STATEMENT OF WORK

FOR THE

EMPLOYER REPORTING APPLICATION PROJECT

BETWEEN

WASHINGTON STATE
DEPARTMENT OF RETIREMENT SYSTEMS

AND

[PRIME VENDOR]
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1.0 Introduction and Overall Approach

The scope for the Employer Reporting Application Project includes implementing a Business Process Management Suite (BPMS) Solution and using the BPMS Solution to build an Employer Reporting Application (ERA), which will replace the existing Employer Information System (EIS). EIS is DRS’ existing Employer reporting system, which collects data related to retirement for Washington State public employees. The BPMS platform and ERA will provide the architectural foundation for the future addition of other core business processes, such as retiree benefits processing, disbursements, and financial services.

Currently, Washington’s 1,300 public Employers must report to DRS wage and other information relating to retirement plans and deferred earnings for every employee. Employers now use a variety of ways to send this information to DRS: secure file transfer, automated dataset upload, web application, manually entered from a paper report. At DRS, the information is stored and maintained in a secure database within EIS. Maintaining this information in EIS is costly, time-consuming and prone to error for both Employers and for DRS.

Through the ERA Project, DRS will replace the assortment of methods for transmitting this information with a single, web-based Employer Reporting Application (ERA). ERA will include edits to assure the integrity of both Employers’ and employees’ data, will directly populate the existing databases, will be convenient for Employers to use, and will streamline these reporting processes. The scope of the ERA Project also includes acquiring and implementing a Business Process Management Suite (BPMS) Solution.

The BPMS Solution will provide a highly-integrated and adaptable architecture capable of processing large volumes of sensitive data with complex business rules, providing internal and external users with a streamlined, user-friendly, and easy-to-maintain ERA system, and integrating with the other core systems until all business processes are transitioned to the new platform. The BPMS Solution will be hosted, on-premise, by DRS at the State Data Center.

As the BPMS Solution is being implemented, Prime Vendor will work with DRS to design, configure and build, validate, test and bring into production the ERA. A critical component of the building and configuring of ERA, is the Knowledge Transfer from Prime Vendor to DRS to ensure that DRS is able to design, configure and implement future systems to support DRS’ pension programs such as retiree benefits processing, disbursements, and financial services.

The diagram below reflects a high-level view of the scope of this project.
Appendix D.3 – Statement of Work
Employer Reporting Application Project

1.1 Structure of Statement of Work

Statement of Work Structure

The Statement of Work (SOW) sets forth the general description of the ERA Project which includes implementation of the BPMS Solution and the Employer Reporting Application (ERA); provides a complete description of the scope of Services and the responsibilities of each of the parties; sets forth a complete description of the assumptions applicable to the scope of Services; and identifies major Deliverables with associated Certification Criteria. The Statement of Work consists of the following major Sections:

- Introduction and Overall
- Approach
- Organizational Change Management, Communication, Education and Training, and Knowledge Transfer Plan
- Project Initiation and Kickoff
- Discovery/Data Gathering; Fit/Gap; Solution Design; Build,
- Technical Activities
- Testing
- Cutover to Production
- Post-Production Activities
- Project Management
- Assumptions
Appendix D.3 – Statement of Work
Employer Reporting Application Project

Configure and Validate

Project Responsibility
Prime Vendor will be responsible for ensuring all phases of the ERA Project are successful, including the implementation of the BPMS Solution and ERA. DRS will provide significant resources, including both business and technical staff, as set forth in the Joint Resource Plan. The Prime Vendor will be responsible to ensure that DRS staff members gain the knowledge and skills they will need to assume an increasing amount of task responsibility during the ERA Project and be self-sufficient in using the BPMS Solution, maintaining and operating the BPMS Solution and ERA, as well as having the skill set to build future application using the BPMS Solution.

Responsibility Charts
Various Sections in this Statement of Work set forth a matrix which describes the level of participation of each party in completing activities and/or Deliverables by indicating who is the responsible party (“R”, as further described below), and who is a contributor, consulted, or actively involved and/or contributing party (“C”, as further described below). As used in the charts, “PV” means Prime Vendor, and “DRS” means the Washington State Department of Retirement Systems or its Third Party consultants.

"R" or "Responsible" means the following:
For Deliverables and documents, the party who is responsible for generating the Deliverable (in the case of Prime Vendor) or document (in the case of DRS), and ensuring that the final form of such Deliverable captures the agreement of the parties, is accurate and complete, and meets the quality standards and applicable Certification Criteria. Each Deliverable prepared by Prime Vendor is subject to the certification process described in the Technology Agreement which requires the ultimate approval of DRS.

For presentations, sessions, activities and events, the party who is responsible for developing the materials for and leading such presentations and sessions.

For activities and events, the party who is responsible for ensuring that the activity or event accomplishes the objectives of the session or event.

"C" or "Contributor or Actively Involved and/or Contributing" means the following:

The party that is consulted for a particular activity or task, and generally provides input so the Responsible party can fulfill its obligations to generate a Deliverable or document. The Contributor is not required, nor expected, to assume drafting responsibility for generating the deliverable or document. In certain cases, DRS will be actively involved in the development of the Deliverable, however, prime responsibility for the Deliverable will still rest with Prime Vendor. For presentations, sessions, activities and
events, the Contributing party will participate in such items to provide input and direction as needed, but will not be requested nor will lead or facilitate such presentation, session, activity or event.

**Certification Criteria Charts**

Deliverables requiring certification by DRS pursuant to the certification process described in **Section 3.2.2** of the Technology Agreement are identified in Deliverables, Activities and Certification Criteria charts. Each chart identifies the Deliverable by Deliverable ID and name, describes the Deliverable, sets forth the Certification Criteria that apply to such Deliverable and provides the applicable Review Period in business days for DRS. In certain areas, an activity may have Certification Criteria (for example, see Deliverable ID 3.1.2.3, DRS Executive Sessions). In these instances, a Certification Form will be completed for the activity.

**Descriptions of Scope**

Included in this Statement of Work are:

(a) Detailed descriptions of the Prime Vendor-provided solutions being implemented;

(b) The Services provided by Prime Vendor, except where a particular activity is expressly stated to be reserved to DRS; and

(c) Any limitations with respect to the scope of Services to be provided by Prime Vendor.

Where Prime Vendor is providing Services for a particular area, such as configuring devices, providing templates and/or developing rules, the scope will include an amount of Services required, appropriate and/or sufficient to meet the DRS Business and Technical Requirements. Where there are references to initial configuration, initial build or other "initial" activities, such activities will include all subsequent configurations, builds, etc., leading up to the cutover to Production event. The phrase "educate and train," "education and training" or any similar phrase or other combinations thereof, means to provide formal or informal education of DRS personnel, plus the hands on, side-by-side, as appropriate, training and transfer of Knowledge to DRS personnel to enable the DRS personnel to become self-sufficient in the given activity or task, and to enable such personnel, within their area of responsibility, be able to maintain and support the component of the BPMS Solution and ERA functions on an on-going basis.

1.2 **Methodologies, Phases and Timeline**

**Implementation Methodologies**

The Prime Vendor Implementation Methodologies) will be utilized throughout the ERA Project to deliver the integrated BPMS Solution and the Employer Reporting Application (ERA); deliver predictable results; accelerate the speed at which DRS can achieve value from the BPMS Solution and ERA; reduce the variance in implementation; and ensure that the implementation design supports DRS' strategic goals. A complete copy of the Prime Vendor Implementation Methodologies is set forth in **Appendix A** of this SOW. See **Section 6.6** of the ERA Project Agreement governing the terms of potential changes required to the use of the Prime Vendor Implementation Methodologies.

Major events and activities of the ERA Project include:
Appendix D.3 – Statement of Work

Employer Reporting Application Project

- **DRS Executive Sessions** – Educate, set expectations and inform executives and leadership about the implementation approach that will be used including expected ERA Project outcomes and metrics.

- **Project Preparation** – Introduce the ERA Project team and provide an overview of the team’s responsibilities. The Prime Vendor Implementation Methodology is introduced and the different events within the methodology are presented.

- **Organizational Change Management, Communication, Education and Training and Knowledge Transfer** – The process whereby DRS will prepare itself for organizational change to embrace the new business processes and workflows provided by the ERA Project, communicate change, educate and train and provide Knowledge transfer to DRS and Employers regarding these new processes, workflows and the use of the BPMS Solution and/or ERA. These activities will occur throughout the ERA Project and are core to a successful implementation.

- **Project Kickoff Session** – The official ERA Project team commencement event, the Project Kickoff Session will, among other things, introduce ERA Project team members, facilitate interviews to identify workflows and conduct scope reviews. This session will reinforce the purpose of the ERA Project, the criticality of the timelines to be achieved, the unique requirements and challenges of DRS as an organization and how those requirements and challenges are specifically being addressed by this Statement of Work and Prime Vendor, and the specific roles and responsibilities of Prime Vendor and how this role may differ from Prime Vendor’s business practices and standard implementation approaches and processes.

- **Discovery / Data Gathering and Fit/Gap Sessions** – Initiate in-depth discovery and data gathering to determine the fit/gap of the BPMS Solution and ERA against the DRS Business and Technical Requirements. DRS data integration requirements involving systems that will be affected by implementing the BPMS Solution and ERA will be discussed with applicable DRS business units.

- **Solution Design Sessions** – Develop designs around discovery and fit/gap results. Identify interfaces, Extensions and reports to be developed, as well as the tools and utilities needed to meet the DRS requirements.

- **Build, Configure, Unit Test and Validate** – The build and configuration stage of the ERA Project. The initial system is unit tested and validated before turning over to DRS for further testing.

- **Pre-Live Testing** – Testing will involve a series of activities including system integration, regression, user acceptance, disaster recovery and business continuity, security and performance testing.

- **Parallel Processing** – Parallel testing will be performed as the last activity in Pre-Live Testing to occur prior to cutover to Production.

- **Cutover to Production** – Preparation for the go-live event for the BPMS Solution and ERA.
• **Lessons Learned** – Ongoing during the pendency of the ERA Project after each major milestone, and immediately after a go-live (Production) event of the BPMS Solution and ERA or any component thereof, the parties will engage in a detailed review of the processes to determine the successes and failures and develop revised practices to address any deficiencies.

• **Post-Production Activities** –

  ✓ **Stabilization Period** – Post cutover to Production, the period of time in which Prime Vendor corrects any residual and/or new Defects related to the BPMS Solution and ERA. To the extent Prime Vendor personnel are not needed to address Defects and other Issues, Prime Vendor will provide production team support to DRS to begin assessing changes to workflow or system configuration. Prime Vendor will also use this time to begin the transition from the Prime Vendor implementation team to DRS' operational support team.

  ✓ **Transition to Support** – During transition to support, Prime Vendor will transition both operational support to DRS personnel, and formally transition DRS to Prime Vendor's support and Maintenance Services.

  ✓ **Optimization Period** – Post the Stabilization Period, the period of time in which Prime Vendor will: (a) address any adoption Issues and negative user experiences with the BPMS Solution and ERA; (b) examine the workflows and processes that were designed and configured into the BPMS Solution and ERA for purposes of determining whether such workflows and processes should or need to be changed, improved or fine-tuned; (c) lead any changes to workflows and processes related to the BPMS Solution and ERA that are approved by DRS; and (d) ensure that the transfer of Knowledge to DRS is completed. As a part of the process, Prime Vendor will conduct a series of interviews, and make evaluations, observations and recommendations on how to optimize design, build and general use of the BPMS Solution and ERA.

**Phases**

There are 5 project Phases. Below is a high-level description of each Phase.

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<th>Title/Business Processes</th>
<th>Description</th>
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<td>Phase 1</td>
<td>Implement BPMS Solution</td>
<td>The BPMS Solution and any required integration technologies are installed and operational. The environments (development, test, QA, production) are established, documented procedures are in place, and team members are trained to begin using the BPMS Solution for developing ERA.</td>
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<tr>
<td>Phase 2</td>
<td>Employer Portal Register Employer/Login</td>
<td>Develop a secured portal for 1,300+ Employers to access services/processes, including pension plan information and/or</td>
</tr>
<tr>
<td>Phase</td>
<td>Title/Business Processes</td>
<td>Description</td>
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<tr>
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<tr>
<td></td>
<td>Employer Profile Review</td>
<td>DCP information.</td>
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</tbody>
</table>
| Phase 3 | Member Eligibility  
|         | Member Lookup  
|         | Determine Member Eligibility | Develop a process that assists Employers in determining eligibility. Prior to enrolling or reporting a new employee, these processes would allow an employer to lookup an employee to determine their eligibility to participate in a DRS retirement plan. |
| Phase 4 | Employer Reporting  
|         | Process Employer Report  
|         | Enroll Member  
|         | Earnings Activity  
|         | Plan Choice  
|         | Update Member  
|         | Process Employer Electronic Payment | Develop processes that allow Employers to report/correct employee pension plan information and/or DCP information. |
| Phase 5 | New Employer  
|         | Enroll Employer  
|         | Update Employer  
|         | Review Employer Enrollment | Develop processes to facilitate the enrollment/maintenance of Employers into a DRS retirement system, including DCP, and assist Employers in obtaining appropriate OASI status. |
### Timeline

The overall timeline for the ERA Project is set forth below. For specific dates, including Critical Milestone Due Dates, see the ERA Project Agreement and the ERA Project Schedule.

<table>
<thead>
<tr>
<th>Phase 1 - Implement BPMS Solution</th>
<th>Phase 2 - Employer Portal</th>
<th>Phase 3 - Member Eligibility</th>
<th>Phase 4 - Employer Reporting</th>
<th>Phase 5 - New Employer Discovery/Design</th>
<th>Build</th>
<th>Testing/Validation</th>
<th>Knowledge Transfer &amp; Training</th>
<th>Production prep and Support in place</th>
<th>Go-live (BPMS Solution &amp; ERA Early Adopters)</th>
<th>Stabilization</th>
<th>Optimization</th>
<th>Regression &amp; UAT testing</th>
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<tbody>
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<td>Jan 2014</td>
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</tbody>
</table>

### 1.3 Discovery / Data Gathering and Best Practices

DRS is relying on Prime Vendor's experience with large, complex public benefit programs to advance industry best practices in all parts of the design, configuration and build of the BPMS Solution and the ERA, including the refinement of workflows and processes during the Optimization Period. While Prime Vendor will use the DRS Business and Technical Requirements as a baseline to develop the comprehensive design requirements, Prime Vendor personnel will be proactive in outlining and describing the advantages and disadvantages of various design considerations. Prime Vendor will use its subject matter experts who, for each BPMS Solution and ERA module, have the requisite experience to help guide DRS through the process of recommending and then finalizing DRS' design requirements and documenting such requirements as set forth in Sections 4.1 and 4.2 of the Statement of Work.
1.4 Implementation to Accommodate Changes in Employer Reporting Programs
Prime Vendor acknowledges that DRS Employer Reporting program may be subject to changes and amendments during the duration of the ERA Project. Ordinary Course changes affecting the Employer Reporting program are due to legislative changes. Washington State’s legislature meets yearly creating the possibility of changes to the state’s pension plan design. In 2013, two (2) legislative bills passed resulting in one (1) minor system change affecting Employer Reporting; in 2012, five (5) legislative bills passed resulting in two (2) minor system changes affecting Employer Reporting; and in 2011, six (6) legislative bills passed resulting in two (2) minor and one (1) major system changes. Visit http://www.drs.wa.gov/legislative/ to view the past five (5) years of legislative activity affecting DRS.

The scope of implementation of the BPMS Solution and ERA for the Fixed Fee includes all Ordinary Course Changes to the DRS Employer Reporting program occurring through project Completion, and Prime Vendor has factored into the Fixed Fee for the ERA Project contingencies relating to such changes. Accordingly, any changes to the DRS Business and Technical Requirements resulting from Ordinary Course Changes in the DRS Employer Reporting program will not be chargeable to DRS (but will nonetheless require a non-chargeable Change Order to reflect the new or additional DRS Business and Technical Requirement(s)). Changes to the DRS Employer Reporting program other than Ordinary Course Changes shall be subject to a chargeable Change Order. See Section 4.1.2 for further terms relating to the scope of Prime Vendor’s obligations under this Statement of Work with respect to the DRS Employer Reporting program.

1.5 Requirements Traceability Matrix (RTM)
Prime Vendor will maintain a current and approved set of DRS requirements in the form of a requirements traceability matrix ("RTM"), and will maintain and update the RTM as changes are approved by the parties. The tool used for the RTM will be subject to DRS’ prior approval. The RTM will be used by Prime Vendor to validate the various components of the BPMS Solution and ERA throughout the implementation, deployment, and support processes and stages. The RTM is the key document to achieving success along this continuum and will be used by Prime Vendor to:

Document DRS Business and Technical Requirements;
Evaluate, confirm and document compliance of the BPMS Solution and ERA with each of the DRS Business and Technical Requirements;
For any confirmed gaps, provide a complete gap analysis for DRS, which clearly identifies the DRS Business and Technical Requirements that will not or cannot be met by the standard BPMS Solution and ERA; and
Along with the Test Requirements Matrix (TRM, as defined herein), validate during the testing process that the BPMS Solution and ERA as implemented meets the DRS Business and Technical Requirements.

The RTM includes a number of components required to be completed, and are described in the Table below. DRS retains the right to approve all content in the RTM.
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>RTM Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements</td>
<td>The requirements component of the RTM captures identification data for each DRS Business and Technical Requirement and for all design specifications resulting from the BPMS Solution and ERA design sessions. The requirements identification data includes the organization, requirement reference and requirement type. The requirements will also detail the BPMS Solution and ERA requirement or functional description (as a descriptive of the functionality), and a detailed narrative of the business scenario that the functionality supports.</td>
</tr>
<tr>
<td>Requirements Management</td>
<td>The RTM is used to track the process for each component of the BPMS Solution and ERA and the process by which Prime Vendor will make the functionality available. The requirements management component captures the BPMS Solution and ERA's design/specification reference number for on-going cross reference, recording whether the functional requirement is an Interface, Extension, report or custom programming, or whether it is a configurable item in the BPMS Solution or ERA.</td>
</tr>
<tr>
<td>Test and Verification</td>
<td>The RTM is used to verify the existence of the functionality during the test stages of the ERA Project. The verification component captures the detail of the reference to Test Plans and Test Scripts, and the test success for each functional component across the test stages of functionality, accessibility, unit, system and integration, user acceptance, regression, security, device, performance, data conversion and migration, disaster recovery and business continuity, and parallel tests (or any other relevant test stages). Any test Issues raised during the test stage are also captured and issued status (i.e., new, investigating, closed, mitigated and resolved).</td>
</tr>
</tbody>
</table>

Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the review period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
### Appendix D.3 – Statement of Work

**Employer Reporting Application Project**

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5.1</td>
<td>RTM</td>
<td>RTM - Captures the DRS Business and Technical Requirements on a per component basis in a coherent manner and ensures they are managed during the design, build, configure and testing cycles.</td>
<td>PV</td>
<td>DRS</td>
<td>All requirements identification data are captured and organized as referenced above.</td>
<td>20 days</td>
</tr>
<tr>
<td>1.5.2</td>
<td>Updated RTM</td>
<td>The updated RTM will capture the details of the Interfaces, Extensions, reports and any custom programming that are to be undertaken and the DRS Business and Technical Requirements that these customizations satisfy.</td>
<td>PV</td>
<td>DRS</td>
<td>All updates to the RTM are accurately captured and stored in the project SharePoint folder.</td>
<td>5 days</td>
</tr>
<tr>
<td>1.5.3</td>
<td>Certification Form</td>
<td>Certification Form – RTM.</td>
<td>PV</td>
<td>DRS</td>
<td>RTM is complete, current and accurate.</td>
<td>10 days</td>
</tr>
</tbody>
</table>

#### 1.6 Cooperation with Other DRS Technology Partners

For the BPMS Solution and ERA to be successful it must be integrated with existing DRS’ and State of Washington’s Consolidated Technology Services (CTS) systems. Accordingly, Prime Vendor will proactively work and cooperate with DRS, CTS and Third Party vendors, as needed or requested by DRS, to ensure that the BPMS Solution and ERA Interoperate with the other components of DRS’ systems. All such cooperation will be performed by Prime Vendor within the Fixed Fee, provided that if Prime Vendor is cooperating and it determines that a DRS Third Party provider is not timely working with Prime Vendor, Prime Vendor will bring such matter to DRS’ immediate attention so the matter can be addressed promptly.

