulations. If any license, certification or accreditation expires or is revoked, or any disciplinary action is taken against an applicable license, certification, or accreditation, the Contractor shall notify the State immediately and the State, at its option, may immediately terminate this Contract.

30. Merger & Modification. This Contract constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Contract will be valid provisions of this Contract. This Contract may not be modified, supplemented, or amended, except by written agreement signed by all necessary parties.

31. Minority and Women's Business Enterprises Compliance. Award of this Contract was based, in part, on the MBE/WBE participation plan**.** The following certified MBE or WBE subcontractors will be participating in this Contract:

MBE/WBE	PHONE	COMPANY NAME	SCOPE OF PRODUCTS and/or SERVICES	UTILIZATION DATE	PERCENT
WBE	*317-398-3070*	*Office Hub*			*3.70%*

A copy of each subcontractor agreement must be submitted to IDOA's MBE/WBE Division within thirty (30) days of the effective date of this Contract. Failure to provide a copy of any subcontractor agreement will be deemed a violation of the rules governing MBE/WBE procurement, and may result in sanctions allowable under 25 IAC 5-7-8. Failure to provide any subcontractor agreement may also be considered a material breach of this Contract. The Contractor must obtain approval from IDOA's MBE/WBE Division before changing the participation plan submitted in connection with this Contract.
The Contractor shall report payments made to MBE/WBE Division subcontractors under this Contract on a monthly basis. Monthly reports shall be made using the online audit tool, commonly referred to as "Pay Audit." MBE/WBE Division subcontractor payments shall also be reported to the Division as reasonably requested and in a format to be determined by Division.

32. Nondiscrimination. Pursuant to the Indiana Civil Rights Law, specifically including IC §22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Contractor covenants that it shall not discriminate against any employee or applicant for employment relating to this Contract with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Contractor certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services. Breach of this paragraph may be regarded as a material breach of this Contract, but nothing in this paragraph shall be construed to imply or establish an employment relationship between the State and any applicant or employee of the Contractor or any subcontractor.

The State is a recipient of federal funds, and therefore, where applicable, Contractor and any subcontractors shall comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246 as amended by Executive Order 13672.

33. Notice to Parties. Whenever any notice, statement or other communication is required under this Contract, it shall be sent by first class mail or via an established courier/delivery service to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:

Commissioner
Department of Workforce Development
10 N. Senate Ave
Indianapolis, IN 46204

B. Notices to the Contractor shall be sent to:

Stellarware Corporation
140 North Franklin Street, Suite 2-1
Holbrook, MA 02343

As required by IC §4-13-2-14.8, payments to the Contractor shall be made via electronic funds transfer in accordance with instructions filed by the Contractor with the Indiana Auditor of State.

34. Order of Precedence; Incorporation by Reference. Any inconsistency or ambiguity in this Contract shall be resolved by giving precedence in the following order: (1) this Contract, (2) attachments prepared by the State, (3) **RFP#16-105**, (4) Contractor's response to RFP#16-105, and (5) attachments prepared by the Contractor. All attachments, and all documents referred to in this paragraph, are hereby incorporated fully by reference.

35. Ownership of Documents and Materials.

A. All documents, records, programs, applications, data, algorithms, film, tape, articles, memoranda, and other materials (the "Materials") not developed or licensed by the Contractor prior to execution of this Contract, but specifically developed under this Contract shall be considered "work for hire" and the Contractor hereby transfers and assigns any ownership claims to the State so that all Materials will be the property of the State. If ownership interest in the

Materials cannot be assigned to the State, the Contractor grants the State a non-exclusive, non-cancelable, perpetual, worldwide royalty-free license to use the Materials and to use, modify, copy and create derivative works of the Materials.

B. Use of the Materials, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. During the performance of this Contract, the Contractor shall be responsible for any loss of or damage to the Materials developed for or supplied by the State and used to develop or assist in the services provided while the Materials are in the possession of the Contractor. Any loss or damage thereto shall be restored at the Contractor's expense. The Contractor shall provide the State full, immediate, and unrestricted access to the Materials and to Contractor's work product during the term of this Contract.

36. Payments.

A. All payments shall be made thirty five (35) days in arrears in conformance with State fiscal policies and procedures and, as required by IC §4-13-2-14.8, the direct deposit by electronic funds transfer to the financial institution designated by the Contractor in writing unless a specific waiver has been obtained from the Indiana Auditor of State. No payments will be made in advance of receipt of the goods or services that are the subject of this Contract except as permitted by IC §4-13-2-20.

B. The State Budget Agency and the Contractor acknowledge that if the Contractor is being paid in advance for the maintenance of equipment and/ or software. Pursuant to IC §4-13-2-20(b)(14), Contractor agrees that if it fails to perform the maintenance required under this Contract, upon receipt of written notice from the State, it shall promptly refund the consideration paid, pro-rated through the date of non-performance.

37. Penalties/Interest/Attorney's Fees. The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest or attorney's fees, except as permitted by Indiana law, in part, IC §5-17-5, IC §34-54-8, IC §34-13-1 and IC § 34-52-2-3.

Notwithstanding the provisions contained in IC §5-17-5, any liability resulting from the State's failure to make prompt payment shall be based solely on the amount of funding originating from the State and shall not be based on funding from federal or other sources.

38. Progress Reports. The Contractor shall submit progress reports to the State upon request. The report shall be oral, unless the State, upon receipt of the oral report, should deem it necessary to have it in written form. The progress reports shall serve the purpose of assuring the State that work is progressing in line with the schedule, and that completion can be reasonably assured on the scheduled date.

39. Public Record. The Contractor acknowledges that the State will not treat this Contract as containing confidential information, and will post this Contract on its website as required by Executive Order 05-07. Use by the public of the information contained in this Contract shall not be considered an act of the State.

40. Renewal Option. This Contract may be renewed under the same terms and conditions, subject to the approval of the Commissioner of the Department of Administration and the State Budget Director in compliance with IC §5-22-17-4. The term of the renewed contract may not be longer than the term of the original Contract.

41. Severability. The invalidity of any section, subsection, clause or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses or provisions of this Contract.

42. Substantial Performance. This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.

43. Taxes. The State is exempt from most state and local taxes and many federal taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this Contract.

44. Termination for Convenience. This Contract may be terminated, in whole or in part, by the State, which shall include and is not limited to IDOA and the State Budget Agency whenever, for any reason, the State determines that such termination is in its best interest. Termination of services shall be effected by delivery to the Contractor of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which performance of services under such termination becomes effective. The Contractor shall be compensated for services properly rendered prior to the effective date of termination. The State will not be liable for services performed after the effective date of termination. The Contractor shall be compensated for services herein provided but in no case shall total payment made to the Contractor exceed the original contract price or shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date. For the purposes of this paragraph, the parties stipulate and agree that IDOA. shall be deemed to be a party to this agreement with authority to terminate the same for convenience when such termination is determined by the Commissioner of IDOA to be in the best interests of the State.

45. Termination for Default.

A. With the provision of thirty (30) days' notice to the Contractor, the State may terminate this Contract in whole or in part if the Contractor fails to:

1. Correct or cure any breach of this Contract; the time to correct or cure the breach may be extended beyond thirty (30) days if the State determines progress is being made and the extension is agreed to by the parties;
2. Deliver the supplies or perform the services within the time specified in this Contract or any extension;
3. Make progress so as to endanger performance of this Contract; or
4. Perform any of the other provisions of this Contract.

B. If the State terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the State considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

C. The State shall pay the contract price for completed supplies delivered and services accepted. The Contractor and the State shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the State determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

D. The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or equity or under this Contract.

46. Travel. No expenses for travel will be reimbursed unless specifically permitted under the scope of services or consideration provisions. Expenditures made by the Contractor for travel will be reimbursed at the current rate paid by the State and in accordance with the State Travel Policies and Procedures as specified in the current Financial Management Circular. Out-of-state travel requests must be reviewed by the State for availability of funds and for appropriateness per Circular guidelines.

47. Indiana Veteran's Business Enterprise Compliance. Award of this Contract was based, in part, on the Indiana Veteran's Business Enterprise ("IVBE") participation plan. The following IVBE subcontractors will be participating in this Contract:

VBE	PHONE	COMPANY NAME	SCOPE OF PRODUCTS and/or SERVICES
	UTILIZATION	DATE	PERCENT

__N/A

A copy of each subcontractor agreement shall be submitted to IDOA within thirty (30) days of the request. Failure to provide any subcontractor agreement may also be considered a material breach of this Contract. The Contractor must obtain approval from IDOA before changing the IVBE participation plan submitted in connection with this Contract.