In addition, the Prime Vendor will work cooperatively with the Office of the Chief Information Officer (OCIO) and/or other technology partners.

#### 1.7 Updating of Project Documents

Prime Vendor acknowledges that maintaining and accurately updating important project documents is critical to ensure full transparency and visibility into the status of the ERA Project, including identifying on a current basis, any and all Issues, delays or other project-related items that can impact meeting project objectives. Accordingly, during the times referenced below Prime Vendor shall provide to DRS updates to any of the following documents that need updating (including other important project documents requested by DRS): Project Status Report, including all attachments; Project Schedule; Organizational Change Management Plan; Fit/Gap Document; Solution Design Document; RTM; and Joint Resource Plan (collectively referred to as "Updated Project Documents") will be updated:
(a) At the times set forth in this Statement of Work and/or Project Schedule;
(b) At least three (3) business days prior to any Executive Sponsor meeting, including any executive briefings;
(c) At least two (2) business days in advance of the submission of any Certification Form relating to a Critical Milestone; and
(d) Within two (2) business days of any event which has the effect of impacting Prime Vendor’s ability to meet any Critical Milestone Due Date.

All Updated Project Documents will be kept in the DRS project SharePoint folder. All certification forms and any other project document with hand written approvals or signatures will be scanned into the DRS project SharePoint folder.

DRS shall not be obligated to review or consider any Certification Form, nor be obligated to make any payment to Prime Vendor, until and unless such updated, accurate and complete Updated Project Documents are submitted to DRS prior thereto.

1.8 Upgrades During the Project
The scope of Services under this Statement of Work includes installing and implementing all Feature Upgrades and retrofitting of and maintaining compatibility with all Extensions during the pendency of the ERA Project, including the incorporation of any new features or functionality, ensuring DRS has the most up-to-date BPMS Solution at the time of Project Completion. All Feature Upgrades will be installed and implemented at mutually agreed times. To the extent new Feature Upgrades made available during the pendency of the ERA Project are not installed and implemented prior to Project Completion, the terms of this Section shall survive such Project Completion. Notwithstanding any description of testing activities that may be set forth in Schedule 7.1 (Support and Maintenance Services) of the Technology Agreement, the testing activities set forth in Section 6 of this Statement of Work shall apply to all Feature Upgrades implemented during the pendency of the ERA Project.

1.9 Products and DRS Business Units Implemented
1.9.1 Products Implemented
The Prime Vendor products that are being implemented under this Statement of Work include:

____________________________________
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____________________________________
A cross-reference of the DRS Business and Technical Requirements against the products provided by Prime Vendor as part of the ERA Project is set forth in **Schedule 5.5** of the ERA Project Agreement. Prime Vendor shall use the designated product referenced in the cross-reference to fulfill the corresponding DRS Business and Technical Requirements, and, unless DRS provides its prior written consent, Prime Vendor is not permitted to exchange or substitute other products to meet the DRS Business and Technical Requirements from those that are designated.

If there are additional products needed by Prime Vendor to meet the DRS Business and Technical Requirements, then Prime Vendor shall provide such products and the scope of Services described in this Statement of Work will be deemed expanded to include the implementation of such products, and such additional products and Services will be at no additional cost to DRS.

**1.9.2 DRS Business Units Implemented**

All DRS business units are within the scope of implementation under this Statement of Work.

**1.10 List of Deliverables and Activities**

Appendix B sets forth a consolidated list of Deliverables and activities. For more information on these Deliverables and activities, refer to the applicable Section in this Statement of Work.
2.0 Organizational Change Management, Communication, Education and Training and Knowledge Transfer

Implementing the BPMS Solution and ERA will change how DRS processes information and conducts its business. The ability of DRS, and the Employers who report to DRS, to adapt to these changes is critical to the success of the ERA Project. Prime Vendor acknowledges that organizational change management will drive the implementation of the BPMS Solution and ERA. A preliminary Organizational Change Management Plan with communication, education and training and Knowledge transfer components will be developed by the parties during the Implementation Planning Study workshops. The plan outlines:

- The strategy for how DRS will prepare itself and its Stakeholders for organizational change, as this strategy is the foundational building block upon which communication, education and training is leveraged and Knowledge is transferred.
- The communication strategy for communicating information to DRS team members, employers and Stakeholders; and
- The education, training and Knowledge transfer that will be undertaken to ready DRS for the new system. DRS expects that Knowledge transfer to the DRS project team will begin early in the project and continue throughout the project to facilitate DRS participating in all aspects of the project.

DRS will leverage the Prime Vendor’s experience and knowledge to provide effective organizational change management, communications and education and training. Prime Vendor will provide sample plans and templates and to support DRS’ resources assigned to implement these components of the project.

Prime Vendor will provide its most qualified personnel to bring organizational change management, communication, education and training and Knowledge transfer best practices to the implementation. The parties will continue to develop and enhance the Organizational Change Management Plan for the duration of the ERA Project, and in accordance with the activities and processes described below.

2.1 Organizational Change Management

2.1.1 Objective

Provide initiatives, tools and techniques to manage changes related to adapting to new business processes, organizational integrations, collaborations, and the adoption of new technologies and systems within DRS.

2.1.2 Approach

The preliminary Organizational Change Management Plan will be updated by the DRS Organizational Change Manager on a continuous basis during the pendency of the ERA Project to enhance the ability to meet the objectives. Prime Vendor will meet regularly with DRS to provide input and guidance on improving the plan. Key areas of focus for the plan will include:
Appendix D.3 – Statement of Work
Employer Reporting Application Project

- Incorporation, as appropriate, outputs and deliverables resulting from the project;
- Education and training on business process changes coordinated with all aspects of design, fit/gap and testing;
- Preparation of DRS personnel (project and non-project) for change, to reorganize their work and to change their business structures to accommodate the changes;
- Preparation of DRS personnel to facilitate Stakeholder Organizational Change Management;
- Proactive reviews of and feedback on the plan at all stages of the implementation;
- Coordination with the communication and education and training components of the plan;
- Logistic responsibilities for implementing the plan;
- Work redesign to accommodate the future state business processes; and
- Impact analysis, work job redesign, and coordination with implementation activities.

Prime Vendor shall have a representative trained on the Organizational Change Management Plan so they can implement against such plan.

DRS may utilize any available materials from Prime Vendor to support all the above activities.

2.1.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
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<tbody>
<tr>
<td>2.1.3.1</td>
<td>Implement the Organizational Change Manage-</td>
<td>Implement the Organizational Change Management Plan.</td>
</tr>
<tr>
<td></td>
<td>ment Plan</td>
<td></td>
</tr>
<tr>
<td>2.1.3.2</td>
<td>Continuous Improvement</td>
<td>Obtain feedback and continue to improve the Organizational Change Management Plan to meet the objectives.</td>
</tr>
</tbody>
</table>

2.1.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
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**Employer Reporting Application Project**

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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.4.1</td>
<td>Samples and Templates – Organizational Change Management</td>
<td>Provide additional reference materials, including samples and templates, for DRS’ consideration in finalizing the Organizational Change Management Plan.</td>
<td>PV</td>
<td>N/A</td>
<td>DRS is provided quality samples and templates from Prime Vendor’s previous engagements that are usable and adaptable by DRS.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.1.4.2</td>
<td>Finalized Organizational Change Management Plan</td>
<td>Finalize the Organizational Change Management Plan.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A.</td>
<td></td>
</tr>
<tr>
<td>2.1.4.3</td>
<td>Solicitation and Feedback</td>
<td>Solicit and obtain feedback from the various business units and Stakeholders on whether the objectives of the Organizational Change Management Plan are being met.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td></td>
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</table>

### 2.2 Communication

#### 2.2.1 Objective

Prime Vendor will support the DRS ERA Project communications team to develop communications standards, methods, formats and templates to support the organizational change management objectives of the ERA Project. Communications will be targeted to five different groups: Project team members, DRS’ Employer Support Services (ESS) Business Team, DRS’ Technical Personnel, DRS non-project team members and ERA Project Stakeholders.

#### 2.2.2 Approach

Embedded in the Organizational Change Management Plan, the communication component will include:

- Communicating the strategies relating to organizational change management, including how the future state business processes are being approached by DRS;
- Communicating the strategies and processes for education, training and Knowledge transfer;
- Communicating project status for all five groups, including preparing a project newsletter and articles/communications as mutually agreed, but no less than quarterly during the pendency of the ERA Project;
- Communicating project-based team member assignments;
- Communicating upcoming tasks, meetings and Critical Milestones for project-based team members;
- Communicating Issues and Risks to project-based team members; and
• Schedule management for project-based team members.

The communication component of the Organizational Change Management Plan will be updated on a continuous basis during the pendency of the ERA Project to enhance the ability to meet the objectives.

2.2.3 Requirements

The following Table outlines and describes the requirements to be addressed:

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<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.3.1</td>
<td>Implement the Communication Component</td>
<td>Implement the communication component of the Organizational Change Management Plan.</td>
</tr>
<tr>
<td>2.2.3.2</td>
<td>Continuous Improvement</td>
<td>Solicit and obtain feedback from applicable constituencies and make recommendations to improve the communication component of the plan to meet the objectives.</td>
</tr>
</tbody>
</table>

2.2.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.4.1</td>
<td>Samples and Templates - Communication</td>
<td>Samples and templates with respect to all five groups for DRS' consideration.</td>
<td>PV</td>
<td>DRS</td>
<td>DRS is provided quality samples and templates from Prime Vendor's previous engagements that are usable and adaptable by DRS.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.2.4.2</td>
<td>Communication component of the Organizational Change Management Plan</td>
<td>Update to the communication component of the Organizational Change Management Plan.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>2.2.4.3</td>
<td>Improvements to the communication component of the Organizational Change Management Plan</td>
<td>Review and comment on the communication component of the Organizational Change Management Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Prime Vendor has reviewed the communication component of the Organizational Change Management Plan and has made such</td>
<td>3 days</td>
</tr>
</tbody>
</table>
2.3 Education and Training and Knowledge Transfer

Education and training is broken down into three (3) DRS components: ESS business personnel, all non-ESS business personnel, and technical personnel. As part of the education and training activities, Knowledge transfer occurs throughout the ERA Project and involves the hands-on, side-by-side, coaching, training and imparting Knowledge from Prime Vendor personnel to DRS personnel. The types of Knowledge to be transferred will depend on the audience being trained and will involve not only information current to the implementation tasks themselves but also information and techniques to enable DRS personnel to be able to maintain and support the activity post-Production (go-live). See Section 3.7 of the Technology Agreement for additional terms and conditions relating to Knowledge transfer.

2.3.1 ESS Business Personnel

2.3.1.1 Objectives

The objectives of education, training and Knowledge transfer are to:

- Provide and implement a comprehensive and complete education, training and Knowledge transfer program to enable DRS Employer Support Services personnel to effectively utilize the BPMS Solution and ERA;
- Provide training to DRS Employer Support Services personnel to enable them to train all external end users on ERA;
- Address and incorporate change management being undertaken by DRS;
- Coordinate with ERA Project's Organizational Change and Communication Manager and team;
- Address the unique challenges and opportunities of the DRS operations and prepare DRS for production; and
- Provide Knowledge transfer to the ESS to support the cutover of the BPMS Solution and ERA as well as to manage, maintain and support the BPMS Solution and ERA once in Production.

2.3.1.2 Approach

Prime Vendor will develop the education, training and Knowledge transfer component of the Organizational Change Management Plan to ensure effective and efficient education, training of and Knowledge transfer to ESS on all components of the BPMS Solution and ERA. Prime Vendor's experience at other customer sites, including templates and content, will be leveraged to maximize successful adoption of the BPMS Solution and ERA.

Education, training and Knowledge transfer is broken out into three components:

- ESS BPMS Solution and ERA training;
• Train-the-Trainer training; and
• Knowledge transfer to ESS

The following approach will be utilized to deliver the education, training and Knowledge transfer component of the plan:

• Develop an overall education, training and Knowledge transfer strategy in partnership with DRS;
• Develop education and training plans and training materials, in Web Based Training (WBT), electronic (fully editable) and printed copy formats, as determined by DRS, for the BPMS Solution and ERA incorporating specific curriculum, including target audiences, education and training goals and objectives, education and training materials and methods, and evaluation methodology, including specific and separately designed education and training plans and training materials for ESS and external end-users.
• Develop and deliver comprehensive education and training materials, specifically designed and tailored to meet the business requirements of ESS as configured in the BPMS Solution and ERA, covering all important business functions as determined by DRS;
• Develop ADA-specific training materials geared toward the specific disability of the audience;
• Develop the Train-the-Trainer program to enable ESS Support Services Personnel to train external end-users; and
• Deliver the Knowledge transfer component of the plan

2.3.1.3 Requirements
The following Table outlines and describes the requirements to be addressed for each of the roles-based constituencies referenced in Section 2.3.1.2:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.1.3.1</td>
<td>Prime Vendor Educa-</td>
<td>Prime Vendor to provide an education and training manager (lead) to manage the overall education, training and Knowledge transfer section of the Organizational Change Management Plan.</td>
</tr>
<tr>
<td></td>
<td>tion, Training and Knowledge Transfer Manager</td>
<td></td>
</tr>
<tr>
<td>2.3.1.3.2</td>
<td>ESS Business Personnel Educa-</td>
<td>Prime Vendor will develop the education, training and Knowledge Transfer component of the Organizational Change Management Plan for ESS business personnel, outlining the plan's objectives, schedule, strategies for designing and developing curricula; and supporting training materials, education and training environment data; methods for training ESS to support ESS in delivering training to DRS Employers; and delivery of the Knowledge transfer component.</td>
</tr>
<tr>
<td></td>
<td>tion, Training and Knowledge Transfer Plan</td>
<td></td>
</tr>
<tr>
<td>2.3.1.3.3</td>
<td>Training domains / environment</td>
<td>Prime Vendor will provide training domains in a sufficient number as determined by DRS, and will maintain such domains for the duration of the ERA Project.</td>
</tr>
<tr>
<td>2.3.1.3.4</td>
<td>Customized Web Based Training (WBT)</td>
<td>Prime Vendor will provide customized WBTs to meet the ERA Project education and training needs.</td>
</tr>
</tbody>
</table>
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.1.3.5</td>
<td>Customized education and training materials</td>
<td>Prime Vendor will develop customized and comprehensive education and training materials for ESS.</td>
</tr>
<tr>
<td>2.3.1.3.6</td>
<td>Train-the-Trainer program</td>
<td>Prime Vendor will provide a full Train-the-Trainer program designed to meet the needs of ESS to train external end users.</td>
</tr>
</tbody>
</table>

### 2.3.1.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.1.4.1</td>
<td>Education, Training and Knowledge Transfer component of the Organizational Change Management Plan</td>
<td>Develop the education, training and Knowledge transfer component of the Organizational Change Management Plan for ESS, which will include the component’s objectives, schedule, strategies for designing and developing curricula and supporting training materials, education and training environment data and methods for implementation.</td>
<td>PV</td>
<td>DRS</td>
<td>Detailed education, training and Knowledge transfer component includes all aspects of the education, training and Knowledge transfer for ESS. The plan must include the subject matter referenced in Section 3.7 of the Technology Agreement that is applicable to DRS’ business end users.</td>
<td>10 days</td>
</tr>
<tr>
<td>2.3.1.4.2</td>
<td>Curriculum Plan</td>
<td>Develop the curriculum for ESS which will provide the content of the education and training courses including assumptions, target audience, goals, objectives, instructional materials, time frame, evaluation and accountability.</td>
<td>PV</td>
<td>DRS</td>
<td>The curriculum plan addresses all components required in this Section and will provide the content of the education and training courses including assumptions, target audience, goals, objectives, instructional materials, time frame, evaluation and accountability.</td>
<td>8 days</td>
</tr>
<tr>
<td>2.3.1.4.3</td>
<td>External end-User Training Materials</td>
<td>Create external end-user training materials to be used by ESS to edu-</td>
<td>PV</td>
<td>DRS</td>
<td>Complete, comprehensive end-user training materials consisting</td>
<td>10 days</td>
</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
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<td>cate and train external end users</td>
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<td>and support external end users</td>
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<td>after training to consist of</td>
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<td>custom WBTs, a set of materials</td>
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<td>for classroom based instruction,</td>
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<td>each, practice</td>
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<td>and for each, practice</td>
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<td></td>
<td>scenarios.</td>
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<tr>
<td>2.3.1.4.4</td>
<td>On-Line Help Materials</td>
<td>Provide materials and content</td>
<td>PV</td>
<td>DRS</td>
<td>Materials and content</td>
<td>5 days</td>
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<tr>
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<td>for DRS to post on its internal</td>
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<td>for DRS to post to its</td>
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<td>website used to support end users</td>
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<td>website used to</td>
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<td>when using ERA.</td>
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<td>support end users</td>
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<td>that consist of custom WBTs, a</td>
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<td>set of materials for classroom</td>
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<td>to reflect the ERA</td>
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<td>based instruction, and for each,</td>
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<td>environment and fit</td>
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<td>practice scenarios.</td>
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<td>for purpose.</td>
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<tr>
<td>2.3.1.4.5</td>
<td>Instructor Course</td>
<td>Provide instructor course</td>
<td>PV</td>
<td>DRS</td>
<td>Instructor Course</td>
<td>5 days</td>
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<td></td>
<td>Materials</td>
<td>materials to be used to support</td>
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<td>Materials have been</td>
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<td>the ESS trainers when they</td>
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<td>completed and are fit</td>
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<td>conduct end user training for</td>
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<td>for purpose.</td>
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<td>solutions not identified for</td>
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<td></td>
<td>custom WBT development.</td>
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<tr>
<td>2.3.1.4.6</td>
<td>Quick reference guides</td>
<td>Provide Quick Reference Guides</td>
<td>PV</td>
<td>DRS</td>
<td>The quick reference</td>
<td>3 days per</td>
</tr>
<tr>
<td></td>
<td>(QRG)</td>
<td>(QRG) for DRS to post on its</td>
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<td></td>
<td>guides have been</td>
<td>QRG</td>
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<td>internal website to support end</td>
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<td>completed and are fit</td>
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<td>users when using the ERA after</td>
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<td>for purpose.</td>
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<td>they have received end user</td>
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<td>education and training.</td>
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<tr>
<td>2.3.1.4.7</td>
<td>Web-based education and</td>
<td>Provide customized WBT education</td>
<td>PV</td>
<td>DRS</td>
<td>The web based education</td>
<td>10 days</td>
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<tr>
<td></td>
<td>training delivery</td>
<td>and training materials for end</td>
<td></td>
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<td>and training course</td>
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<td></td>
<td>modules</td>
<td>users to self-learn, reinforce</td>
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<td>material modules</td>
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<td>education or refresh</td>
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<td>and assessments have</td>
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<td>after education and training for</td>
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<td>been completed and are</td>
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<td></td>
<td>the ERA.</td>
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<td></td>
<td>fit for purpose.</td>
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</tr>
<tr>
<td>2.3.1.4.8</td>
<td>Trainer assessment and</td>
<td>Provide Train-the-Trainer course</td>
<td>PV</td>
<td>DRS</td>
<td>The Train-the-Trainer</td>
<td>5 days</td>
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<tr>
<td></td>
<td>Train-the-Trainer course</td>
<td>and accompanying materials to DRS -</td>
<td></td>
<td></td>
<td>materials have been</td>
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<tr>
<td></td>
<td>materials</td>
<td>This is the primary method to</td>
<td></td>
<td></td>
<td>completed and are fit</td>
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<tr>
<td></td>
<td></td>
<td>train the DRS trainers to enable</td>
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<td>for purpose.</td>
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<tr>
<td></td>
<td></td>
<td>them to deliver education and</td>
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<tr>
<td></td>
<td></td>
<td>training to the end users.</td>
<td></td>
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</tr>
<tr>
<td>2.3.1.4.9</td>
<td>Conduct Train-the-Trainer</td>
<td>Conduct education and training for</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Education and Training</td>
<td>ESS.</td>
<td></td>
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</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
<td>Review Period</td>
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</tr>
<tr>
<td>2.3.1.4.10</td>
<td>Conduct Knowledge Transfer</td>
<td>Conduct Knowledge transfer to ESS</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.1.4.11</td>
<td>Final revisions to end user course materials, instructor course materials, on-line help materials, WBTs and printed course materials based on input from Prime Vendor and DRS.</td>
<td>Final revisions and edits are made to end user course materials, instructor course materials, on-line help materials, WBTs and printed course materials based on input from Prime Vendor and DRS.</td>
<td>DRS</td>
<td>PV</td>
<td>Education and training materials are complete.</td>
<td>3 days</td>
</tr>
<tr>
<td>2.3.1.4.12</td>
<td>Education and Training course handover report – Train-the-Trainer</td>
<td>Prepare education and training course handover report to confirm training to DRS Train-the-Trainers and all course materials are complete.</td>
<td>PV</td>
<td>DRS</td>
<td>The education and training course handover report has been completed confirming that the DRS Train-the-Trainers are capable of delivering the end user education and training and have taken ownership of the end user education and training materials.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.3.1.4.13</td>
<td>Knowledge transfer report</td>
<td>Prepare Knowledge transfer report identifying to confirm Knowledge transfer is complete.</td>
<td>PV</td>
<td>DRS</td>
<td>The Knowledge transfer report identifies the various DRS groups and individuals for whom Knowledge transfer has been completed.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.3.1.4.14</td>
<td>ESS End User Surveys</td>
<td>Survey ESS external end users to determine adequacy of the education and training courses and materials.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.1.4.15</td>
<td>Deficiency Report</td>
<td>Follow-up to address any deficiencies in the education and training materials.</td>
<td>PV</td>
<td>DRS</td>
<td>Education and training material deficiencies are adequately addressed.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.3.1.4.16</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>2.3.1.4.17</td>
<td>Certification Form – ESS Training</td>
<td>Certification Form – Business Personnel Training.</td>
<td>PV</td>
<td>DRS</td>
<td>All education and training Services and materials have been provided, are updated and considered final by DRS. Validation that education, training and Knowledge transfer requirements are complete.</td>
<td>5 days</td>
</tr>
</tbody>
</table>
2.3.2 Non-ESS Business Personnel

2.3.2.1 Objective
Provide education, training and Knowledge transfer to DRS personnel who are not a part of ESS.

2.3.2.2 Approach
Prime Vendor will deliver to DRS' non-ESS Business personnel education, training and Knowledge transfer in the BPMS Solution and ERA; and the interaction between and among the BPMS Solution, ERA and other systems operated by DRS. This education and training will be tailored to at least three (3) non-ESS groups within DRS: Retirement Services Division (RSD), Fiscal Unit and all other DRS Personnel.

2.3.2.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.2.3.1</td>
<td>Non-ESS Business Personnel education, training and Knowledge transfer component of</td>
<td></td>
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<tr>
<td></td>
<td>the Organizational Change Management Plan</td>
<td>Develop the education, training and Knowledge transfer component of the Organizational Change Management Plan to educate, train and provide Knowledge transfer to DRS non-ESS personnel including RSD, Fiscal and all other DRS personnel. The component must include and provide information on how the BPMS Solution and ERA interacts with and among other systems operated by DRS to enable such personnel, within their area of responsibility, be able to maintain and support their business functions on a going forward basis.</td>
</tr>
<tr>
<td>2.3.2.3.2</td>
<td>Conduct education, training and Knowledge transfer to non-ESS personnel</td>
<td>Conduct education and training for and Knowledge transfer to DRS non-ESS personnel.</td>
</tr>
<tr>
<td>2.3.2.3.3</td>
<td>Education, Training and Knowledge Transfer Assessment</td>
<td>DRS will assess the effectiveness of the education, training and knowledge transfer of its non-ESS personnel.</td>
</tr>
<tr>
<td>2.3.2.3.4</td>
<td>Deficiencies Addressed</td>
<td>If there are deficiencies identified, DRS and Prime Vendor will supplement the education, training and Knowledge transfer program for non-ESS personnel to close the deficiencies.</td>
</tr>
</tbody>
</table>
### 2.3.2.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.2.4.1</td>
<td>Non-ESS Business Personnel education, training and Knowledge transfer component of the Organizational Change Management Plan</td>
<td>Prepare non-ESS personnel education, training and Knowledge transfer component of the Organizational Change Management Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>The component plan addresses the interaction between and among the BPMS Solution, ERA and the other systems operated by DRS. The plan must include the subject matter referenced in Section 3.7 of the Technology Agreement that is applicable to DRS’ non-ESS Business functions.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.3.2.4.2</td>
<td>Conduct Education and Training</td>
<td>Conduct education and training for non-ESS personnel.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.2.4.3</td>
<td>Conduct Knowledge Transfer</td>
<td>Conduct Knowledge transfer to DRS non-ESS personnel</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.2.4.4</td>
<td>Non-ESS Personnel Survey</td>
<td>Survey non-ESS personnel to determine adequacy of education, training and Knowledge transfer.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.2.4.5</td>
<td>Deficiencies Report</td>
<td>Follow-up to address any deficiencies in the education and training and Knowledge transfer to non-ESS personnel.</td>
<td>PV</td>
<td>DRS</td>
<td>All deficiencies have been addressed by Prime Vendor.</td>
<td>3 days</td>
</tr>
<tr>
<td>2.3.2.4.6</td>
<td>Education and Training Handover Report</td>
<td>Prepare education and training handover report to confirm education and training for and Knowledge transfer to DRS non-ESS personnel is</td>
<td>PV</td>
<td>DRS</td>
<td>The education, training and knowledge transfer report has been completed confirming that non-ESS personnel are adequately trained and Knowledge transfer has oc-</td>
<td>5 days</td>
</tr>
</tbody>
</table>
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>complete.</td>
<td></td>
</tr>
<tr>
<td>2.3.2.4.7</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>2.3.2.4.8</td>
<td>Certification Form – Non-ESS Personnel Training</td>
<td>Certification Form – Non-ESS Personnel Training.</td>
<td>PV</td>
<td>DRS</td>
<td>Validation that education, training and Knowledge transfer requirements have been met.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

### 2.3.3 Technical Personnel

#### 2.3.3.1 Objective

Ensure technical knowledge is transferred to DRS and CTS technical staff so they have sufficient technical expertise in supporting the BPMS Solution and ERA, and become self-sufficient to implement additional business processes and applications after the ERA Project is complete.

#### 2.3.3.2 Approach

Prime Vendor will educate and train DRS’ technical team on the architecture, troubleshooting and issue management and other technical aspects of the BPMS Solution and ERA, as requested by DRS, in order to enable DRS’ technical ownership of the BPMS Solution and ERA following completion of the ERA Project.

#### 2.3.3.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.3.3.1</td>
<td>Technical education, training and Knowledge transfer component of the Organizational Change Management Plan</td>
<td>Develop the technical education, training and Knowledge transfer component of the Organizational Change Management Plan to educate, train and provide Knowledge transfer to technical personnel. The component must provide and include for the transfer of Knowledge of the BPMS Solution and ERA and the subject matter set forth in Section 3.7 of the Technology Agreement, all to ensure that technical personnel will be able to maintain and support technical functions of the BPMS Solution and ERA on a going forward basis.</td>
</tr>
</tbody>
</table>
### Requirement #

<table>
<thead>
<tr>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.3.3.2 Conduct education, training of and provide Knowledge transfer to technical personnel.</td>
<td></td>
</tr>
<tr>
<td>2.3.3.3.3 Education, Training and Knowledge transfer Assessment</td>
<td>DRS will assess the effectiveness of the education, training and Knowledge transfer of technical personnel.</td>
</tr>
<tr>
<td>2.3.3.3.4 Deficiencies Addressed</td>
<td>If there are deficiencies identified, DRS and Prime Vendor will supplement the education and training program for technical personnel to close the deficiencies.</td>
</tr>
</tbody>
</table>

#### 2.3.3.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.3.4.1</td>
<td>Technical education, training and Knowledge Transfer component of the Organizational Change Management Plan</td>
<td>Technical education, training and Knowledge transfer component of the Organizational Change Management Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>The component addresses DRS' level of technical Knowledge needs. The plan must include the subject matter referenced in Section 3.7 of the Technology Agreement that is applicable to DRS and CTS technical staff.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.3.3.4.2</td>
<td>Conduct Education and Training for Technical Personnel</td>
<td>Conduct education and training for technical personnel.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.3.4.3</td>
<td>Conduct Knowledge Transfer</td>
<td>Conduct Knowledge transfer to technical personnel</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2.3.3.4.4</td>
<td>Technical Personnel Survey</td>
<td>DRS survey technical personnel on the adequacy of the education, training and</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### 3.0 Project Initiation and Kickoff

#### 3.1 Objective
Introduce each of the project teams to each other and to DRS leadership.

##### 3.1.1 DRS Executive Sessions

DRS executive and leadership sessions will be scheduled to formally introduce Prime Vendor leadership to DRS and to provide a forum whereby Prime Vendor can discuss the ERA Project and implementation approach that will be used. The DRS executive and leadership sessions will be designed to help the leadership team form a cohesive, shared vision of the ERA Project and strategy for successful implementation. The aim of the DRS executive and leadership sessions is to energize, educate, set expectations and inform DRS executives and leadership about opportunities for their involvement in the ERA Project.

**Objectives:**

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Knowledge transfer.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3.3.4.5</td>
<td>Deficiencies Report</td>
<td>Follow-up to address any deficiencies in the education and training of and knowledge transfer to technical personnel.</td>
<td>PV</td>
<td>DRS</td>
<td>All deficiencies have been addressed by Prime Vendor.</td>
<td>3 days</td>
</tr>
<tr>
<td>2.3.3.4.6</td>
<td>Education and Training Handover Report</td>
<td>Prepare education and training handover report to confirm education and training for and Knowledge transfer to DRS technical personnel is complete.</td>
<td>PV</td>
<td>DRS</td>
<td>The education, training and knowledge transfer report has been completed confirming that technical personnel are adequately trained and Knowledge transfer has occurred.</td>
<td>5 days</td>
</tr>
<tr>
<td>2.3.3.4.7</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>2.3.3.4.8</td>
<td>Certification Form – Technical Personnel Training</td>
<td>Certification Form – Technical Personnel Training.</td>
<td>PV</td>
<td>DRS</td>
<td>Validation that technical education, training and Knowledge transfer requirements have been met.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
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- Educate DRS leaders about the ERA Project in general and review timelines, roles and responsibilities, status reporting, expectations, and expected benefits;
- Educate Stakeholders about the ERA Project in general and review timelines, expectations, and expected benefits; and
- Confirm key leaders that will be involved in the ERA Project.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organize venues and audiences for the DRS executive and leadership sessions.</td>
<td>Prepare for and conduct DRS executive and leadership sessions.</td>
</tr>
<tr>
<td>Provide names of DRS project team members and responsibilities.</td>
<td>Provide names of Prime Vendor’s project team members and their responsibilities.</td>
</tr>
<tr>
<td>Confirm project and business governance, Stakeholder management and communication plans.</td>
<td></td>
</tr>
<tr>
<td>Provide names of key Stakeholders and roles.</td>
<td></td>
</tr>
</tbody>
</table>

3.1.2 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1.2.1</td>
<td>Organize Executive Sessions</td>
<td>Organize venues and audiences for the DRS executive and leadership sessions.</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>3.1.2.2</td>
<td>DRS Executive Session Materials</td>
<td>Prepare Agenda and Presentation materials for the DRS executive and leadership sessions.</td>
<td>PV</td>
<td>DRS</td>
<td>Agenda materials are complete, accurate, are of good quality and meet the objectives.</td>
<td>5 days</td>
</tr>
<tr>
<td>3.1.2.3</td>
<td>DRS Executive Sessions</td>
<td>Conduct the DRS executive and leadership sessions.</td>
<td>PV</td>
<td>DRS</td>
<td>DRS executive and leadership sessions meet the objectives of informing DRS leadership of the ERA Project goals and Prime Vendor's role in</td>
<td>3 days</td>
</tr>
</tbody>
</table>
3.2 Project Preparation and Orientation Sessions

3.2.1 Objective
Initially prepare for the ERA Project, orient each of Prime Vendor's and DRS' project team members to each other, and prepare for the official Project Kickoff event. Conduct open house demonstrations of the Prime Vendor’s BPMS Solution based on agreed to scripts to orient DRS business units and Stakeholders on how the BPMS Solution will be used to support DRS’ future state business processes.

3.2.2 Approach
All ERA Project personnel, including Prime Vendor personnel, Prime Vendor Key Personnel, DRS project personnel, and DRS ERA Executive Sponsors/Oversight, assigned to perform services will attend an orientation session.

The project management plan (“PMP”) for the ERA Project is reviewed and finalized by the parties in connection with the project preparation activities. Both project teams are introduced and an overview of each organization and the information technology platform is given to enable project personnel to become familiar with each other and better tailor the project work toward meeting the needs of DRS. The team’s responsibilities, consistent with the PMP, and the roles and responsibilities set forth in this Statement of Work are presented. The Prime Vendor Implementation Methodology is reviewed and the different events within such methodology presented. Project tools that will be used will be shown through demonstration and hands on experience with specific solution applications provided.

3.2.3 Requirements
- Development of the PMP;
- Detail review of the ERA Project, including the PMP, Project Schedule, and Joint Resource Plan;
- Review the Prime Vendor Implementation Methodology approach;
- Provide hands on experience navigating the BPMS Solution;
- Introduce the Prime Vendor project management tools;
- Conduct in-depth product demonstrations for project team members;
- Conduct open house product demonstrations for DRS business units; and
- Provide a project overview and brief product demonstrations to DRS Stakeholders.

Responsibilities:
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**Employer Reporting Application Project**

#### 3.2.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2.4.1</td>
<td>DRS Orientation Session</td>
<td>Conduct DRS Orientation Session for Prime Vendor project personnel.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>3.2.4.2</td>
<td>PMP</td>
<td>Develop the PMP that includes, at a minimum, an implementation approach, project status reporting standards, an issue management methodology, a risk management methodology, a quality assurance framework and change management policies and procedures, each of which must be consistent with the terms of the Technology Agreement and this Statement of Work.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete and detailed PMP consistent with the terms of the Technology Agreement and this Statement of Work and otherwise to support the ERA Project.</td>
<td>5 days</td>
</tr>
</tbody>
</table>
### Appendix D.3 – Statement of Work

#### Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2.4.3</td>
<td>On-line PMP</td>
<td>Develop on-line PMP reference materials.</td>
<td>PV</td>
<td>DRS</td>
<td>PMP reference materials have been translated into on-line format.</td>
<td>5 days</td>
</tr>
<tr>
<td>3.2.4.4</td>
<td>Calendar of Events</td>
<td>Prepare and publish preparation calendar of events.</td>
<td>PV</td>
<td>DRS</td>
<td>Calendar listing of all preparation activities and associated dates.</td>
<td>3 days</td>
</tr>
<tr>
<td>3.2.4.5</td>
<td>Project Preparation Session Agenda and Presentation.</td>
<td>Project Preparation Session Agenda and Presentation.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete Project Preparation Session Agenda and Presentation.</td>
<td>10 days</td>
</tr>
<tr>
<td>3.2.4.6</td>
<td>Project Preparation and Demonstration Session</td>
<td>Conduct project preparation session, including the in-depth demonstration of the BPMS Solution. The demonstrations must be based on demonstration scripts provided during the IPS.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete the project preparation session and in-depth demonstrations for the BPMS Solution. Demonstrations must be based on demonstration scripts provided during the IPS.</td>
<td>3 days</td>
</tr>
<tr>
<td>3.2.4.7</td>
<td>Open House Demonstrations for various DRS business units and Stakeholders.</td>
<td>Conduct Open House Demonstrations for the BPMS Solution for various DRS business units and Stakeholders. The demonstrations must be based on demonstration scripts provided during the IPS.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete Open House Demonstrations for the BPMS Solution for various DRS business units and Stakeholders. The demonstrations must be based on demonstration scripts provided during the IPS.</td>
<td>2 days</td>
</tr>
</tbody>
</table>

### 3.3 Project Kickoff

#### 3.3.1 Objective
Formally commence the implementation of the ERA Project.

#### 3.3.2 Requirements
The ERA Project kickoff session will be in-person for all ERA Project team members, and will address and review each of the following items and any other items requested by DRS or Prime Vendor:

- An overview of the ERA Project;
- The sources of the DRS Business and Technical Requirements, including the future state DRS will be achieving through the implementation of the BPMS Solution;
- Each of the Critical Milestones, the importance of meeting the Critical Milestones and the consequences of delay;
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• Deliverables certification process and the processing of Certification Forms;
• Change Order procedures and the use of the Change Order Form;
• Interfaces, Extensions and reports to be developed;
• The testing process;
• The concepts of the Stabilization and Optimization Periods;
• Project Risks and gaps;
• Project status reporting and meeting and review schedule;
• The quality assurance requirements, including the monthly project and quality reviews, the quality standards referenced in this Statement of Work, and Prime Vendor’s quality scorecard;
• Logistics and facilities, including badging and access requirements; and
• The escalation process and procedures.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm session schedules and logistics.</td>
<td>Develop Project Kickoff presentation materials.</td>
</tr>
<tr>
<td>Participate in and provide feedback</td>
<td>Lead Project Kickoff session.</td>
</tr>
<tr>
<td>during Project Kickoff session.</td>
<td></td>
</tr>
</tbody>
</table>

3.3.3 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3.3.1</td>
<td>Project Kickoff Agenda and Materials</td>
<td>Agenda and Presentation Materials for the Project Kickoff.</td>
<td>PV</td>
<td>DRS</td>
<td>Agenda and materials are complete, and cover the key aspects of the ERA Project, including the items referenced in Section 3.3.2.</td>
<td>5 days</td>
</tr>
<tr>
<td>3.3.3.2</td>
<td>Project Kickoff Event</td>
<td>Conduct the Project Kickoff event.</td>
<td>PV</td>
<td>DRS</td>
<td>Project Kickoff session met the objectives for project kickoff.</td>
<td>2 days</td>
</tr>
</tbody>
</table>
3.4 Project Team Solution Education

3.4.1 Objective
Enable DRS project team members to become knowledgeable about the capabilities of the BPMS Solution.

3.4.2 Approach
Prime Vendor will provide a series of in-depth, in-person "boot camp" sessions to review each of the BPMS Solution components, discuss the minimum data required to implement each component, describe configuration considerations and strategies, and discuss the features and functionality of Prime Vendor's solution taking into consideration DRS' future state.