The Contractor shall report payments made to IVBE subcontractors under this Contract on a monthly basis. Monthly reports shall be made using the online audit tool, commonly referred to as "Pay Audit." IVBE subcontractor payments shall also be reported to IDOA as reasonably requested and in a format to be determined by IDOA.

48. Waiver of Rights. No right conferred on either party under this Contract shall be deemed waived, and no breach of this Contract excused, unless such waiver is in writing and signed by the party claimed to have waived such right. Neither the State's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Contractor shall be and remain liable to the State in accordance with applicable law for all damages to the State caused by the Contractor's negligent performance of any of the services furnished under this Contract.

49. Work Standards. The Contractor shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the State becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this Contract, the State may request in writing the replacement of any or all such individuals, and the Contractor shall grant such request.

50. State Boilerplate Affirmation Clause. I swear or affirm under the penalties of perjury that I have not altered, modified, changed or deleted the State's Boilerplate contract clauses (as contained in the *2016* OAG/ IDOA *Professional Services Contract Manual*) in any way except for the following clauses which are named below: No changes

Non-Collusion and Acceptance

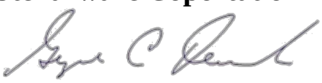
The undersigned attests, subject to the penalties for perjury, that the undersigned is the Contractor, or that the undersigned is the properly authorized representative, agent, member or officer of the Contractor. Further, to the undersigned's knowledge, neither the undersigned nor any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, has entered into or been offered any sum of money or other consideration for the execution of this Contract other than that which appears upon the face hereof**. Furthermore, if the undersigned has knowledge that a state officer, employee, or special state appointee, as those terms are defined in IC 4-2-6-1, has a financial interest in the Contract, the Contractor attests to compliance with the disclosure requirements in IC 4-2-6-10.5.**

Agreement to Use Electronic Signatures

I agree, and it is my intent, to sign this Contract by accessing State of Indiana Supplier Portal using the secure password assigned to me and by electronically submitting this Contract to the State of Indiana. I understand that my signing and submitting this Contract in this fashion is the legal equivalent of having placed my handwritten signature on the submitted Contract and this affirmation. I understand and agree that by electronically signing and submitting this Contract in this fashion I am affirming to the truth of the information contained therein. I understand that this Contract will not become binding on the State until it has been approved by the Department of Administration, the State Budget Agency, and the Office of the Attorney General, which approvals will be posted on the Active Contracts Database:
https://hr85.gmis.in.gov/psp/pa91prd/EMPLOYEE/EMPL/h/?tab=PAPP_GUEST

In Witness Whereof, Contractor and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below agree to the terms thereof.

Stellarware Coportation

By: 

Title: President

Date: 7/14/2017

Department of Workforce Development

By: William J. Nonte

Digitally signed by William J. Nonte
DN: cn=William J. Nonte, o=Indiana Department of Workforce Development, ou=DWD, email=wnonte@dwd.in.gov, c=US
Date: 2017.07.18 17:18:39 -04'00'

Title:

Date:

Electronically Approved by: Indiana Office of Technology By: (for) Dewand Neely, Chief Information Officer *Refer to Electronic Approval History found after the final page of the Executed Contract for details.*	Electronically Approved by: Department of Administration By: (for) Jessica Robertson, Commissioner *Refer to Electronic Approval History found after the final page of the Executed Contract for details.*
Electronically Approved by: State Budget Agency By: (for) Jason D. Dudich, Director *Refer to Electronic Approval History found after the final page of the Executed Contract for details.*	Electronically Approved as to Form and Legality: Office of the Attorney General By: (for) Curtis T. Hill, Jr., Attorney General *Refer to Electronic Approval History found after the final page of the Executed Contract for details.*

Exhibit A: Scope of Work

DWD seeks a provider who will collect and report new hire data and provide services to the employers via a call center and a website. The vendor will be responsible for compliance with the New Hire Reporting Program for DWD. The vendor will also provide reports to DWD to document its efforts. The goal of this RFP is for the vendor to collect and report new hire information. The selected vendor must comply with all of the Indiana Office of Technology standards, policies and guidelines, available online at http://www.in.gov/iot/55.htm . Additionally, the selected vendor must agree that all hardware, software and services provided to or purchased by the State of Indiana shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. § 794d) and Indiana Code § 4-13.1-3.