3.4.3 Requirements
During the sessions, Prime Vendor will demonstrate the BPMS Solution, and will provide copies of all session materials, including electronic, editable copies of all PowerPoint and demonstration materials, so they can be used later in education and training materials and otherwise as a reference. These sessions are expected to take 1 to 3 days in length.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm project team education session schedules and logistics.</td>
<td>Develop DRS project team education materials.</td>
</tr>
<tr>
<td>Participate in and provide feedback during project team education sessions.</td>
<td>Lead DRS project team education sessions.</td>
</tr>
</tbody>
</table>

3.4.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Deliverable/Activity Name</th>
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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4.4.1</td>
<td>Agenda and Materials for Project Team Boot</td>
<td>Agenda and materials for the Project Team Boot Camp Education Sessions</td>
<td>PV</td>
<td>DRS</td>
<td>Agenda and materials are complete, and cover the key aspects of</td>
<td>5 days</td>
</tr>
</tbody>
</table>
### 4.0 Discovery / Data Gathering; Fit/Gap; Solution Design; Build, Configure and Validate

The tasks and activities in this Section (4.0 Discovery/Data Gathering; Fit/Gap; Solution Design; Build, Configure and Validate) will occur on separate timelines for implementing the BPMS Solution and developing ERA.

[Project note: DRS preference is to use a modified agile development method for developing ERA, possibly conducting discovery / data gathering and fit / gap and then conducting repeating sprints for the solution design, build, configure and validate.]

Preference is to use a modified agile development method for developing ERA, possibly conducting Discovery / Data gathering and Fit/Gap and then conducting repeating sprints for the Solution Design, Build, Configure and Validate.

#### 4.1 Discovery / Data Gathering; Fit / Gap

**4.1.1 Objectives**

Validate that each DRS Business and Technical Requirement and any additional requirements discovered during the discovery process will be addressed by the standard BPMS Solution or ERA, or if a requirement cannot be validated, confirm that a gap exists. Define, construct and execute an effective process for identifying and then managing performance so that the BPMS Solution and ERA meets the Performance Standards.

**4.1.2 Approach**

Additional requirements discovered during the discovery process that are not specifically identified as a DRS Business and Technical Requirements but can be accommodated through a configuration in the standard BPMS Solution and ERA are included within the scope of this Statement of Work and within the Fixed Fee for the ERA Project. Subject to Prime Vendor's obligation under Section...
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1.4 to develop Extensions and Interfaces with respect to changes in the DRS Employer Reporting program as part of the Fixed Fee and the further terms of this Section, new business and technical requirements discovered during the discovery process that are not identified as a DRS Business and Technical Requirements and are a gap in the standard BPMS Solution and ERA will be addressed by the parties as a Change Order. In all cases, implementation of the DRS Business and Technical Requirements, whether identified as a gap prior to the start of the ERA Project or discovered during the project, are included within the scope of this Statement of Work and within the Fixed Fee for the ERA Project.

The services in this section will be performed for each Solution Module or sub-Solution Module of the BPMS Solution and ERA, and will encompass all DRS business units. Prime Vendor will facilitate multiple working sessions to further detail DRS’ specific Business and Technical Requirements and all other DRS workflows, and requirements relating to the DRS data requirements.

While DRS is responsible for identifying and documenting these requirements, Prime Vendor acknowledges that the scope and completeness of such requirements may not be fully known until the testing of the BPMS Solution and ERA. In an effort to minimize the number and scope of unanticipated requirements, Prime Vendor will assign its most knowledgeable design consultants to this activity so that the requirements can be fully discussed with DRS subject matter experts and accurately captured, built and configured. See Section 1.4 for addressing changes and additions to DRS Employer Reporting program and new requirements that arise during the pendency of the ERA Project.

4.1.3 Requirements

During Discovery/Data Gathering and Fit/Gap, the following activities will be accomplished:

- Gather data and discover all relevant business and technical requirements;
- Engage in the performance standards management activities as set forth in Section 5.6 concurrently with the activities in Sections 4.1 and 4.2;
- Document requirements in workbooks (“Workbooks” or other appropriate method) and the RTM;
- Identify fit/gaps between the DRS Business and Technical Requirements and the standard functionality of the BPMS Solution and ERA; and document such findings and create a fit/gap document for all Interfaces, Extensions and reports that require additional work in which to meet the DRS Business and Technical Requirements (“Fit/Gap Document”);
- Create the initial draft of the RTM and update as needed during Discovery and Data Gathering and future stages;
- Identify DRS systems, DRS policies and procedures and DRS personnel that will be impacted or affected by and the work needed to accommodate the implementation of the BPMS Solution and ERA;
- Identify the DRS data requirements for systems affected by the implementation of the BPMS Solution and ERA; and include these requirements in a separate section of the RTM;
- Create applicable policies and procedures; and
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- Create initial drafts of Test Scenarios and Test Scripts tailored to the work reflected in the Workbooks and Fit/Gap Document. Test Scenarios are narrative, workflow-based user stories created to describe the functionality of a component of the BPMS Solution and ERA. Test Scripts are specific instructions created to execute a Test Scenario.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide future state documents of major business processes.</td>
<td>Identify gaps between the standard BPMS Solution, ERA and the future state documents and other DRS Business and Technical Requirements.</td>
</tr>
<tr>
<td>Organize documented requirements in the Workbooks.</td>
<td>Document the functional requirements for each identified gap in the Workbook template.</td>
</tr>
<tr>
<td>Identify DRS systems, DRS policies and procedures and DRS personnel that will be impacted or affected by and the work needed to accommodate the implementation of the BPMS Solution and ERA.</td>
<td>Document the DRS data requirements in the Fit/Gap Document and in a separate section of the RTM.</td>
</tr>
<tr>
<td>Review, edit, and certify each of the functional Workbooks and Fit/Gap Document to validate the functional description accurately reflects the future state documents and other DRS Business and Technical Requirements.</td>
<td>Assist DRS in attempting to close gaps within the BPMS Solution and ERA.</td>
</tr>
<tr>
<td>Provide feedback on the initial draft of the RTM.</td>
<td>Create the initial draft of the RTM.</td>
</tr>
<tr>
<td>Identify any policy issues and business process changes for consideration to accommodate the constraints in the BPMS Solution and ERA.</td>
<td>Provide initial drafts of the Test Scenarios and Test Scripts based on design discussions, the Workbooks, Fit/Gap Document, and future state documents and other DRS Business and Technical Requirements.</td>
</tr>
<tr>
<td>Provide feedback on the drafts of Test Scenarios and Test Scripts.</td>
<td>Further develop the Test Scenarios and Test Scripts based on DRS feedback.</td>
</tr>
<tr>
<td>Review sources of data for purposes of data migration and conversion.</td>
<td>Identify all data elements needed for data conversion and migration.</td>
</tr>
<tr>
<td>Participate in the performance standards management process described in Section 5.6.</td>
<td>Lead the performance standards management activities set forth in Section 5.6.</td>
</tr>
</tbody>
</table>

4.1.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
## Appendix D.3 – Statement of Work

**Employer Reporting Application Project**

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.4.1</td>
<td>Future State Business Processes</td>
<td>Provide future state high-level business processes.</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.1.4.2</td>
<td>Updated Future State Business Processes</td>
<td>Review, refine and finalize future state business processes</td>
<td>PV</td>
<td>DRS</td>
<td>The future state business processes are complete and ready for Fit/Gap Assessment.</td>
<td>10 days</td>
</tr>
<tr>
<td>4.1.4.3</td>
<td>Performance Standards Measurement Process Document</td>
<td>Develop and document a process for identifying and managing performance of the BPMS Solution and ERA; and engage in the other activities as required under Section 5.6.</td>
<td>PV</td>
<td>DRS</td>
<td>The process documented addresses each of the components of performance standards management activities as set forth in Section 5.6.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.1.4.4</td>
<td>Organize Workbooks</td>
<td>Organize Workbooks.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.1.4.5</td>
<td>Fit/Gap Assessment</td>
<td>Identify gaps.</td>
<td>PV</td>
<td>DRS</td>
<td>All gaps are identified and mapped to the specific DRS Business and Technical Requirement.</td>
<td>10 days</td>
</tr>
<tr>
<td>4.1.4.6</td>
<td>Documented Requirements</td>
<td>Document Business and Technical requirements in the Workbook and Fit/Gap Document templates.</td>
<td>DRS</td>
<td>PV</td>
<td>All requirements are documented in the Workbooks and Fit/Gap Document, and the RTM is updated to reflect current requirements.</td>
<td>10 days</td>
</tr>
<tr>
<td>4.1.4.7</td>
<td>Identify Affected DRS Systems and Interfaces</td>
<td>Identify DRS systems and Interfaces that may be affected by implementing the BPMS Solution and ERA; and identify the DRS data integration requirements.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.1.4.8</td>
<td>Updated Fit/Gap Document with DRS data requirements</td>
<td>Incorporate DRS data requirements into the Fit/Gap Document.</td>
<td>PV</td>
<td>DRS</td>
<td>Fit/Gap Document is updated with DRS data requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.1.4.9</td>
<td>Workbooks Feedback</td>
<td>Review and provide feedback on DRS-supplied Workbooks and completed Fit/Gap Document.</td>
<td>PV</td>
<td>DRS</td>
<td>Feedback is comprehensive and complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.1.4.10</td>
<td>Updated Workbooks and Fit/Gap Document</td>
<td>Update the Workbooks and Fit/Gap Document based on the review and feedback.</td>
<td>PV</td>
<td>DRS</td>
<td>Workbooks and Fit/Gap Document are complete, and includes the DRS data requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.1.4.11</td>
<td>Draft RTM</td>
<td>Create the initial draft of RTM.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete mapping of the DRS</td>
<td>10 days</td>
</tr>
</tbody>
</table>
## Appendix D.3 – Statement of Work

### Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.4.12</td>
<td>Policy/Business Process Changes</td>
<td>Consider policy / business process changes.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.1.4.13</td>
<td>Draft Test Scenarios and Test Scripts</td>
<td>Provide draft Test Scenarios and Test Scripts, and validate such items against the Workbooks, Fit/Gap Document and RTM.</td>
<td>PV</td>
<td>DRS</td>
<td>Test Scenarios and Test Scripts reflect initial design decisions made by DRS, and cover substantially all important business processes and workflows, and include scenarios and scripts for testing data.</td>
<td>10 days</td>
</tr>
<tr>
<td>4.1.4.14</td>
<td>Feedback on Test Scenarios and Test Scripts</td>
<td>Provide feedback on the Test Scenarios and Test Scripts.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.1.4.15</td>
<td>Data Sources Review</td>
<td>Review sources of data for purposes of data migration and conversion.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.1.4.16</td>
<td>Documented Data Elements</td>
<td>Identify data elements for data conversion and migration.</td>
<td>PV</td>
<td>DRS</td>
<td>All data elements for data migration and conversion are identified.</td>
<td>10 days</td>
</tr>
<tr>
<td>4.1.4.17</td>
<td>Complete list of Interfaces, Extensions and Reports</td>
<td>Interface, Extension and report requirements are documented.</td>
<td>PV</td>
<td>DRS</td>
<td>The list of Interfaces, Extensions and reports required to close identified gaps are documented.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.1.4.18</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.1.4.19</td>
<td>Certification Form – Discovery, Data Gathering and Fit/Gap</td>
<td>Certification Form – Discovery, Data Gathering and Fit/Gap.</td>
<td>PV</td>
<td>DRS</td>
<td>All Workbooks are completed, the Fit/Gap Document is updated, and all Test Scenarios, Test Scripts and the list of Interfaces, Extensions and reports are identified and agreed to by DRS.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
4.2 Solution Design

4.2.1 Objective
Prepare the design for the BPMS Solution and ERA based on the Discovery / Data Gathering and Fit/Gap exercises, and the performance standards management process set forth in Section 5.6.

4.2.2 Approach
Prime Vendor will develop detailed design documents for each component of the BPMS Solution and ERA using the finalized Workbooks and Fit/Gap Document. Upon DRS review and approval of each design, Prime Vendor will prepare a Solution Design Document that includes detailed functional descriptions and process flows for the agreed to designs to be implemented. For approved Interfaces, Extensions and reports, Prime Vendor will prepare a technical specification (see Section 5.0) that will provide a roadmap to develop the Interfaces, Extensions and reports. Copies of all materials and Documentation related to all Interfaces, Extensions and reports will be provided to DRS.

Based on the DRS requirements previously identified, an assessment will be made on the types of changes that will be needed to accommodate the BPMS Solution and ERA.

During these activities, Prime Vendor will further develop and refine, with the assistance of DRS, the Test Scenarios and Test Scripts. The Test Scenarios and Test Scripts will be verified through a walk-through with DRS business owner subject matter experts ("SMEs"), the test team and other delivery teams. This process will be repeated as often as necessary as the design, build and configuration activities progress.

Finally, the performance standard management processes will be used throughout the design stage to optimize the performance of the BPMS Solution and ERA; and to meet the Performance Standards. Prime Vendor will certify the final design as meeting the requirements of Section 5.6.

4.2.3 Requirements
During Solution Design, the following activities will be accomplished:

- Present and discuss design considerations relating to the solutions identified to close the gaps in the BPMS Solution and ERA;
- To the extent agreed to by DRS, resolve any policy issues and business process changes to accommodate the BPMS Solution and ERA;
- Develop the Solution Design Document to include detailed functional descriptions, process flows, and validation criteria for the standard BPMS Solution and ERA; and for all Interfaces, Extensions, reports, and DRS data as it relates to the BPMS Solution and ERA;
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- Identify the minimum (mandatory) data set required to implement the BPMS Solution and ERA; and for those minimum data sets provide specific file layout and format for data import and data export;
- Review and approve the Solution Design Document;
- Further develop Test Scenarios and Test Scripts, and work with DRS to finalize these documents;
- Create policy and/or business process change documentation, as needed;
- Identify the integration and synchronization of the BPMS Solution with existing DRS systems and environments;
- Update the RTM; and
- Identify and document where the required data elements can be located or calculated.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discuss design considerations relating to solutions identified to close gaps.</td>
<td>Present solutions to gaps in the BPMS Solution and ERA.</td>
</tr>
<tr>
<td>To the extent agreed to by DRS, resolve any policy issues and business process changes to accommodate the BPMS Solution and ERA.</td>
<td>Finalize list of Interfaces, Extensions and reports.</td>
</tr>
<tr>
<td>Review and provide feedback on the Solution Design Document.</td>
<td>Based on the Fit/Gap Document, prepare a draft of the Solution Design Document that includes detailed functional descriptions, process flows and validation criteria.</td>
</tr>
<tr>
<td>Approve list of Interfaces, Extensions and reports.</td>
<td>Identify the minimum (mandatory) data set(s) required to implement a given component of the BPMS Solution and ERA; and provide specific file layout and format for data import and data mapping.</td>
</tr>
<tr>
<td>Identify and document where the required data elements can be located or calculated.</td>
<td>Update the RTM.</td>
</tr>
<tr>
<td>Provide input to Prime Vendor for the further development of the Test Scenarios and Test Scripts.</td>
<td>Further develop the Test Scenarios and Test Scripts.</td>
</tr>
<tr>
<td>Participate in the performance standards management process described in Section 5.6.</td>
<td>Consult with DRS as DRS identifies potential systems that will be impacted by the BPMS Solution and ERA.</td>
</tr>
<tr>
<td></td>
<td>Lead the performance standards management activities set forth in Section 5.6.</td>
</tr>
<tr>
<td></td>
<td>Provide assessments of changes needed to accommodate DRS data requirements.</td>
</tr>
<tr>
<td></td>
<td>Finalize the Solution Design Document for written approval by DRS.</td>
</tr>
</tbody>
</table>
**4.2.4 Deliverables, Activities and Certification Criteria**

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.4.1</td>
<td>Draft Solution Design Document</td>
<td>Based on the Workbooks and Fit/Gap Document, prepare a draft of the Solution Design Document to include detailed functional descriptions, process flows and validation criteria.</td>
<td>PV</td>
<td>DRS</td>
<td>Solution Design Document captures functional descriptions, process flows and validation criteria for the standard BPMS Solution and ERA; and Interfaces, Extensions and reports.</td>
<td>10 days</td>
</tr>
<tr>
<td>4.2.4.2</td>
<td>Assessment of changes required for DRS data requirements</td>
<td>Document the changes required in DRS systems, the BPMS Solution and ERA to accommodate the DRS data requirements. The Solution Design Document is updated as it relates to the BPMS Solution and ERA.</td>
<td>PV</td>
<td>DRS</td>
<td>Assessment is detailed, comprehensive and accurately captures the impact on DRS systems and addresses the DRS data requirements in a manner acceptable to DRS. Solution Design Document is updated and is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.2.4.3</td>
<td>Minimum Data Sets / File Layouts</td>
<td>Document the minimum (mandatory) data set required to implement the BPMS Solution and ERA; and provide specific file layout, relationship, security and format for data import and data mapping.</td>
<td>PV</td>
<td>N/A</td>
<td>Minimum data sets reflect the mandatory data required (essential data) to implement the BPMS Solution and ERA; along with file layouts for all data import and mapping are complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.2.4.4</td>
<td>RTM Update the RTM.</td>
<td></td>
<td>PV</td>
<td>DRS</td>
<td>RTM is updated and complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.2.4.5</td>
<td>List of Interfaces, Extensions and reports</td>
<td>Finalize list of Interfaces, Extensions and reports.</td>
<td>PV</td>
<td>DRS</td>
<td>Interfaces, Extension and report list is complete and all gaps are closed.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.2.4.6</td>
<td>Sources of Data Elements</td>
<td>Identify and document where the required data elements can be located or calculated.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.2.4.7</td>
<td>Updated Test Scenarios and Test Scripts</td>
<td>Provide updated drafts of Test Scenarios, Test Scripts and key DRS process flows within the BPMS Solution and ERA.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Test Scenarios and Test Scripts are comprehensive and reflect the level of then-current design discussions.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.2.4.8</td>
<td>Certification Form - Design for Performance</td>
<td>Certification Form – Design for Performance.</td>
<td>PV</td>
<td>N/A</td>
<td>Prime Vendor certifies compliance with Section 5.6, provides supporting and sub-</td>
<td>5 days</td>
</tr>
</tbody>
</table>
4.2.4.9 Updated Project Documents

**Deliverable/Activity Name:** Updated Project Documents.

**Deliverable/Activity Description:** Updated Project Documents.

**R** PV  
**C** DRS

**Certification Criteria:** Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.

**Review Period:** 3 days

---

4.2.4.10 Certification Form – Solution Design

**Deliverable/Activity Name:** Certification Form – Solution Design.

**Deliverable/Activity Description:** Certification Form – Solution Design.

**R** PV  
**C** DRS

**Certification Criteria:** All activities in Solution Design are complete, the Solution Design Document (including completed designs for Interfaces, Extensions and reports), Test Scenarios and Test Scripts are finalized and the implementation is ready for Build, Configure and Validate.

**Review Period:** 5 days

---

### 4.3 Build, Configure and Validate

#### 4.3.1 Objectives

Build, configure and validate the BPMS Solution and ERA, develop the Interfaces, Extensions and reports, and address the DRS requirements, all in accordance with the Solution Design Document. Determine if there are any additional requirements that may not have been accounted for in prior sessions.

#### 4.3.2 Approach

Prime Vendor will lead the effort to build, configure and then validate the BPMS Solution and ERA using a joint Prime Vendor/DRS team. As the development takes place, configuration and code reviews are facilitated by both the Prime Vendor Development Manager and Solution Architect and DRS’ Enterprise Architect to ensure compliance with configuration and coding standards, best practices are utilized and requirements are being met. All configurations, Interfaces, Extensions and reports are processed through Prime Vendor's quality assurance group for functionality, unit, system and integration testing based on approved validation plans, Test Scripts and Test Data. To the extent there are any questions or Issues surrounding the interpretation of requirements, the development team will communicate these immediately to the Prime Vendor Project Manager and the DRS’ Project Manager, who will document and clarify the question or Issue.

Once the configurations, Interfaces, Extensions and reports pass the Prime Vendor’s quality assurance stage, the configurations, Interfaces, Extensions and reports are deployed to an environment to execute the associated validation plans. Any unacceptable
variation is sent back to the development team for adjustments. Prime Vendor shall report to DRS’ Project Manager in the event there are any significant problems experienced when validating the configuration, or any Interfaces, Extensions or reports, as well as report if there are more than two (2) iterations of any single configuration, Interface, Extension or report between the development and implementation teams.

Prime Vendor shall alert the DRS’ Project Manager when scheduling its validation exercises and afford the opportunity for DRS to witness the exercise and/or receive a copy of the validation test results, whether such tests were successful or unsuccessful. Once the configurations, Interfaces, Extensions or reports pass the implementation team quality stage, the configurations, Interfaces, Extensions and reports are deployed to an environment for reviewing and, if elected, testing by DRS.

In addition to, and not in lieu of, the above procedures, Prime Vendor will report to DRS’ Project Manager on the internal lifecycle stages of design, development, deployment and testing, which will provide visibility to DRS to ensure that internal activities are on track and quality work is being accomplished.

The performance standard management processes will be used throughout the build, configure and validation stage to optimize the performance of the BPMS Solution and ERA; and to meet the Performance Standards. Prime Vendor will certify the final configuration as meeting the requirements of Section 5.6.

Prime Vendor will ensure that effective Knowledge transfer (i.e., hands on, side-by-side, as appropriate, training and transfer of Knowledge) to DRS occurs between the Prime Vendor design personnel and DRS project team members and business unit personnel to enable DRS to properly configure workflows and business processes, undertake testing of the BPMS Solution and ERA; support the cutover of the BPMS Solution and ERA; as well as to manage, maintain and sustain the BPMS Solution and ERA once in Production. This Knowledge transfer will occur both on the application level for the DRS project team and designated users in DRS’ business units, as well as on the technical level for DRS’ information technology staff.

4.3.3 Requirements

Prime Vendor will provide full transparency and visibility into its internal build, configure and validation progress, with the key objective being to ensure that all internal activities are on track and quality work is being accomplished.

The following activities will be completed:

- If additional requirements for DRS are discovered, update the Solution Design Document and RTM to reflect such additional requirements;
- Configure the BPMS Solution and ERA in accordance with the updated Solution Design Document and RTM;
- Data mapping;
- Import refresh files, as needed;
- Review and provide input on, and, if necessary, adjust the Test Scenarios and Test Scripts for accuracy based on configured system;
- Initial functional, unit, system and integration testing (DRS may further test the system);
- Initial configuration validation preparation;
- For each data mapping exercise, import or creation of data, finalizing of Test Scenarios, Test Scripts, data integrity testing, and unit testing and validation activities in Prime Vendor's build, configure and validate activities, provide DRS with three (3) business days’ notice of such activity or event and provide DRS with the opportunity to observe these activities wherever these activities are scheduled to take place, and if observed or upon request, review, with the applicable Prime Vendor technical and application subject matter experts, the test results with Prime Vendor;
- Knowledge transfer to enable DRS to configure and manage the BPMS Solution and ERA; as well as to manage the Interfaces, Extensions and reports;
- Provide an in-depth demonstration of the configured solutions and build to date using DRS' domain, and in the course of such demonstration, review each of the features and functionality in the RTM against the configured system; and
- Validate the build and configuration against the Solution Design Document and RTM, including any Interface, Extension and report requirements.

**Responsibilities:**

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map or calculate required data elements defined during the design stage into the required file format provided by Prime Vendor. The data will be sourced from either DRS or other existing sources.</td>
<td>If additional requirements for DRS are presented, update the Solution Design Document, Test Scenarios, Test Scripts and RTM to reflect such additional requirements.</td>
</tr>
<tr>
<td>Provide the required data elements in the required file format to be imported into the BPMS Solution and ERA.</td>
<td>Complete the configuration of the BPMS Solution and ERA using the, Solution Design Document and RTM.</td>
</tr>
<tr>
<td>Finalize the Test Scenarios and Test Scripts.</td>
<td>Complete data mapping.</td>
</tr>
<tr>
<td></td>
<td>Validate the accuracy of data in refresh files provided by DRS, and then import the refresh files.</td>
</tr>
<tr>
<td></td>
<td>Review and provide feedback to DRS on the Test Scenarios and Test Scripts for accuracy based on configured system.</td>
</tr>
<tr>
<td></td>
<td>Data integrity testing.</td>
</tr>
<tr>
<td></td>
<td>Initial functional, unit, system and integration testing of the configured system, including Interfaces, Extensions and reports.</td>
</tr>
<tr>
<td></td>
<td>Provide a demonstration of the applications using DRS' build domain.</td>
</tr>
<tr>
<td></td>
<td>Update test materials as required.</td>
</tr>
<tr>
<td></td>
<td>Transfer Knowledge to DRS on configuration methods, and management of the Interfaces, Extensions and reports.</td>
</tr>
</tbody>
</table>
Appendix D.3 – Statement of Work
Employer Reporting Application Project

4.3.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3.4.1</td>
<td>Updated Solution Design Document and RTM</td>
<td>Update the Solution Design Document and RTM to reflect any additional DRS requirements.</td>
<td>PV</td>
<td>DRS</td>
<td>Solution Design Document and RTM reflect any additional DRS requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.2</td>
<td>Map/Calculate Data Elements</td>
<td>Map or calculate required data elements defined during the design stage into the required file format provided by Prime Vendor. The data will be sourced from either DRS or other existing sources.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.3.4.3</td>
<td>Configuration Document</td>
<td>Provide a configuration document identifying the configuration data and the required data elements in the required file format to be imported into the BPMS Solution and ERA.</td>
<td>PV</td>
<td>DRS</td>
<td>Identifies the configuration strategy used, the rationale behind the configuration choices made by Prime Vendor, and the configuration data and the required data elements in the required file format to be imported into the BPMS Solution and ERA.</td>
<td>5 days</td>
</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
<td>Review Period</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------</td>
<td>----------------------------------</td>
<td>----</td>
<td>-----</td>
<td>----------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>4.3.4.4</td>
<td>Configuration of the BPMS Solution and ERA</td>
<td>Complete the configuration of the BPMS Solution and ERA.</td>
<td>PV</td>
<td>DRS</td>
<td>Configuration complete against the updated Solution Design Document and RTM.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.5</td>
<td>Data Mapping</td>
<td>Complete data mapping - see also Section 5.3, Data Conversion and Migration.</td>
<td>PV</td>
<td>DRS</td>
<td>Data mapping is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.6</td>
<td>Refreshes imported and validated</td>
<td>Validate the accuracy of data in refresh files provided by DRS, and then import the refresh files.</td>
<td>PV</td>
<td>DRS</td>
<td>Data in refresh files provided by DRS is accurate, the refresh files are imported, and the import data is validated to be accurate.</td>
<td>3 days</td>
</tr>
<tr>
<td>4.3.4.7</td>
<td>Updated Test Scenarios and Test Scripts</td>
<td>Update Test Scenarios and Test Scripts for accuracy based on configured system.</td>
<td>PV</td>
<td>DRS</td>
<td>Test Scenarios and Test Scripts are updated and complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.8</td>
<td>Finalize Test Scenarios and Test Scripts</td>
<td>Finalize Test Scenarios and Test Scripts.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.3.4.9</td>
<td>Complete Data Integrity Testing</td>
<td>Data integrity testing</td>
<td>PV</td>
<td>DRS</td>
<td>Data integrity testing is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.10</td>
<td>Functional, Unit, System and Integration Testing of the Configured System</td>
<td>Functional, unit, system and integration testing of the configured system, including Interfaces, Extensions and reports.</td>
<td>PV</td>
<td>DRS</td>
<td>Functional, unit, system and integration testing of the configured system including Interfaces, Extensions and reports is complete, and there are no Defects.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.11</td>
<td>Application Demonstration</td>
<td>Provide a demonstration of the applications using DRS' build domain.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.3.4.12</td>
<td>Updated Test Materials</td>
<td>Update test materials as required.</td>
<td>PV</td>
<td>DRS</td>
<td>All test materials are updated.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.13</td>
<td>Knowledge Transfer</td>
<td>Educate and transfer Knowledge to DRS on configuration methods, the strategy Prime Vendor used to configure the system, and the rationale behind the strategy, and on the development, configuration and how to manage the Interfaces, Extensions and reports.</td>
<td>PV</td>
<td>DRS</td>
<td>Knowledge about the configuration strategy and choices made by Prime Vendor during its configuration activities is transferred to DRS, and DRS has a complete understanding of these configuration attributes.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.14</td>
<td>Validated Configuration</td>
<td>Validate the build and configuration against the Solution Design Document and RTM, including the Interfaces, Extensions and reports.</td>
<td>PV</td>
<td>DRS</td>
<td>Configuration is validated against the Solution Design Document, and RTM, including any Interfaces, Extensions and reports, and no De-</td>
<td>5 days</td>
</tr>
</tbody>
</table>
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3.4.15</td>
<td>Certification Form -</td>
<td>Certification Form - Configuration for Performance.</td>
<td>PV</td>
<td>N/A</td>
<td>Prime Vendor certifies compliance with Section 5.6, and provides supporting and substantiating documentation confirming the basis for such certification.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.3.4.16</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>4.3.4.17</td>
<td>Certification Form –</td>
<td>Certification Form – Build, Configure and Validate.</td>
<td>PV</td>
<td>DRS</td>
<td>All build, configure and validation activities are complete.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

**4.4 DRS Data Integration**

**4.4.1 Objectives**

Meet DRS requirements to:

(a) Enable the transfer of data from the BPMS Solution and ERA to support DRS' other systems that will be affected by the implementation of the BPMS Solution and ERA;

(b) Support the data needs of the remaining DRS systems; and

(c) Create, as needed, temporary data structures and/or reports to ensure systems that need to remain operational during the pendency of the ERA Project, stay operational and are uninterrupted, and all systems remain operational both during and after the implementation of the BPMS Solution and ERA.

**4.4.2 Approach**

Based on the due diligence conducted prior to the signing of the ERA Project Agreement, Prime Vendor acknowledges that DRS data integration requirements as referenced in the DRS Business and Technical Requirements will be impacted by the implementation of the BPMS Solution and ERA. Prime Vendor acknowledges that these requirements will be studied, analyzed and solutions developed both during the Design and Data Gathering phase of the implementation, as well as throughout the balance of the ERA Project as additional impacts of implementing the BPMS Solution and ERA are understood. Prime Vendor has the responsibility to identify and provide the appropriate tools and utilities for DRS to use in performing and meeting the DRS data integration requirements.
Prime Vendor represents and warrants that it has allocated sufficient, highly-skilled and available personnel to address the DRS data integration requirements, and if DRS believes additional or more specialized personnel are required will notify Prime Vendor and Prime Vendor will provide such additional personnel as may be required to meet the DRS data integration requirements on a timely basis.

For DRS data integration, prior to any implementation of tools and utilities, Prime Vendor will provide a listing of the set of tools and utilities that Prime Vendor proposes to be used to meet DRS data integration requirements. If approved by DRS, Prime Vendor will conduct a trial and/or proof of concept exercise demonstrating that the proposed tools and utilities are capable of meeting the DRS data integration requirements. Prime Vendor will provide a summary and the detail test results data to DRS. Upon written agreement by DRS, the tools and utilities will become and constitute Prime Vendor Tools and Utilities; provided, however, that if such tools and utilities subsequently do not meet all of the DRS data integration requirements, Prime Vendor shall remain obligated to supplement or replace such tools and utilities with other tools and utilities, and upon satisfying all such requirements, the final set of tools and utilities shall become and constitute the final Prime Vendor Tools and Utilities.

### 4.4.3 Responsibilities

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide data integration information to permit Prime Vendor to</td>
<td>Propose tools and utilities to fulfill DRS data integration requirements.</td>
</tr>
<tr>
<td>advise on data orchestration.</td>
<td></td>
</tr>
<tr>
<td>Provide test data to run tests with the proposed Prime Vendor</td>
<td>Using DRS test data, run tests to confirm proposed tools and utilities meet</td>
</tr>
<tr>
<td>Tools and Utilities</td>
<td>the DRS Business and Technical Requirements and other DRS data integration</td>
</tr>
<tr>
<td></td>
<td>requirements discovered during the ERA Project.</td>
</tr>
<tr>
<td></td>
<td>Perform trials and/or proof of concepts demonstrating that the proposed</td>
</tr>
<tr>
<td></td>
<td>tools and utilities meet the DRS Business and Technical Requirements and</td>
</tr>
<tr>
<td></td>
<td>other DRS data integration requirements.</td>
</tr>
<tr>
<td></td>
<td>Finalize tools and utilities as the Prime Vendor Tools and Utilities.</td>
</tr>
<tr>
<td></td>
<td>Identify, develop and implement temporary Interfaces and data structures</td>
</tr>
<tr>
<td></td>
<td>and/or reports needed to support DRS systems and processes data needs</td>
</tr>
<tr>
<td></td>
<td>during the implementation.</td>
</tr>
<tr>
<td></td>
<td>Provide consulting to enable DRS to extract data from the BPMS Solution and</td>
</tr>
<tr>
<td></td>
<td>ERA to populate DRS’ database and support DRS’ other data integration</td>
</tr>
<tr>
<td></td>
<td>requirements.</td>
</tr>
<tr>
<td></td>
<td>Provide Knowledge transfer to enable DRS to become self-sufficient with the</td>
</tr>
<tr>
<td></td>
<td>Prime Vendor Tools and Utilities used for DRS data integration.</td>
</tr>
</tbody>
</table>
### 4.4.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.4.1</td>
<td>List of proposed tools and utilities for DRS data integration</td>
<td>Prime Vendor to provide a list of tools and utilities proposed to be used for DRS data integration.</td>
<td>PV</td>
<td>DRS</td>
<td>The list of tools and utilities is complete and Prime Vendor has provided sufficient technical documentation supporting the data integration requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.4.4.2</td>
<td>Test of Proposed Tools and Utilities</td>
<td>Test Prime Vendor’s proposed tools and utilities</td>
<td>PV</td>
<td>DRS</td>
<td>Tools and utilities successfully exchange and transfer data from the BPMS Solution and ERA to DRS’ database, integrate with DRS’ database and otherwise support the DRS data integration requirements. Prime Vendor to comply with the terms of Section 6 as requested by DRS with respect to testing requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.4.4.3</td>
<td>Certification Form – List of Prime Vendor Tools and Utilities</td>
<td>Certification Form – List of Prime Vendor Tools and Utilities.</td>
<td>PV</td>
<td>DRS</td>
<td>The Prime Vendor Tools and Utilities meet the DRS Business and Technical Requirements relating to the DRS data integration.</td>
<td>3 days</td>
</tr>
<tr>
<td>4.4.4.4</td>
<td>Temporary data structures and reports document</td>
<td>Identify and document temporary data structures and reports needed to bridge DRS systems during the implementation of the ERA Project.</td>
<td>PV</td>
<td>DRS</td>
<td>Temporary data structures and reports are complete, comprehensive and accurate.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.4.4.5</td>
<td>Develop, test and implement temporary data structures and reports</td>
<td>Develop, test and implement temporary data structures and reports to support DRS systems and processes data needs during the ERA Project. Prime Vendor to provide detailed test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>Tests of temporary data structures and reports are successfully completed and detailed test results were provided to DRS.</td>
<td>5 days</td>
</tr>
</tbody>
</table>
### Deliverable/Activity Description

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.4.6</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td></td>
<td></td>
<td><a href="#">Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</a></td>
<td>3 days</td>
</tr>
<tr>
<td>4.4.4.7</td>
<td>Certification Form – Data Integration</td>
<td>Certification Form – Data Integration.</td>
<td>PV</td>
<td>DRS</td>
<td><a href="#">All data integration activities are complete and Knowledge transfer has occurred.</a></td>
<td>3 days</td>
</tr>
</tbody>
</table>

### 4.5 Reports

#### 4.5.1 Objective

Meet DRS’ BPMS Solution and ERA report and reporting requirements.

#### 4.5.2 Approach

The BPMS Solution will provide standard reports or reports that can be easily configured with the functionality provided by the BPMS Solution. Reports that are not available or easily configured will be created using Prime Vendor's reporting and analytics tool or will be created on a customized basis by the joint project team. Functional, security and technical specifications will be created for any customized reports and reports created using the reporting and analytics tool.

Report development involves accurately identifying and extracting information housed within the BPMS Solution that, when properly formatted and presented, enables managers, DRS personnel, and other “consumers” of information to properly conduct the business of DRS. This “operational” reporting will likely occur using:

- (a) Unmodified versions of delivered reports;
- (b) Modified versions of delivered reports; and/or
- (c) Reports developed specifically for DRS that are not part of the delivered BPMS Solution.

Implementing the BPMS Solution and ERA will result in a change to how DRS processes Employer information. Although some existing reports may need to be replicated, most existing reports will not be needed. Prime Vendor will work with DRS to determine which critical reports must be developed and tested for “go live” purposes. The report classification will minimally include:

- “Compliance Reports” – These are reports required by the federal government, the state government, and other external authorities that, if not submitted, would make DRS non-compliant with these authorities.
- “Managerial Reports” – These are reports required by DRS Managers in order to make executive decisions.
- “Operational Reports” – These are routine reports required by DRS personnel in order to conduct DRS business.
"Ad Hoc Reports" – These are one-time reports designed to provide information needed by DRS administrators, managers and other personnel to answer particular questions or address a particular topic.

Prime Vendor will ensure that DRS team members gain the skills they will need to be self-sufficient in future configured and customized report development. Prime Vendor will address reporting skills development needs using the following three-phase skills development process:

[DISCUSS ATIPS--APPROPRIATE NUMBER OF REPORTS IN EACH DEVELOPMENT PHASE SUBJECT TO DRS' REVIEW OF THE STANDARD REPORTING CAPABILITIES OF THE BPMS SOLUTION and ERA]

- **Demonstrate Phase**: A period during which Prime Vendor will produce DRS-selected high priority customized reports (e.g., compliance reports), with DRS staff as active, participant-observers (i.e., a 75% - 25% distribution of responsibility). Prime Vendor will produce up to ___ (__) DRS-selected high priority reports. Report specifications will be determined during the design stage. However, DRS expects these to be complex reports.

- **Cooperate Phase**: A period during which Prime Vendor and DRS will share equally the responsibility for DRS-selected customized report development (e.g., a 50% - 50% distribution of responsibility). Prime Vendor will work with DRS to produce up to ___ (__) DRS-selected high priority reports. During this stage, Prime Vendor will assign consultants who helped develop the reports in the Demonstrate Phase stage to coach and support the DRS developers during this phase.

- **Mentor Phase**: A period during which DRS personnel will take the lead in customized report development, with Prime Vendor monitoring this process and mentoring DRS personnel as needed (e.g., a 25% - 75% distribution of responsibility). DRS expects Prime Vendor to mentor DRS personnel to produce up to ___ (__) DRS-selected high priority reports. Prime Vendor will provide up to ___ hours for additional support hours to help DRS with report development, when and as requested.