Services to be Provided:

- **New Hire Data Collection and Processing**

1. Collection and daily (business days) processing of new hire data from employers in any of the media formats including, but not limited to:
    a. An in.gov website, as specified by DWD
    b. printed material
    c. regular mail
    d. facsimile transmission
    e. electronic mail
    f. other electronic transmission

Number of Employers:

There are approximately 125,000 employers who pay quarterly wages.

2. The minimum data required to consider the transaction reportable shall include the following, reported using the required data file layout provided by DWD:
    1. Employer Federal Identification Number (FEIN)
    2. Employer Name
    3. Employer Full Address
    4. Employee Last Name
    5. Employee First Name
    6. Employee Social Security Number
    7. Received Date
    8. Reported to DWD Date
3. The vendor is required to ask for the following additional data and to report all of the following data, if received, using the required data file layout provided by DWD. The vendor is required to perform the new hire crossmatch process even if this data is not provided by an employer:
    a. Employee Date of Hire
    b. Employee Date of Birth (optional)
    c. Employee State of Hire (if provided)
    d. Medical Insurance Availability Indicator (optional)

e. Employee Middle Name (if provided)
f. Employee Address
g. Employer Second Address (if provided)
h. Employer contact information (name, phone, email, fax, etc. if provided)

4. Acceptance of new hire data from multi-state employers who choose to consolidate their reporting in Indiana, with the same requirements as stated above.

5. Obtain missing, incomplete, or illegible information in paragraphs 2 and 3 above within five (5) business days.

6. Enter into a single automated New Hire Report data file all New Hire reporting information received from employers within three (3) business days of receipt of the record at a 99.8% accuracy rate, regardless of the reporting medium used by the employer. ***The penalty for exceeding the 0.2% error rate on any day is that the State will not pay for any of the transactions for that day and will prorate the flat fee payment provided to the vendor to remove costs for that day.*** It is the responsibility of the selected vendor to ensure that only records meeting at least the minimum requirements are transmitted to the State. Respondents shall provide details explaining any software used and quality assurance measures taken to reduce errors.

7. Transactions shall be reported to the State within two (2) business days of receipt of all minimum data so that income withholding orders for child support can be processed and so that new hire crossmatches with unemployment insurance claimants can take place.

   a. The new hire data received from employers shall be compiled daily into a single file in the format specified at: https://www.acf.hhs.gov/sites/default/files/ocse/ndnh_guide_for_data_submission.pdf This file shall be transmitted daily to the State mainframe by file transfer protocol (FTP) for DWD and the Indiana Department of Child Services .

8. Number of reportable transactions from 2014 to 2015:

   a. Approximately 105,000 to 190,000 per month
   b. Average 140,400 per month

- **Compliance Outreach**

1. The vendor shall provide compliance outreach to employers as specified in the Service Level Agreement. In addition, the vendor shall provide outreach to any employer identified by DWD as being non-compliant.

2. All outreach materials will be reviewed and approved by DWD.

3. The cost for compliance outreach is the responsibility of the vendor.

- **Customer Service**

1. Provision of a toll free customer service telephone line and sufficient trained staff to allow employers to speak with a representative Monday through Friday from 8:00 a.m. to 5:00 p.m., Eastern time, excluding legal and state-recognized holidays. After hours, direct customers to the new hire reporting website. Allow the opportunity for the customer to leave a message when customer service representatives are not available. Return messages within one (1) business day.

2. The call center services must be performed within the continental U.S.

3. Provision to employers of toll free, never-busy incoming fax systems to accept employer new hire reports.
4. Provision to the employer of an email address to contact the vendor. The vendor shall respond to emails within one (1) business day.
5. These services shall be provided to any caller at no additional charge to the caller or DWD.
6. There shall be no limit on the number of calls or emails permitted.
7. Call and Email Traffic (based on calendar year 2014):
    a. Approximately 1,646 incoming and outgoing calls during the year, which averages out to 137 per month;
    b. Approximately 2,672 email inquiries per year that were responded to within 24 hours, which averages out to 222 per month.

b. **Website and Data Storage**

a. The vendor shall use an in.gov website provided by DWD.
b. The vendor shall fully run and maintain that website for employers that will:

1. allow employers to report new hire information online on an individual employee basis or through the uploading of a file containing multiple employees' information
2. allow employers to download the New Hire Reporting Form
3. explain the new hire reporting requirements
4. explain other methods of reporting new hire information
5. allow electronic reporting
6. use vendor-provided PC software, if any
7. use the printed New Hire Reporting Form
8. use the W-4 Form
9. report through a payroll processing service
10. provide answers to most frequently asked questions,
11. provide contact information for mailing, emailing, or faxing reports
12. provide contact information for questions
13. provide instructions for registering as a Multi-state employer
14. provide public relations and outreach information
15. allow DWD to provide other additional information, upon request of DWD.

c. The vendor shall maintain all data on secure servers and in accordance with the federal Office of Child Support Enforcement security safeguard requirements.

d. The selected vendor shall consult with DWD to assure accuracy of all information provided.
e. The selected vendor shall agree to require of itself and other parties not less than 256-bit SSL encryption to protect web requests that contain:
    1. user credentials (username and password)
    2. sensitive information (social security numbers, personal information such as date of birth, etc.)
f. The Website should maintain an availability rate of 99%, except for prearranged and agreed upon maintenance outages. The vendor must alert DWD when website scheduled maintenance times are necessary and will work with DWD to schedule maintenance times. The vendor will not be held responsible for outages caused by the Indiana Office of Technology ("IOT").

g. Website Traffic (based on calendar year 2014):

h. 2,316,356 hits/single events per year;

i. 184,325 visits (all activity by one visitor) per year.

- **Reporting**

1. Provision of reports to DWD, including, but not limited to:
    a. A monthly report of all new hires reported, with subtotals by reporting method.
    b. An annual report of all new hires reported, with subtotals by reporting method.
    c. A monthly new hire compliance report based on DWD's quarterly wage data. This report shall include the number of instances where employers failed to provide complete information in new hire reports and the action taken by the vendor to bring the employer into compliance and the results.
    d. A monthly report summarizing customer service calls and website usage.
    e. Other reports, as requested.

All monthly reports as stated above must be received by the tenth (10^{th}) day of each month detailing the above information. The annual report must be received by the end of the following month after the end of the year.

2. Attendance at monthly status meetings with DWD to review the vendor's actions and the data provided by the vendor.

- **Data Quality**

1. The vendor shall provide complete transparency of its processes.

2. The vendor shall identify when a given employer reports the same employee(s) under multiple FEINs. The vendor shall not provide a new hire report/transaction when an employer is reporting the same employee(s) under a different or new FEIN.

3. The vendor shall communicate to employers that are using multiple FEINs to report the same employees to stop such practices.

4. The vendor shall resolve any new hire reporting error pursuant to the Service Level Agreement.

Other Requirements

1. Respondent shall provide a description of the technical support for any proposed systems.

2. Respondent shall describe their relevant experience providing similar services.

3. Transition:
    a. Respondents shall provide a transition management plan that includes milestones and completion dates for those milestones, if replacing the current vendor. The plan shall include an explanation of how the respondent will handle notifying employers of the change in new hire operations.
    b. Respondents shall describe how they will help DWD achieve transition to a new vendor or to DWD at the end of the contract.

4. The selected vendor must agree that, with no advance notice, representatives of the state agency may visit the contractor anytime during normal business hours to observe and inspect the operations of the selected vendor providing services under this contract. The

selected vendor must make all files and documentation, including financial records related to the execution of this contract, available to the state agency during these inspections.

5. The vendor shall provide a meaningful summary of policies and procedures for every required process. Supporting documentation may be included as an appendix in the proposal. The selected vendor shall provide documentation such as outreach materials, training materials, procedures manuals, sample screens, and reports.
6. The vendor shall provide their disaster recovery/business continuity plan.
7. The awarded vendor shall put their application software utilized in conjunction with this service, in escrow and provide documentation confirming this requirement.