### 4.5.3 Responsibilities

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine customize report and reporting requirements and design criteria, including the known custom reports referenced above.</td>
<td>Provide standard report and reporting capabilities.</td>
</tr>
<tr>
<td>Provide database information to assist Prime Vendor to advise on data extraction from the BPMS Solution and ERA.</td>
<td>Perform a gap analysis to identify reports required by DRS that are not available in the standard reporting package of the BPMS Solution and ERA.</td>
</tr>
<tr>
<td></td>
<td>Develop functional and technical specifications and report designs for the development of the custom reports.</td>
</tr>
<tr>
<td></td>
<td>Undertake security testing for the initiation, viewing and printing of all reports.</td>
</tr>
<tr>
<td></td>
<td>Develop, test and implement the custom reports.</td>
</tr>
</tbody>
</table>
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4.5.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Deliverable/Activity Name</th>
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<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5.4.1</td>
<td>BPMS Solution and ERA Report Inventory</td>
<td>Spreadsheet detailing all reports included in the BPMS Solution and ERA (i.e., reports that are available or easily configurable within the BPMS Solution and ERA), detailing report format, data elements included and report characteristics (e.g., intended audience, frequency of production).</td>
<td>PV</td>
<td>DRS</td>
<td>The report inventory clearly details the reports available within the BPMS Solution and ERA; and includes report format, a list of all data elements within each report and characteristics of the report.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.5.4.2</td>
<td>BPMS Solution and ERA Report Request Log</td>
<td>Spreadsheet listing the report gaps between the DRS Business and Technical Requirements and BPMS Solution and ERA reporting functionality.</td>
<td>PV</td>
<td>DRS</td>
<td>The BPMS Solution and ERA Report Request Log clearly identifies reporting gaps between the DRS Business and Technical Requirements and the BPMS Solution and ERA reporting capability.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.5.4.3</td>
<td>Resource / Cost Estimate</td>
<td>A separate resource / cost estimate will be produced for each report beyond the number of reports allocated within the scope of the ERA Project.</td>
<td>PV</td>
<td>DRS</td>
<td>The resource / cost estimate clearly identifies time, people and tool resources required for the development of each report beyond those allocated within scope.</td>
<td>5 days (for each report)</td>
</tr>
</tbody>
</table>
### Appendix D.3 – Statement of Work
#### Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
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<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5.4.4</td>
<td>Report Design</td>
<td>Report design document outlining report format, data elements included, security controls applied and report characteristics (e.g., intended audience, frequency of production). Included in the design will be Test Scenarios, Test Scripts, a data definition and glossary of defined fields and calculations to support the data represented in the report.</td>
<td>PV</td>
<td>DRS</td>
<td>The Report design document clearly outlines report format, data elements included and report characteristics for all reports.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.5.4.5</td>
<td>Development Plan</td>
<td>The development plan will describe the stages to support analysis, design, configuration and testing, and migration into Production of the report.</td>
<td>PV</td>
<td>DRS</td>
<td>Completed development plan for each report.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.5.4.6</td>
<td>Report Validation</td>
<td>Prime Vendor will provide DRS with the completed reports including any source code, scripts, stored procedure or any other application artifact required to execute the report. Along with the deliver, Prime Vendor will certify compliance with the applicable security controls as required in the design of such reports.</td>
<td>PV</td>
<td>DRS</td>
<td>Validation report indicating that the reports have been developed and provide the correct data.</td>
<td>5 days</td>
</tr>
<tr>
<td>4.5.4.7</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current and accurate and are stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>4.5.4.8</td>
<td>Certification Form – Reports</td>
<td>Certification Form – Reports.</td>
<td>PV</td>
<td>DRS</td>
<td>All reports are complete and Knowledge transfer has occurred.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
5.0 Technical Activities

5.1 Interfaces

5.1.1 Objective
Develop and implement Interfaces to and from the BPMS Solution and ERA with DRS’ and Third Parties’ applications and services, including device integration; provide and maintain any temporary Interfaces needed to not disrupt data flows from and to DRS’ existing systems; and interface Prime Vendor’s performance monitoring tools with DRS’ performance monitoring tools.

5.1.2 Approach
Prime Vendor will be responsible for the development of the DRS Interfaces set forth in Appendix D, Interfaces to data collection and other devices, and up to five (5) additional Interfaces to be identified during the implementation. In addition, Prime Vendor will develop and maintain as many Interfaces as may be necessary or advisable to avoid disrupting data flows required for DRS’ existing systems.

5.1.3 Requirements
The following Table outlines and describes the requirements to be addressed:
### Requirement # | Requirement Title | Requirement Statement
--- | --- | ---
5.1.3.1 | Interface Development | Prime Vendor will be responsible for developing, configuring, testing and implementing the Interfaces listed in Appendix D and data capture and other devices.

5.1.3.2 | Interface with DRS Performance Monitoring Tools | Prime Vendor to interface its performance monitoring tools with DRS’ performance monitoring tools.

5.1.3.3 | Interfaces to BPMS Solution and ERA | DRS to address downstream impacts on its existing systems and business processes.

**Responsibilities:**

#### DRS

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Identify potential downstream impacts on existing systems, data needs and business processes resulting from BPMS Solution and ERA that can be addressed via Interfaces.</td>
<td>Develop and maintain Interfaces, as required by DRS based on DRS’ impact analysis.</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Develop, test and implement Interfaces from Appendix D.</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.1.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period (designated by complexity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.4.1</td>
<td>Interface Functional Specification</td>
<td>Develop detailed functional specifications for each Interface.</td>
<td>PV</td>
<td>DRS</td>
<td>The functional specifications for both inbound and outbound feeds for all connections to and from the BPMS Solution and ERA are documented.</td>
<td>Low – 3 days Medium - 5 days High – 10 days</td>
</tr>
</tbody>
</table>
### Appendix D.3 – Statement of Work

**Employer Reporting Application Project**

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period (designated by complexity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.4.2</td>
<td>Interface Technical Specifications</td>
<td>Develop detailed technical specifications for each Interface.</td>
<td>PV</td>
<td>DRS</td>
<td>The technical specifications for both inbound and outbound feeds for all connections to and from the BPMS Solution and ERA are documented.</td>
<td>Low – 3 days Medium - 5 days High – 10 days</td>
</tr>
<tr>
<td>5.1.4.3</td>
<td>Interface Development</td>
<td>Interface development.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.1.4.4</td>
<td>Interface Test Plan</td>
<td>Develop Interface Test Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Test Plan, including Test Scripts, is developed and is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.1.4.5</td>
<td>Interface Testing</td>
<td>Execute Interface Test Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.1.4.6</td>
<td>Interface Testing Defect and Issues Log</td>
<td>Interface Testing Defect and Issues Log prepared and updated Defects and other Issues are resolved.</td>
<td>PV</td>
<td>DRS</td>
<td>Defects and other Issues are logged, reported and resolved.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.1.4.7</td>
<td>Performance Monitoring Tool Interface</td>
<td>Interface Prime Vendor’s performance monitoring tool with DRS’ performance monitoring tools.</td>
<td>PV</td>
<td>DRS</td>
<td>Prime Vendor has created the Interface from its performance monitoring tool to DRS’ performance monitoring tools, and has tested the Interface to ensure it works properly and without Defect.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.1.4.8</td>
<td>Downstream Impacts</td>
<td>Address downstream impacts on DRS’ existing systems and business processes.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.1.4.9</td>
<td>OWASP Certification</td>
<td>Certify Interface development compliance with Open Web Application Security Project (OWASP) standards.</td>
<td>PV</td>
<td>N/A</td>
<td>Prime Vendor certifies its Interface development in accordance with OWASP standards.</td>
<td>3 days</td>
</tr>
<tr>
<td>5.1.4.10</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>5.1.4.11</td>
<td>Certification Form - Interfaces</td>
<td>Certification Form - Interfaces.</td>
<td>PV</td>
<td>DRS</td>
<td>All activities in this Section have been completed.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
5.2  Extensions

5.2.1  Objective
Close any functionality gaps between the standard BPMS Solution and the DRS Business and Technical Requirements.

5.2.2  Approach
The known Extensions as of the Effective Date are set forth below.

[DISCUSS – DRAFTING NOTE: POPULATE CHART WITH PROPOSED EXTENSIONS]

<table>
<thead>
<tr>
<th>Extension Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As described in the Technology Agreement and the ERA Project Agreement, if additional Extensions are needed to meet the DRS Business and Technical Requirements, Prime Vendor will develop and implement such additional Extensions at no additional cost to DRS.

5.2.3  Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2.3.1</td>
<td>Extension Development</td>
<td>Prime Vendor will be responsible for developing, configuring and implementing the Extensions listed above and any other Extensions required to meet the DRS Business and Technical Requirements.</td>
</tr>
</tbody>
</table>

5.2.4  Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
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<th>Certification Criteria</th>
<th>Review Period (designated by complexity)</th>
</tr>
</thead>
</table>
| 5.2.4.1       | Extension Functional Specification | Develop detailed functional specifications for each Extension. | PV | DRS | The functional specifications for all Extensions are documented. | Low – 3 days
|               |                           |                                  |    |    |                        | Medium - 5 days                        |
|               |                           |                                  |    |    |                        | High – 10 days                         |
| 5.2.4.2       | Extension Technical Specifications | Develop detailed technical specifications for each Extension. | PV | DRS | The technical specifications for all Extensions are documented. | Low – 5 days
|               |                           |                                  |    |    |                        | Medium - 10 days                      |
|               |                           |                                  |    |    |                        | High – 15 days                        |
| 5.2.4.3       | Extensions Developed      | Extension development.          | PV | N/A | N/A                    | N/A                                    |
| 5.2.4.4       | Extension Test Plan       | Develop Extension Test Plan.    | PV | DRS | Test Plan, including test scripts, is developed, and the Test Plan is exercised. | Low – 3 days
|               |                           |                                  |    |    |                        | Medium - 5 days                      |
|               |                           |                                  |    |    |                        | High – 10 days                       |
| 5.2.4.5       | Extension Testing         | Execute Extension Test Plan.    | PV | DRS | N/A                    | N/A                                    |
| 5.2.4.6       | Extension Testing Issue and Defect Log | Extension Testing Issue and Defect Log prepared and updated as Defects and other Issues are worked off. | PV | DRS | Defects and other Issues are logged and reported. | 5 days                                |
| 5.2.4.7       | OWASP Certification      | Certify Extension development compliance with Open Web Application Security Project (OWASP) standards. | PV | N/A | Prime Vendor certifies its Extension development in accordance with OWASP standards. | 3 days                                |
| 5.2.4.8       | Updated Project Documents | Updated Project Documents.      | PV | DRS | Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder. | 3 days                                |
| 5.2.4.9       | Certification Form - Extensions | Certification Form - Extensions. | PV | DRS | All activities in this Section have been completed. | 3 days                                |
5.3 Data Conversion and Migration

5.3.1 Objective
Convert and transfer or create required DRS data from multiple data sources (manual and electronic) to the BPMS Solution and ERA. [DISCUSS – DURING IPS PRIME VENDOR TO VALIDATE MINIMUM (MANDATORY) DATA REQUIRED TO SUPPORT THE IMPLEMENTATION]

5.3.2 Approach
Since data will originate from multiple sources, the data will need to be consolidated into a simple table structure and/or file layout to confirm unique and consistent data values. When necessary, automated conversion scripts and/or utilities or tools will include business logic to map the existing values to the configured BPMS Solution and ERA. In order to complete these activities to convert the data, DRS will provide the appropriate business rules relating to existing systems and data.

All data required to meet the DRS Business and Technical Requirements will be reviewed and finalized during the design sessions, and the source of that data and the method and timing of conversion (electronic or manual) will be determined. Prime Vendor will lead multiple sessions to finalize the complete list of data elements that will be converted and migrated, and arrive at the agreed to strategy for conversion. DRS will be responsible for sourcing the data and providing the data in the required format, including any data that may not reside within the DRS system.

The data conversion sequence will be replicated multiple times during the ERA Project for each of the BPMS Solution and ERA Modules. The integrity of the data converted must be assured. Once the individual conversion programs are functionally and unit tested, further Pre-Live Testing will be conducted before the final extraction of existing data can be performed prior to cutover to Production.

5.3.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3.3.1</td>
<td>Develop data conversion strategy - Prime Vendor will be responsible for developing a data conversion strategy for the ERA Project.</td>
</tr>
<tr>
<td>5.3.3.2</td>
<td>Prime Vendor will be responsible for developing a data conversion plan that will:</td>
</tr>
<tr>
<td></td>
<td>• Define the conversion sequence and timing;</td>
</tr>
<tr>
<td></td>
<td>• Define the dependencies;</td>
</tr>
<tr>
<td></td>
<td>• Determine what data conversion will be automated and what will be manual;</td>
</tr>
<tr>
<td></td>
<td>• Finalize the data to be converted; and</td>
</tr>
</tbody>
</table>
### Requirement Statement

- Assure the integrity of the data converted.

DRS will be responsible for providing data specifics and volumes, selecting the data conversion method (automated/manual) and defining appropriate existing data to convert.

#### 5.3.3.3 Perform data mapping for converted data - Prime Vendor will be responsible for:

- Identifying the BPMS Solution and ERA data fields;
- Mapping the existing data fields and data to the Prime Vendor data fields or Prime Vendor data fields to DRS data fields;
- Validating that all required fields are populated; and
- Creating field mapping template and identifying required fields and field attributes (e.g., character, numerical, length, specific value).

DRS will be responsible for identifying the existing data fields and consolidating and creating common table structure/file layout for multiple source data sets, as well as for data mapping and validation. DRS will also provide DRS specific business rules for conversion.

#### 5.3.3.4 Perform data cleansing - DRS is responsible for defining the data cleansing rules and ensuring the integrity of the data converted. Prime Vendor will be responsible for assisting in defining the data cleansing rules and performing data cleansing as required.

#### 5.3.3.5 Design automated data conversion scripts and programs - Prime Vendor will be responsible for designing the programs necessary to upload DRS system data into the relevant Prime Vendor application and identifying the necessary data transformations.

#### 5.3.3.6 Develop and test the automated data conversion scripts and programs - Prime Vendor will be responsible for developing the automated data conversion programs based on the design developed and unit testing the data conversion programs.

### 5.3.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3.4.1</td>
<td>Data Conversion Strategy and Policies Document containing a list of shared tables to review. For the shared areas, dependencies will be identified with re-</td>
<td>PV</td>
<td>DRS</td>
<td>Data conversion strategy and policies document with complete details on the data conversion</td>
<td>5 days</td>
<td></td>
</tr>
</tbody>
</table>
### Appendix D.3 – Statement of Work

*Employer Reporting Application Project*

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
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<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>spect to the phased timeline approach and responsibilities and conversion dates will be assigned.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 5.3.4.2        | Data Conversion Plan     | Document outlining the data conversion plan, including:  
- Conversion sequence;  
- Dependencies, including modifications identified in the fit/gap sessions and configuration;  
- Identification of what data conversion will be automated and what will be manual;  
- Data integrity testing; and  
- Identification of all data to be converted (all history, limited history, no history). | PV | DRS | Data Conversion Plan is complete with details on the manner in which the conversion will be performed including conversion sequence, dependencies and data to be converted. | 5 days |
| 5.3.4.3        | Data Mapping Documents that Include Data Extraction Templates | Data mapping document for converted data entering the BPMS Solution and ERA that contains the following:  
- Identification of existing data fields;  
- Identification of BPMS and ERA data fields;  
- Mapping of existing fields to BPMS and ERA fields or BPMS and ERA fields to existing fields;  
- Data migration rules and data cleansing requirements; and  
- Data extraction templates. | PV | DRS | Complete data mapping documents detailing the mapping of source data to target fields and data mapping templates to be used for data extraction. Documentation to include identification of existing data fields and BPMS and ERA data fields, mapping of existing fields to BPMS and ERA fields or BPMS and ERA fields to existing fields, data migration rules and data cleansing requirements. | 5 days |
| 5.3.4.4        | Data Mapping Document for Existing Systems | Data mapping document for DRS existing systems that contains the following:  
- Identification of existing data fields;  
- Identification of BPMS and ERA | DRS | PV | N/A | N/A |
### Appendix D.3 – Statement of Work

**Employer Reporting Application Project**

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<tr>
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<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3.4.5</td>
<td>Technical Design Document</td>
<td>Approach to build automated data conversion programs using the information within the previous data conversion Deliverables.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete technical design document detailing the approach to build the automated data conversion programs using the information within the previous data conversion Deliverables.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.3.4.6</td>
<td>Data Conversion Scripts and Programs and Unit Test Results</td>
<td>Automated data conversion scripts and programs and results of unit testing of the automated data conversion program, including programs designed to ensure the integrity of the data converted.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete automated data conversion programs developed according to the technical design document that load DRS’ system data into the appropriate Prime Vendor BPMS Solution and ERA Modules. Results of the unit tests of the conversion programs.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.3.4.7</td>
<td>Data Extraction</td>
<td>For DRS responsibilities, extraction of existing data according to the agreed upon template and creation of export routines to feed or extract data from an existing system.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.3.4.8</td>
<td>Existing Data Extractions Verification Report</td>
<td>For Prime Vendor responsibilities, extraction of existing data according to the agreed upon template and creation of export routines to feed or extract data from an existing system.</td>
<td>PV</td>
<td>DRS</td>
<td>Extraction of existing data and/or creation of export routines are validated and successful.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.3.4.9</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint</td>
<td>3 days</td>
</tr>
</tbody>
</table>
5.4 Disaster Recovery and Business Continuity

5.4.1 Objective
Ensure that the BPMS Solution and ERA will meet the disaster recovery and business continuity requirements of CTS or other technology partner which will host the BPMS Solution.

5.4.2 Approach
The parties will finalize the Disaster Recovery and Business Continuity Plan in accordance with the terms and condition of the appropriate technology partner. The Disaster Recovery and Business Continuity Plan will address both disasters and failures emanating from and/or caused by Prime Vendor, and disasters and failures emanating from and/or caused by DRS.

5.4.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4.3.1</td>
<td>Disaster Recovery and Business Continuity Elements</td>
<td>If not previously accomplished in the IPS, Prime Vendor to identify all major elements required of DRS to fulfill Disaster Recovery and Business Continuity Plan.</td>
</tr>
<tr>
<td>5.4.3.2</td>
<td>Disaster Recovery and Business Continuity Best Practices</td>
<td>If not previously accomplished in the IPS, Prime Vendor to provide best practices, sample plans and templates for DRS’ consideration.</td>
</tr>
<tr>
<td>5.4.3.3</td>
<td>Disaster Recovery and Business Continuity Plan</td>
<td>Develop the Disaster Recovery and Business Continuity Plan for the BPMS Solution and ERA.</td>
</tr>
<tr>
<td>5.4.3.4</td>
<td>Disaster recovery and business continuity strategies and policies</td>
<td>Prime Vendor and DRS to review and update policies and strategies that define the process of implementing the Disaster Recovery and Business Continuity Plan.</td>
</tr>
<tr>
<td>5.4.3.5</td>
<td>Disaster Recovery and Business Continuity Plan Tools and Systems</td>
<td>Install and test any tools and systems required for Prime Vendor to fulfill its obligations under the Disaster Recovery and Business Continuity Plan.</td>
</tr>
</tbody>
</table>
5.4.3.6 Disaster Recovery and Business Continuity Plan Testing
Test the Disaster Recovery and Business Continuity Plan, and remediate any issues.