Other Requested Information:

1. Respondent shall describe any software and hardware to be used for the collection, editing, and compilation of new hire data.
2. Respondent shall describe how it will handle obtaining missing information.
3. Respondent shall describe any other methods it would make available to employers for reporting new hires.
4. Respondent shall describe its approach and methods for outreach to employers and payroll processing companies, and explain what actions it would take to increase employer new hire reporting compliance.
5. Respondent shall provide a description of its proposed staffing, screening and background check policy for employees and those of any proposed sub-contractor, as well as any plans for mitigating risks posed by staff turnover.
6. Respondent shall provide a description of the policies and methods for safeguarding the security and confidentiality of data and for the destruction of data. Unauthorized disclosure of confidential information is strictly prohibited and is grounds for termination of the contract. The selected vendor must understand and agree that the data being provided to them by employers is confidential and must not be made available to any other person or company in its entirety or part for any purpose except as specified by DWD.
7. If the Respondent proposes a developed or customized solution, it should also provide the development methodology, deliverables, project plan and change control process.

Pricing:

1. Respondents must submit a flat fee cost proposal for all services except employer compliance activities and startup costs, to be billed monthly. The chosen vendor will receive payments under this section on a monthly basis. DWD will withhold a monthly payment if the specifications for services are not met by the chosen vendor for the given month. See the Service Level Agreement for more information.
2. Respondents must submit a separate flat fee cost proposal for employer compliance activities, to be billed monthly. The chosen vendor will receive the monthly compliance fee after the vendor completes employer compliance activities. DWD will withhold a portion of the monthly payment if the specifications for employer compliance activities are not met by the chosen vendor for the given month. See the Service Level Agreement for more information.
3. Respondents must submit a separate flat fee cost proposal for startup costs and shall itemize proposed startup costs.

Continuity of Services:

The Successful Respondent recognizes that the service(s) to be performed in response to this RFP are vital to the State and must be continued without interruption and that, upon Contract expiration, a successor, either the State or another contractor, may continue them. At the end of the contract period, the Successful Respondent agrees to:

1. Furnish phase-in training,
2. Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor, and
3. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the State's approval. The Successful Respondent shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by the Contract are maintained at the required level of proficiency.

Exhibit B: Service Level Agreement

1. Data Entry Quality.
    a. Required Service Level.
        i. The vendor shall maintain a 99.8% accuracy rate, regardless of the reporting medium used by the employer, for entering information received from employers into the automated New Hire Report data file.
        ii. The vendor shall ensure that only records meeting at least the minimum requirements for reporting New Hire information are transmitted to the State.
        iii. The vendor shall have five (5) business days to obtain missing, incomplete, or illegible information in paragraphs 2 and 3 of the New Hire Data Collection and Processing section of the Statement of Work.
        iv. The vendor shall resolve any data entry error within three (3) business days.
    b. Penalty.
        i. Failure to adhere to any part of the Required Service Level set forth in Section 1.a. shall result in the State not paying for any of the transactions for that day. The State will prorate the general services flat fee payment provided to the vendor to remove costs for that day.
2. Data match quality.
    a. Required Service Level.
        i. The vendor shall identify when a given employer reports the same employee or employees under multiple FEINs and shall report such instances to DWD in a separate report.
        ii. The vendor shall not provide a new hire report/transaction when an employer is reporting the same employee or employees under a different or new FEINs.
        iii. The vendor shall communicate to employers that are using multiple FEINs to report the same employees to stop such practices.
        iv. The vendor shall resolve any new hire reporting error within three (3) business days.
    b. Penalty.
        i. Failure to adhere to any part of the Required Service Level set forth in Section 2.a. shall result in the State withholding fifty (50) percent of the general services flat fee monthly payment for failures that occur in a given month.
3. Employer Compliance Activities.
    a. Required Service Level.
        i. Within one (1) business day after the vendor determines, or should have determined based on available data at the time, that an employer is not

in compliance with new hire reporting requirements, the vendor shall contact the employer by phone and in writing (email or paper mail) regarding the compliance issue.

ii. If the compliance issue is not resolved within ten (10) business days after the vendor determines, or should have determined based on available data at the time, that an employer is not in compliance with new hire reporting requirements, the vendor shall issue a compliance warning letter by paper mail to the employer. That letter shall provide seven (7) days from the date of mailing on the letter for the employer to resolve the compliance issue.

iii. If the compliance issue is not resolved within the seven (7) days provided in the compliance warning letter, the vendor shall provide a report to DWD containing the employer's contact information, the date and time of the compliance phone call and initial written communication, and a copy of compliance warning letter, along with a description of the compliance issue and all supporting data/documentation. The vendor shall provide this information to DWD within seven (7) days of the expiration of the time set forth in the compliance warning letter for the employer to resolve the compliance issue.

b. Penalty.

i. Failure to adhere to any part of the Required Service Level set forth in Section 3.a. shall result in the State withholding the monthly compliance flat fee payment for failures that occur in a given month.

4. Reporting.

a. Required Service Level.

i. The vendor shall provide the following reports to DWD on a monthly basis and shall provide those reports to DWD within ten (10) days of the end of the month for which the reports pertain to:

1. All new hires reported, with subtotals by reporting method

2. New hire compliance aggregate report based on DWD's quarterly wage data, including aggregate figures representing instances where employers failed to provide complete information in new hire reports, the actions taken by the vendor to bring employers into compliance, and results for each type of action taken

3. Summation of customer service calls received and website usage

ii. The vendor shall provide the following reports to DWD on a yearly basis and shall provide those reports to DWD within 30 days after the end of the year for which the reports pertain to:

1. All new hires reported, with subtotals by reporting method

iii. The vendor shall provide any other report, as requested by DWD. The vendor shall provide such a report within three (3) days of the request by DWD, or at a different time as agreed to by DWD.

b. Penalty.

i. Failure to adhere to any part of the Required Service Level set forth in Section 4.a. shall result in the State withholding twenty (20) percent of the general services flat fee monthly payment for failures that occur related to a particular month.

5. Website.

a. Service Level Agreement.

i. The vendor shall use an in.gov website provided by DWD and the Indiana Office of Technology.

ii. The vendor shall abide by the Indiana Office of Technology's rules regarding use of the website.

iii. The vendor shall fully run and maintain the website for employers.

iv. The website must:

1. Allow employers to report new hire information online on an individual employee basis or through the uploading of a file containing multiple employees' information (both options must be available to the employer on the website);

2. Allow employers to download the New Hire Reporting Form;

3. Explain the New Hire Reporting requirements;

4. Explain other methods of reporting new hire information;

5. Allow electronic reporting;

6. Use vendor-provided PC software, if any;

7. Use the printed New Hire Reporting Form;

8. Use the W-4 Form;

9. Reporting through a payroll processing service;

10. Provide answers to most frequently asked questions;

11. Provide contact information for mailing, emailing, or faxing reports;

12. Provide contact information for the Call Center and for questions;

13. Provide instructions for registering as a multi-state employer;

14. Provide public relations and outreach information, as approved by DWD; and

15. Allow DWD to provide other information, upon request of DWD.

v. The vendor shall maintain all data on secure servers and in accordance with the federal Office of Child Support Enforcement security safeguard requirements.

vi. The vendor must use not less than 256-bit SSL encryption to protect web requests that contain:

1. User credentials (username and password)

2. Sensitive or personal identifying information (social security numbers, date of birth, etc.)

vii. The website must maintain an availability rate of 99%, except for prearranged and agreed-upon maintenance outages. The vendor must alert DWD when website scheduled maintenance times are necessary and work with DWD to schedule maintenance times. The vendor will not be held responsible for outages caused by the Indiana Office of Technology.

b. Penalty.

i. Failure to adhere to any part of the Required Service Level set forth in Section 4.a. shall result in the State withholding twenty (20) percent of the general services flat fee monthly payment for failures that occur related to a particular month.

6. Vendor Compliance With Statement of Work.

a. Service Level Agreement.

i. The vendor shall comply with all other requirements set forth in the Statement of Work not specifically explained herein.

b. Penalty.

i. DWD, in its discretion, may withhold up to twenty (20) percent of any flat fee monthly payment for failures that occur related to that particular month.