5.4.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4.4.1</td>
<td>Disaster Recovery and Business Continuity Elements</td>
<td>Identify all major elements required of DRS to fulfill Disaster Recovery and Business Continuity Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>All major areas required to be fulfilled by DRS to implement its responsibilities under the Disaster Recovery and Business Continuity Plan are identified.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.4.4.2</td>
<td>Additional Best Practices (DR/BC)</td>
<td>Prime Vendor to provide additional best practices, sample plans and templates for DRS' consideration.</td>
<td>PV</td>
<td>DRS</td>
<td>Full set of best practices, sample plans and templates from a variety of other engagements are provided to DRS for its review.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.4.4.3</td>
<td>Disaster Recovery and Business Continuity Plan</td>
<td>Update the Disaster Recovery and Business Continuity Plan to meet DRS' needs.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Disaster Recovery and Business Continuity Plan meeting applicable requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.4.4.4</td>
<td>Policies and Strategies (DR/BC)</td>
<td>Ensure polices and strategies that define the process of implementing the Disaster Recovery and Business Continuity Plan for DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>Polices and strategies that define the process of implementing the Disaster Recovery and Business Continuity Plan are provided to DRS, are complete and provide assurance that the requirements of the Disaster Recovery and Business Continuity Plan can be met.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.4.4.5</td>
<td>Disaster Recovery</td>
<td>Create polices and strategies that define</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
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<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Policies</td>
<td>the process of implementing the Disaster Recovery and Business Continuity Plan.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.4.4.6</td>
<td>Prime Vendor Tools and Systems</td>
<td>Install tools and systems required to fulfill Prime Vendor's obligations under the Disaster Recovery and Business Continuity Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Tools and systems required of Prime Vendor to be implemented to enable Prime Vendor to fulfill its obligations under the Disaster Recovery and Business Continuity Plan have been installed and implemented.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.4.4.7</td>
<td>DRS Tools and Systems</td>
<td>Install tools and systems required to fulfill DRS' responsibilities under the Disaster Recovery and Business Continuity Plan.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.4.4.8</td>
<td>Testing of Disaster Recovery and Business Continuity Plan</td>
<td>Testing of the Disaster Recovery and Business Continuity Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Disaster Recovery and Business Continuity Plan fully tested and proven to meet the requirements under the plan.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.4.4.9</td>
<td>Finalization of Disaster Recovery and Business Continuity Plan</td>
<td>Correct any failures to comply with the requirements or other aspects of the Disaster Recovery and Business Continuity Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Disaster Recovery and Business Continuity Plan fully tested and proven to meet the requirements under the plan.</td>
<td>3 days</td>
</tr>
<tr>
<td>5.4.4.10</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>5.4.4.11</td>
<td>Certification Form - Disaster Recovery and Business Continuity Plan</td>
<td>Certification Form - Disaster Recovery and Business Continuity Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Disaster Recovery and Business Continuity Plan and successful testing of the plan.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

### 5.5 Solution Security

#### 5.5.1 Objective

Ensure all components of the BPMS Solution and ERA are protected by the appropriate controls based on risk and threat analysis. Access to the BPMS Solution and ERA by Prime Vendor personnel shall only be permitted on an as-needed basis, is subject to con-
trols in accordance with and subject to the Security Policies and Procedures and other terms and conditions of the Technology Agreement, including Schedule 1.3.7 of the Technology Agreement.

5.5.2 Approach

A joint Prime Vendor/DRS team will design, configure and implement security for the BPMS Solution and ERA; and ensure that the BPMS Solution and ERA security complies, interfaces and integrates with DRS’ single-sign-on, multifactor authentication identity management system for authentication (“SSO”). Prime Vendor will implement integration to authentication for DRS-selected business functions. The activities pertaining to security will be performed by Prime Vendor in conjunction with (and not after) the design, build, configuration and validation activities specified in Section 4.0 (inclusive of Sections 4.1 through 4.4). Prime Vendor will be responsible for the integration of the SSO and all DRS platform security systems with the BPMS Solution, including both mainframe and Windows, whether purchased or developed by DRS or CTS.

Standard user access to the BPMS Solution and ERA will be accommodated for both internal and external access through the DRS Portal page.

Once the individual is authenticated and requests access to the BPMS Solution and ERA, the unique identification information will be passed and all secure access to BPMS Solution and ERA functionality will be based on their defined BPMS Solution and ERA security access. A trusted authentication will be needed with potentially a secure token from DRS to the BPMS Solution and ERA to safeguard against unauthorized access.

5.5.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5.3.1</td>
<td>Applications security approach</td>
<td>For each user of the BPMS Solution and ERA there is a requirement to manage their access. Each user will have an easily identifiable and unique user ID. The security roles and spans of control will be documented within the specific component of the BPMS Solution and ERA, and determine what the end user can view, update and create.</td>
</tr>
<tr>
<td>5.5.3.2</td>
<td>Security Matrix</td>
<td>A security matrix will be developed by DRS outlining the roles and span of control.</td>
</tr>
<tr>
<td>5.5.3.3</td>
<td>End user BPMS Solution and ERA access</td>
<td>DRS will assess and modify, as needed, its existing authorizations and business processes based on the design of the BPMS Solution and ERA. A structure will be created to provide authorization for new users, requests for further access of a BPMS Solution and ERA or the re-activation of an account.</td>
</tr>
</tbody>
</table>
## Requirement # | Requirement Title | Requirement Statement
--- | --- | ---
5.5.3.4 | Integration of SSO, and mainframe security | Prime Vendor to integrate SSO and mainframe security interface(s) into and with the BPMS Solution and ERA.
5.5.3.5 | Audit of access rights | Scheduled audits will be conducted on all users to view who has access to what areas of a BPMS Solution and ERA. This will be performed to ensure that the user has the correct access and will contribute to good housekeeping as it will highlight accounts that not been accessed for a period of time.
5.5.3.6 | Correction of Defects and other Issues | Prime Vendor to correct any Defects and other Issues arising from the securing audit.

### 5.5.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5.4.1</td>
<td>Templates and Samples</td>
<td>Security matrix templates and samples, reflective of the complexity of DRS’ security needs, provided by Prime Vendor.</td>
<td>PV</td>
<td>DRS</td>
<td>Templates and samples reflecting the complexity of DRS’ security environment provided to DRS.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.5.4.2</td>
<td>Security Matrices</td>
<td>Create security matrices identifying all roles, span of control and description of role profiles, and their level of access, and with each such role, mapped to functionality and data and data types in the BPMS Solution and ERA for: (1) human-based roles; and (2) system (i.e., non-human-based) roles.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.5.4.3</td>
<td>Security Matrices Certification</td>
<td>Certification of both security matrices.</td>
<td>PV</td>
<td>DRS</td>
<td>DRS’ security matrices (2) are certified by Prime Vendor</td>
<td>3 days</td>
</tr>
<tr>
<td>5.5.4.4</td>
<td>Assess/Modify Authorizations</td>
<td>Assess and modify, as needed, DRS existing authorizations and business</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Deliverable/Activity Description

- **5.5.4.5** Integration with SSO, and mainframe security
  - Integrate, test and validate SSO and mainframe security with the BPMS Solution and ERA.
  - Integration of SSO and mainframe security with the BPMS Solution and ERA is complete and fully tested.
  - DRS PV N/A N/A 5 days

- **5.5.4.6** SSO and/or mainframe security Modifications
  - Modify SSO and/or mainframe security to accommodate the integration of security with the BPMS Solution and ERA, as required.
  - All Defects and other Issues have been corrected, including any regression testing.
  - PV DRS N/A N/A

- **5.5.4.7** Security Audit
  - Conduct security audit.
  - Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.
  - PV DRS N/A N/A

- **5.5.4.8** Correction of Defects and other Issues
  - Correct any Defects or other Issues arising out of the security audit.
  - Certification Form stating that each component of the BPMS Solution and ERA integrates and interfaces with DRS’ single sign-on solution and strategy, and that all security controls are functioning properly.
  - PV DRS N/A N/A

### Performance Standards Management

#### 5.6.1 Objective

Ensure that the BPMS Solution and ERA meets the Performance Standards.
5.6.2 Approach

Using the process described below, establish design and configuration criteria to ensure that the BPMS Solution and ERA meets the Performance Standards. Prime Vendor will perform test all configurations, Interfaces, Extensions and reports of the BPMS Solution and ERA as they are built to ensure the optimum performance is achieved and the Performance Standards are met, which is intended to result in a higher adoption rate when deployed to the user community and for system-to-system interaction. In addition, once the entire BPMS Solution and ERA is built and tested, Prime Vendor will perform a performance test to ensure that optimum performance continues to be prevalent and the Performance Standards are met.

Effective performance management requires a holistic view. Management of performance is not limited to reactive tuning exercises or isolated to performance testing. The BPMS Solution and ERA must be designed, developed, tested and monitored by Prime Vendor in accordance with these performance management processes to meet the Performance Standards and other expectations of the DRS business users.

5.6.3 Requirements

End-to-End, System-to-System Response and Throughput Times

Response time is specifically related to the user and system-to-system experience with the online portion of the BPMS Solution and ERA; and is typically measured as the total period of time from when the user or a system initiates a transaction by clicking or pressing a button, until the user or a system request gets a BPMS Solution and ERA response such as screen refresh, an update message on the screen or a response to the system request. Throughput is the number of functional transactions that can be performed within a given time interval.

Standard and Time Intensive Transactions

DRS have identified typical, standard transactions ("Standard Transactions") for the ERA, as set forth below. Working with Prime Vendor, DRS will identify additional Standard Transactions and other time-intensive transactions, such as system log-in, batch jobs, printing, report compilation or mobile device synchronization ("Time-Intensive Transactions"), in which the performance of the ERA will be measured. Prime Vendor will implement appropriate design standards, controls, monitoring checkpoints, testing and metrics to review system performance for the Standard Transactions and Time-Intensive Transactions as the project progresses through Pre-Live Testing to the Production Use Period.

Standard Transactions include the transactions referenced below, and will include any additional transactions as agreed to by the parties during the project:

- Enroll Employer
- Update Employer
- Determine Member Eligibility
• Enroll Member
• Update Member
• Plan Choice
• Earning Activity
• Process Employer Report
• Process Employer Electronic Payments
• Employer Profile Review
• Member Lookup
• Review Employer Enrollment
• Register Employer/Employer Login

The List of Throughput metrics will specify, as applicable:
• The exact type or types of functional transactions to be measured
• The time periods during the day, week, month and business cycle when the measurements are to be made
• The time interval allocated for executing and measuring the test results
• The minimum acceptable number of transactions to be processed during the time interval
• The anticipated method of measurement

The List of Response-Time metrics will specify, as applicable:
• The exact types of functional transactions to be measured
• The start and end points of each measurement
• The time periods during the day, week, month and business cycle when the measurements are to be made
• The expected numbers of logged-in and simultaneously active users, respectively
• The anticipated method of measurement
• The volume and type of simultaneous functional transactions being processed
• The maximum acceptable response time for each transaction type being measured

Business users need systems that meet their business needs during a variety of times. Frequently the demands for system performance are greatest during peak workload, and users have difficulty accepting systems that meet the throughput or response time objectives under light or normal load conditions, but fail to meet the objectives in a peak load scenario. Typically, there are daily, weekly, monthly, seasonal and annual peak periods. These peak load demands will be identified and considered jointly by Prime Vendor and DRS when creating the performance testing plan.

Prime Vendor will reinforce this detailed performance management approach with a usability testing set of activities to be agreed to by the parties that include either real time measurement of transactions using automated tools or measurement of synthetic or simu-
lated business transactions. This exercise will help establish the end user and/or system experience. Prime Vendor and DRS will together use this test data to help identify areas for further refinement and performance tuning. This data will be used jointly by the performance management team and the change management teams.

Environmental Factors

One of the key issues related to performance management is the large number of environmental factors that can be involved in performance. Factors include:

- Poor technical design
- Poorly-optimized code
- BPMS Solution and ERA level constraints such as CPU, memory, I/O subsystem performance
- Database configuration
- Network Issues
- Application configuration
- Defects in delivered code
- User training Issues
- Lack of appropriate capacity planning
- Failure to implement appropriate patches or required maintenance procedures such as transactional table purges

In order to avoid the problem where ownership of these environmental factors are spread across a number of teams and organizational areas, Prime Vendor has appointed a single point of contact as a Key Personnel (Performance Standards Management Lead) that has the overall responsibility to work with the various project and organizational teams to implement, track and control Performance Standards management initiatives.

BPMS Solution and ERA Components

Listed below are the general layers in any system architecture, each of which can have an impact on the overall performance of the BPMS Solution and ERA.

- Presentation layer, including user interfaces and user interface components
- Service layer, including service interfaces and message types
- Business layer, including service interfaces, business workflows, business components and business entities
- Data access layer including data access logic components and service agents
- Data stores, including data sources, databases and data services
- Foundational services, including security, operational management and communications
- External systems, including service consumers and service providers
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- Operating system, including version, release and build
- Hardware, including make, model, release and components
- Networks, including physical topology and logical topology
- Configuration and settings of all of the above referenced layers

The Performance Testing Plan will ensure that performance testing will include validating all these layers of the BPMS Solution and ERA acting together in the combined business system. Prime Vendor will perform regression testing prior to any release into a production environment.

**User Orientation**

The performance management process is oriented around the user view of performance. BPMS Solution and ERA level performance factors relating to technical architecture, database and application configuration and other factors cannot be ignored, but performance of the business critical transactions is key to establishing a well performing system from a user perspective. The transactions that are considered business critical are the ones that will receive priority throughout the implementation.

Functional and technical designs will be evaluated for performance implications and Risks, any Interfaces, Extension, reports and customizations will be reviewed by Prime Vendor for potential optimization, response times in development and testing will be evaluated, and key selected transactions will be included in formal performance testing. Identifying critical business transactions early allows the appropriate focus on performance going forward, which is key to minimizing expensive, time-consuming remediation and rework.

**Design for Performance – Configurations for Newly Implemented Solutions**

Prime Vendor will implement performance impact analysis reviews as part of the activities around BPMS Solution and ERA build and configuration. These activities will include: Selection of configurations and configuration values, code reviews for performance, proactive scanning for sub-optimal components, detailed performance testing of individual components and automated performance testing. All activities shall be performed in order to confirm that the solution environment will meet the Performance Standards.

During the activities of business process design and system configuration, Prime Vendor will capture and document the Performance Standards in the individual component design documents and configure the system to meet these standards. Prime Vendor functional leads with assistance from the DRS functional leads will present and explain the system configuration options to DRS keeping in mind the impact of the various options on performance.

**Formal Performance Testing**

For formal performance testing, the performance test objectives, scope and strategy will be defined in a Performance Testing Plan, which testing plan must be consistent with the testing provisions of the Technology Agreement and consistent with this ERA Project Statement of Work, as applicable. Performance testing uses a top down approach, and it can be used to validate a model of the en-
tire BPMS Solution and ERA or focus exclusively on a particular component of the BPMS Solution and ERA. Performance testing will establish the expected performance of the BPMS Solution and ERA or component under test. Prime Vendor will validate that performance of the BPMS Solution and ERA in Production will meet or determine if changes are required to meet the Performance Standards. Pre-Live Testing closeout will include the review of performance testing results.

The performance testing will test various scenarios that include users or, as agreed to by DRS, simulated user transactions that represent business use cases. At a high level, scenarios are generally divided into two types: Those that have significant online activity (OLTP) and those that are primarily or totally batch processing in nature (batch). Examples of scenarios might include a scenario that simulates peak daytime workload and includes a mixture of online transactions and some limited batch activity. Another, more batch oriented scenario, might simulate a nightly batch process and contain representative online transactions.

Prime Vendor will provide the necessary performance testing tools and utilities to fulfill its performance management obligations, all as part of the scope of Services under this Statement of Work and at no additional cost or expense to DRS. The tools and utilities used by Prime Vendor in connection with performance obligations shall constitute Prime Vendor Tools and Utilities, as defined under and are subject to the terms and conditions of the Technology Agreement.

5.6.4 Deliverables, Activities and Certification Criteria – See Section 6.3.9.

5.7 Technology Environments

5.7.1 Objective

Ensure that all DRS-based BPMS Solution and ERA environments for development, testing, training and production have been properly set-up and configured.

5.7.2 Approach

Prime Vendor will define and certify the equipment configuration for each of the environments operating the BPMS Solution.

5.7.3 Requirements

The following Table outlines and describes the requirements to be addressed and issues to be resolved:
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5.7.3 Define the BPMS Solution and ERA environments
Define all the environments needed or advisable for the operation of the BPMS Solution and ERA.

5.7.3.2 Integrate BPMS Solution and ERA components with DRS production control processes
Ensure components of BPMS (e.g. rules, models, etc.) are integrated with the DRS IT services’ production control processes, such that deployment of IT services function as an integrated release in each environment.

5.7.3.3 Review DRS-based environments
Prime Vendor will review each of the DRS environments and provide DRS with a resolution to any technical issues.

5.7.3.4 Certification of the equipment configuration in each DRS-based environment
Prime Vendor will review and certify the equipment configuration in each DRS-based environment.

5.7.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.7.4.1</td>
<td>BPMS Solution and ERA Environments</td>
<td>Define the BPMS Solution and ERA operating environments.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete listing and attributes of the DRS-based environment to support the DRS operational, training, testing and Performance Standards requirements.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.7.4.2</td>
<td>Integrated Production Control Processes</td>
<td>Provide tools and Interfaces to integrate the BPMS component migration with the DRS IT Services’ production control processes.</td>
<td>PV</td>
<td>DRS</td>
<td>BPMS Solution components can be packaged and deployed as a comprehensive functional release through DRS IT Services.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.7.4.3</td>
<td>Environment Defects and Issues Log</td>
<td>Review DRS-based environments.</td>
<td>PV</td>
<td>DRS</td>
<td>Description of technical improvements or changes needed for Prime Vendor to certify the environments.</td>
<td>5 days</td>
</tr>
<tr>
<td>5.7.4.4</td>
<td>Certification Form – DRS-Based Environ-</td>
<td>Certification Form - DRS-based environments.</td>
<td>PV</td>
<td>DRS</td>
<td>Certification Form stating that the DRS-based environments are sufficient to meet</td>
<td>3 days</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Deliverable ID</th>
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<th>R</th>
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<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DRS' operational, training, testing and performance standards requirements.</td>
<td></td>
</tr>
</tbody>
</table>
6.0 Testing

6.1 Objectives
Test the quality of all the elements of the BPMS Solution and ERA; and validate that the BPMS Solution and ERA is ready for Production. The objectives of the testing and validation include ensuring that the following objectives are met without Level 1 or Level 2 Defects:

- The BPMS Solution and ERA meets all the DRS Business and Technical Requirements;
- The BPMS Solution and ERA is successfully integrated end-to-end with the components within the BPMS Solution and ERA, as designed;
- All Interfaces to Third Party systems operate as designed;
- The BPMS Solution and ERA meets the Performance Standards; and
- The BPMS Solution and ERA meets DRS' security requirements and DRS data integration requirements.

6.2 Approach and General Testing Activities
The BPMS Solution and ERA will be subject to the following test stages:

<table>
<thead>
<tr>
<th>Test Stage</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional testing</td>
<td>Components of the BPMS Solution and ERA are tested to ensure the components functions and operates in accordance with the DRS Business and Technical Requirements.</td>
</tr>
<tr>
<td>Accessibility testing</td>
<td>The BPMS Solution and ERA are tested for ADA compliance based on test parameters identified by DRS.</td>
</tr>
<tr>
<td>Unit testing</td>
<td>Ensure that a Solution Module functions and operates in accordance with the DRS Business and Technical Requirements.</td>
</tr>
<tr>
<td>System and Integration testing</td>
<td>Ensure that all BPMS Solution and ERA Modules communicate properly and data flows are correct; ensure that all Interfaces, Extensions and reports function as designed.</td>
</tr>
<tr>
<td>User Acceptance testing</td>
<td>Ensure the end-to-end BPMS Solution and ERA functions and operates in accordance with the DRS Business and Technical Requirements.</td>
</tr>
<tr>
<td>Regression Testing, as required</td>
<td>Ensure no unexpected or inadvertent failures from adding new BPMS Solution and ERA Modules, or the application of any patches, fixes or other Feature Upgrades.</td>
</tr>
</tbody>
</table>
### Test Stage | Purpose
---|---
**Security testing** | Ensure security controls are configured and implemented properly, and that all users profiling / single sign-on functionality prevents any unauthorized functional activities. Ensure all external security threats are managed to an acceptable level of risk.

**Device testing** | Ensure configuration and connectivity of all devices to the BPMS Solution and ERA. Prime Vendor will conduct technical device testing for all data capture and other devices.

**Performance (load, volume and stress)** | Ensure the BPMS Solution and ERA performs in accordance with the Performance Standards, and stress testing demonstrates at what level the BPMS Solution and ERA performance begins to degrade.

**Parallel Processing** | Ensure all key operations function as specified and parallel results in sufficient matching to enable DRS to provide approval for cutover to Production.

**Data Conversion and Migration testing** | Converted and migrated data is tested to ensure that all applicable data elements have been successfully converted and migrated, and that such conversions and migrations have been validated.