Exhibit C: Cost Proposal

TOTAL INITIAL 2 YEAR COST	507,600.00

INSTRUCTIONS:

1. Utilize the "Total Initial 2 Year Cost" for completing Required Commitment Forms.

2. Respondents should submit a flat fee cost proposal for all services except employer compliance activitites and start up costs, to be billed monthly. The chosen vendor will receive payments under this section on a monthly basis.

3. The IDWD intends to enforce the SLA (Attachment B1) with a 20% monthly withhold against the monthly payment for every month the vendor is not in compliance. The withhold is applicable to both the Data Management & Operations and Vendor Compliance monthly fees. When compliance is met and approved by the IDWD, the 20% may be invoiced and paid.

4. The respondent should list and describe as part of its Cost Proposal any special cost assumptions, conditions, and/or constraints relative to, or which impact, the prices presented on the Cost Schedules. It is of particular importance to describe any assumptions made by the respondent in the development of the respondent's Technical Proposal that have a material impact on price. It is in the best interest of the respondent to make explicit the

Monthly Rate	Annual Cost
Data Management & Operations Year One	$253,800.00
Data Management & Operations Year Two	$253,800.00
TOTAL	**$507,600.00**
Data Management & Operations Year Three (Optional)	$260,792.00
Data Management & Operations Year Four (Optional)	$260,792.00

Monthly Rate	Annual Cost
Employer Compliance Year One	$0.00
Employer Compliance Year Two	$0.00
TOTAL	**$0.00**
Employer Compliance Year Three (Optional)	$0.00
Employer Compliance Year Four (Optional)	$0.00

Implementation (Start Up)	
Stellarware will provide Implementation at "no charge"	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
Expense	$0.00
TOTAL	**$0.00**

TOTAL INITIAL 2 YEAR COST (Cost Template)	0.00	(This will auto fill from the Cost Template Tab)
TOTAL INITIAL 2 YEAR COST (Breakdown)	507,600.00	(This will auto fill from totals on this Tab)

Data Management & Operations Year One	Unit (each, staffing,etc.)	Rate	Total
Staffing	5.5	Mixed	$175,592.00
Direct Costs			
- Rent			$15,000.00
- Utlilies			$2,400.00
- Computers			$4,000.00
- Office Supplies			$1,800.00
- Travel			$9,000.00
- Telephone			$4,100.00
- Printing			$1,500.00
- Furniture / Equipment			$4,600.00
- Internet			$3,000.00
- Misc.			$2,400.00
Fee			$30,408.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
		Total	$253,800.00

Employer Compliance Year One	Unit (each, staffing,etc.)	Rate	Total
Sellarware will provide Employer			$0.00
Compliance as a component of Data			$0.00
Management & Operations			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
		Total	$0.00

Data Management & Operations Year Two	Unit (each, staffing,etc.)	Rate	Total
Staffing	5.5	Mixed	$175,592.00
Direct Costs			
- Rent			$15,000.00
- Utlilies			$2,400.00
- Computers			$4,000.00
- Office Supplies			$1,800.00
- Travel			$9,000.00
- Telephone			$4,100.00
- Printing			$1,500.00
- Furniture / Equipment			$4,600.00
- Internet			$3,000.00
- Misc.			$2,400.00
Fee			$30,408.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
		Total	$253,800.00

Employer Compliance Year Two	Unit (each, staffing,etc.)	Rate	Total
Sellarware will provide Employer			$0.00
Compliance as a component of Data			$0.00
Management & Operations			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
Expense			$0.00
		Total	$0.00

Electronic Approval History

	User ID	Approver Name	Datetime	Description
1	L043719	Williams,Leslie	07/26/2017 3:12:46PM	Agency Fiscal Approval
2	K003627	Smith,Karen S	07/27/2017 6:19:11AM	IOT Approval
3	D231271	Neely,Dewand Anthony	07/27/2017 8:44:50AM	IOT Approval
4	T278748	Glickman,Tammera	08/02/2017 3:19:51PM	IDOA Legal Approval
5	M225528	Hempel,Mark Alan	08/04/2017 3:48:06PM	IDOA Legal Approval
6	T320233	Butler,Trevor Scott	09/05/2017 2:49:31PM	SBA Approval
7	A233897	Davidson,Alice A	09/05/2017 2:51:51PM	Attorney General Approval
8	S306218	Mullaney,Stephanie Jude	09/07/2017 1:13:37PM	Attorney General Approval