**Disaster Recovery and Business Continuity testing** | Ensure that the Disaster Recovery and Business Continuity Plan successfully executes when presented with the all relevant test failures. Ensure that the Disaster Recovery and Business Continuity Plan executes within specified timeframes.

Prior to the commencement of the test stages, Prime Vendor and DRS will engage in test preparatory activities. In addition, certain activities will occur during the test stages. These activities are described below.

#### 6.2.1 Test Initiation Activity

The initiation activity establishes the test strategy to be used throughout the test stages. The objectives of the initiation activity are to confirm the scope of the testing across the various test stages, including:

- Developing the testing approach, processes, roles and responsibilities;
- Developing the entry and exit criteria for all testing activities; and
- Identifying Risks, assumptions, and Issues associated with the testing activities.

#### 6.2.2 Test Strategy Activity

During the testing initiation activity, a test strategy workshop will be conducted to discuss the test strategy required in accordance with this Section. The workshop will include DRS SMEs and project team members to ensure that appropriate DRS constituencies are aware of the test process, responsibilities are clearly understood, and the testing scope is correctly determined to ensure the end-to-end IT solution meets the DRS Business and Technical Requirements.

In addition, the strategy will outline the optimum testing approach to ensure all test requirements are met for the minimum time, cost and effort.
The test strategy activity will:

- Document all testing requirements;
- Identify initial test environment requirements;
- Define the high-level entry and exit criteria;
- Identify testing Risks, Issues and mitigations;
- Finalize the test tools and other techniques that Prime Vendor will be using for the testing;
- Develop the template and format for the Defects and Issues Log to record and report on all Defects and other Issues, including the assignment of Incident Levels and issue resolution;
- Identify individuals who will participate in the testing; and
- Prepare the TRM.

6.2.3 Planning Activity
During the planning activity, the Prime Vendor testing team will develop the detailed Test Plans for each test stage. This will include Test Plans incorporating all the elements described in this Section.

6.2.4 Test Plans and Test Material Activity
Individual Test Plans and Test Materials for each test stage will be developed, including, if needed, materials to further define the test stages, test scope, approach, test sequence and resources for each defined test stage. Team members will research and confirm the following to complete the Test Plans and Test Materials:

- Detailed test scope and sequence of testing;
- Test preparation and execution approach, techniques and Deliverables; and
- Resources used for testing.

6.2.5 Analysis Activity
The purpose of the analysis activity is to build the specific tests to be executed for each test stage, and identify in detail the supporting test environments and data required to enable this testing to take place.

The scope of this activity is to:

- Document the environment plan for each test stage;
- Formulate test conditions and cases for each test stage;
- Establish a test data plan;
- Construct the TRM, which will be aligned with the RTM;
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- Identify test data for each test stage;
- Finalize the Test Scenarios and Test Scripts for each test stage; and
- Prepare for test execution.

Key outputs of the analysis activity include:

6.2.5.1 Test Requirements Matrix (TRM)
The Test Requirements Matrix will map each of the DRS Business and Technical Requirements to the Solution Design Documents and Test Scenarios and Test Scripts. The TRM will ensure that all DRS Business and Technical Requirements as well as the Performance Standards are each addressed by specific tests. The TRM will also serve to provide a basis for snapshot status of testing progress against overall scope and current quality at any one time. The TRM will be aligned with the RTM, thus ensuring a consistent view of traceability of requirements to tests.

6.2.5.2 Test Conditions and Cases
The test team will use test requirements identified in the individual Test Plans to create test conditions, test cases and test sets. Test conditions are testable functional and non-functional attributes of the applications, Interfaces, Extensions, reports and end-to-end flows. Test cases are grouped by test condition. A test case is a detailed description of the related test condition with unique input and output specifications. Both valid and invalid test cases may be created for each test condition. It is possible to have multiple test cases for each test condition. The expected result specifies the anticipated outcome of the test case and must be identifiable, quantifiable, and written in enough detail to warrant a "pass" or "fail" rating. All of the test conditions and test cases will be captured within the test management tool.

6.2.5.3 Test Scenarios and Test Scripts
Initial drafts of the Test Scenarios and Test Scripts are created by Prime Vendor during the design stage and are further developed by DRS with input from Prime Vendor as the design sessions continue and during build and configuration. The Test Scenarios and Test Scripts are verified through a walk-through with DRS SMEs, the test team and other delivery teams. This process will be repeated as often as necessary as the design, build and configuration activities progress. As applicable, test sets are a set of tests that are grouped for a specific test cycle. These may include all of the tests within a test stage (if applicable) or a subset depending on the scope of the test cycle. Test Scenarios and Test Scripts and any test sets will be captured and maintained by Prime Vendor within the test management tool, a copy of which will be provided to DRS and made available in DRS' SharePoint site. In connection with performance testing and regression testing, the Test Scripts will be created within the specific toolset for that activity.

DRS may supplement or modify any of the foregoing Test Materials as may be necessary to adequately test the BPMS Solution and ERA.
6.2.5.4 Test Environments
A test environment sufficient to support the testing requirements will be created during the build, configure and validate activities. Test environment requirements include accommodating the applications, Interfaces and Extensions, as well as the supporting reference and transactional data.

6.2.5.5 Test Data
Prime Vendor will work with DRS to provide the initial set of test data. DRS SMEs will supplement the test data as needed, and will be responsible for validating the data prior to test execution. The test data plan will specify how data will be generated (e.g., new synthetic data or normalized live data), updated, refreshed and controlled. The test data plan will identify all possible Risks of inappropriate and unacceptable use of live data and will provide alternative means to ensure test data requirements are met. All testing documentation will reside on the DRS SharePoint site. Electronic copies of each of the artifacts referenced in this Section (i.e., TRM, Test Scenarios, Test Scripts, test sets, test data, etc.), and all updates thereto, will be provided to DRS for its ongoing use.

6.2.5.6 Testing Documentation
All testing documentation will reside on the DRS SharePoint site.

6.3 Test Stages
Key activities will be performed during each stage of testing to enable successful progression to the next test stage. Each of the test stages details the activity, activity description, the responsible party, the tools and templates and the project outputs. These are detailed below and summarized in the related Tables by section.

6.3.1 Functional Test Stage

6.3.1.1 Objective
Ensure that individual functions within a component of the BPMS Solution and ERA operate in accordance with the DRS Business and Technical Requirements.

6.3.1.2 Approach
This initial testing establishes usability and validates the design of the application, Interfaces, Extensions and reports against the DRS Business and Technical Requirements. The test is intended to allow DRS to see how the specific component will function. At this point, most design and process decisions have been made and enough of the database build has been completed to allow DRS to confirm its decisions.

A functional test may also be used to ensure that a newly created or recently refreshed environment is operational. For example, when software and reference data are moved from the build or test domain to a training domain, it is important to ensure that each application is functional in the training domain.

6.3.1.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.1.3.1</td>
<td>Functional Test Plan</td>
<td>Prime Vendor will develop a Test Plan for conducting, reporting, and monitoring all testing activities, and a process to correct Defects and other Issues. Deliverable(s): • Test Plan • Testing templates • Test Scenarios • Test Scripts</td>
</tr>
<tr>
<td>6.3.1.3.2</td>
<td>Functional test execution</td>
<td>Prime Vendor will conduct tests based on the Test Scenarios and Test Scripts. Quality Assurance: Prime Vendor will provide summaries of each test along with the detailed test results in electronic format of each test conducted. Prime Vendor will update and maintain the Issues and Defect Log. Defects and other Issues will be resolved and corrected by Prime Vendor prior to certification of functional testing. Deliverable(s): • Functional test summaries and detailed test results • Functional build approved</td>
</tr>
</tbody>
</table>

### 6.3.1.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.1.4.1</td>
<td>Functional Test Plan</td>
<td>Functional Test Plan, including schedule, Test Scenarios, Test Scripts and activities.</td>
<td>PV</td>
<td>DRS</td>
<td>Functional Test Plan, including schedule, Test Scenarios, Test Scripts and activities, is completed.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.1.4.2</td>
<td>Functional Testing</td>
<td>Conduct functional testing and provide summaries and detailed test results</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Appendix D.3 – Statement of Work

**Employer Reporting Application Project**

---

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>DRS.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3.1.4.3</td>
<td>Functional Test Defects and Issues Log</td>
<td>Functional testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete functional testing Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.1.4.4</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.1.4.5</td>
<td>Certification Form – Functional Testing</td>
<td>Certification Form - Functional Testing.</td>
<td>PV</td>
<td>DRS</td>
<td>Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

---

### 6.3.2 Accessibility Test Stage

#### 6.3.2.1 Objective
Ensure that individual functions within a component of the BPMS Solution and ERA operate in accordance with ADA and DRS accessibility requirements.

#### 6.3.2.2 Approach
The BPMS Solution and ERA is tested for compliance with ADA and DRS accessibility requirements. Testing will include testing for compliance with:

(a) Section 508, the ADA's outline of the minimum technical standards for Internet compliance of federal government websites, to ensure online accessibility for people with visual, hearing and movement impairments;

(b) W3C Web Content Accessibility Guidelines 2.0 found at [http://www.w3.org/TR/wcag20](http://www.w3.org/TR/wcag20); and

(c) Other DRS accessibility requirements set forth in the DRS Business and Technical Requirements or identified during previous implementation activities.

#### 6.3.2.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.2.3.1</td>
<td>Accessibility Test Plan</td>
<td>Prime Vendor will develop a Test Plan for conducting, reporting, and monitoring all accessibility testing activities, and processes to correct Defects and other Issues.</td>
</tr>
</tbody>
</table>
6.3.2.3.2 Accessibility test execution

Prime Vendor conducts accessibility tests based on the Test Scenarios and Test Scripts. Quality Assurance: Prime Vendor will provide summaries of each test along with the detailed test results in electronic format of each test conducted. Prime Vendor will update and maintain the Issues and Defect Log. Defects and other issues will be resolved and corrected by Prime Vendor prior to certification of accessibility testing.

Deliverable(s):
- Accessibility test summaries and detailed test results
- Accessibility build approved

6.3.2.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.2.4.1</td>
<td>Accessibility Test Plan</td>
<td>Accessibility Test Plan, including schedule, Test Scenarios, Test Scripts and activities.</td>
<td>PV</td>
<td>DRS</td>
<td>Accessibility Test Plan, including schedule, Test Scenarios, Test Scripts and activities, is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.2.4.2</td>
<td>Accessibility Testing</td>
<td>Conduct accessibility testing and provide summaries and detailed test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.2.4.3</td>
<td>Accessibility Test Defects and Issues Log</td>
<td>Accessibility testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete accessibility testing Defects and Issues Log.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
### 6.3.3 Unit Test Stage

#### 6.3.3.1 Objective
Ensure that entire set of functions, such as those contained in a Solution Module, operates in accordance with the DRS Business and Technical Requirements.

#### 6.3.3.2 Approach
Unit testing focuses on each of the data elements built within the BPMS Solution and ERA. During the unit test, Prime Vendor will confirm that each item has been built correctly, is working correctly, includes all DRS Business and Technical Requirements, without Defect. Unit testing is conducted after the Solution Module is fully configured and test databases have been built.

#### 6.3.3.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
</table>
| 6.3.3.3.1     | Unit test planning| Prime Vendor will develop a unit Test Plan for conducting, reporting, and monitoring all testing activities, and processes to correct identified Defects and other Issues. Deliverable(s):  
  - Test Plan  
  - Testing templates  
  - Test Scenarios  
  - Test Scripts |
| 6.3.3.3.2     | Unit test execution| Prime Vendor will conduct tests based on the Test Scenarios and Test Scripts. Quality Assurance: Prime Vendor will provide summaries of each test along with the detailed test results in electronic format of each test conducted. Prime Vendor will update and maintain the Issues and Defect Log.  
  Defects and other Issues will be resolved and corrected by Prime Vendor prior to certification of unit test-|
### 6.3.3.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.3.4.1</td>
<td>Unit Test Plan</td>
<td>Unit Test Plan, including schedule, Test Scenarios, Test Scripts and activities.</td>
<td>PV</td>
<td>DRS</td>
<td>Unit Test Plan, including schedule, Test Scenarios, Test Scripts and activities, is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.3.4.2</td>
<td>Unit Testing</td>
<td>Conduct unit testing and provide summaries and detailed test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.3.4.3</td>
<td>Unit Test Defects and Issues Log</td>
<td>Unit Testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete unit testing Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.3.4.4</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.3.4.5</td>
<td>Certification Form – Unit Testing</td>
<td>Certification Form - Unit Testing.</td>
<td>PV</td>
<td>DRS</td>
<td>Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

### 6.3.4 System and Integration Test Stage

#### 6.3.4.1 Objectives

Ensure that multiple Solution Modules, and their associated Interfaces, Extensions and reports, operate in accordance with the DRS Business and Technical Requirements, and that data integration meets DRS data integration requirements.
6.3.4.2 Approach
System and integration testing ("SIT") primarily is based on the Test Scenarios and Test Scripts and focuses on the testing of the workflow and processes, and DRS data integration requirements. Multiple user groups will be part of the SIT. Prime Vendor will certify separate test environments for DRS’ use for testing for the duration of the Pre-Live Testing period.

During the SIT, Prime Vendor will use the Test Scenarios and Test Scripts to:

- Ensure that the BPMS Solution and ERA, as implemented, meets user requirements for the process flows within the departments and the DRS Business and Technical Requirements, all without Defect;
- Test policies and procedures;
- Ensure that Interfaces, Extensions and reports are functioning properly;
- Ensure that DRS data integration requirements are being met;
- Test security controls; and
- Provide sufficient Knowledge transfer on the functioning of the Solution Modules subject to SIT and the relationship between them.

This test stage also allows DRS to validate all standard operating procedures relating to the applicable SIT Solution Modules.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participate in SIT activities.</td>
<td>Lead SIT activities, report defects and other Issues to DRS pursuant to the Defects and Issues Log, and resolve and correct any Defects or other Issues in SIT.</td>
</tr>
<tr>
<td>Communicate to Prime Vendor any unforeseen and/or adverse impacts to DRS systems as a result of SIT.</td>
<td>Assist in resolving and/or resolve, as applicable, impacts to DRS systems emanating from or related to the BPMS Solution and ERA, as reasonably determined by DRS.</td>
</tr>
</tbody>
</table>

6.3.4.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.4.3.1</td>
<td>SIT planning</td>
<td>Prime Vendor will develop the SIT Plan, and processes to correct identified defects and other Issues.</td>
</tr>
</tbody>
</table>
### Requirement # | Requirement Title | Requirement Statement
--- | --- | ---
| | Deliverable(s): | • SIT Plan  
• Testing templates  
• Test Scenarios  
• Test Scripts  
Prime Vendor will deliver all of the above test artifacts to DRS as they are being used in the testing by Prime Vendor, and final versions shall be provided to DRS.

6.3.4.3.2 | SIT execution | Prime Vendor will conduct the SIT on the approved Test Scenarios and Test Scripts.  
Quality Assurance: Prime Vendor will provide summaries of each test along with the detailed test results in electronic format of each test conducted. Prime Vendor will update and maintain the Issues and Defect Log.  
Prime Vendor will correct all Defects and other Issues prior to certification of SIT.  
Deliverable(s):  
• SIT summaries and detailed test results  
• Certification Form – SIT

6.3.4.3.3 | SIT Walkthrough and Review | Prime Vendor will conduct a complete and thorough walkthrough and review of the SIT results with DRS, and discuss the Defects and other Issues, compliance with DRS data integration requirements, as well as any unforeseen and/or adverse impacts to DRS systems arising out of the test and the corrections and resolutions of such items.

### 6.3.4.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
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#### Deliverables

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.4.4.1</td>
<td>SIT Plan</td>
<td>SIT Plan, including schedule, Test Scenarios, Test Scripts and activities.</td>
<td>PV</td>
<td>DRS</td>
<td>Test Plan for SIT, including schedule, Test Scenarios, Test Scripts and activities, is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.4.4.2</td>
<td>SIT</td>
<td>Conduct SIT, and provide summaries and detailed test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.4.4.3</td>
<td>SIT Defects and Issues Log</td>
<td>SIT Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete SIT Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.4.4.4</td>
<td>Review of SIT</td>
<td>Complete walkthrough and review of the results of SIT.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete and full review of SIT results, showing DRS end-to-end business processes, information flows from, to and among applicable Solution Modules, and Interfaces, Extensions and reports, compliance with DRS data integration requirements and any unforeseen and/or adverse impacts to DRS systems.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.4.4.5</td>
<td>Certification Form – SIT</td>
<td>Certification Form – SIT.</td>
<td>PV</td>
<td>DRS</td>
<td>Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.4.4.6</td>
<td>Updated Project Document – SIT</td>
<td>Updated Project Documents (Post SIT).</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents post SIT are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

#### 6.3.5 User Acceptance Test Stage

**6.3.5.1 Objectives**

User acceptance testing ("UAT") primarily is based on the Test Scenarios and Test Scripts and focuses on, among other things, the testing of a department’s workflow and processes, security controls, ADA and DRS accessibility requirements, and DRS data integration requirements. Multiple users, including Early Adopter Employers, will be part of UAT. Applicable Interfaces, Extensions and reports will be tested in UAT. Prime Vendor will certify separate test environments for DRS’ use for testing for the duration of the Pre-Live Testing period.

UAT will be led by DRS, and Prime Vendor will participate in the tests as requested by DRS. DRS will report to Prime Vendor any Defects and other Issues experienced during the UAT.
6.3.5.2 Approach
DRS will use the Test Scenarios and Test Scripts in UAT to:

- Ensure that the BPMS Solution and ERA, as implemented, meets user requirements for the process flows within the departments and the DRS Business and Technical Requirements, all without Defect;
- Test departmental policies and procedures and how these relate to other DRS departments;
- Ensure that Interfaces, Extensions and reports are functioning properly;
- Ensure that accessibility requirements are met;
- Ensure that DRS data integration requirements are met; and
- Test security controls for all user types and profiles.

Responsibilities:

<table>
<thead>
<tr>
<th></th>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lead UAT activities; report Defects and other Issues to Prime Vendor</td>
<td>Assist DRS in UAT activities, as needed or requested.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Update Defects and other Issues on the Defects and Issues Log.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resolve and correct Defects and other Issues.</td>
</tr>
</tbody>
</table>

6.3.5.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.5.3.1</td>
<td>UAT planning</td>
<td>DRS will develop the UAT Plan, using:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Testing templates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test Scenarios</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test Scripts</td>
</tr>
<tr>
<td>6.3.5.3.2</td>
<td>UAT execution</td>
<td>DRS will conduct the UAT and report to Prime Vendor any Defects and other Issues. Prime Vendor will update and maintain the Defects and Issues Log. Prime Vendor will resolve and correct Defects and other Issues.</td>
</tr>
</tbody>
</table>

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6.3.5.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.5.4.1</td>
<td>UAT Plan</td>
<td>UAT Plan, including schedule, Test Scenarios, Test Scripts and activities.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.5.4.2</td>
<td>UAT Defects and Issues Log</td>
<td>UAT Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete UAT Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.5.4.3</td>
<td>Review of UAT results</td>
<td>Review results of UAT.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete and full review of UAT results.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.5.4.4</td>
<td>Updated Project Document – Post UAT</td>
<td>Updated Project Documents (Post UAT).</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents post UAT are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.5.4.5</td>
<td>Confirmation of completion of UAT</td>
<td>Written confirmation by DRS that UAT is completed.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

6.3.6 Regression Test Stage

6.3.6.1 Objective

Ensure that the introduction of a new variable, such as a new configuration, new customization, Extension, or the like, into the then-tested Solution Module (or component thereof) does not invalidate a previous test.

6.3.6.2 Approach

Regression testing will be performed *ad hoc* during all test stages of the Pre-Live Testing, when, in Prime Vendor's or DRS' determination, such test is needed or required to validate that previously implemented components of the Solution have not been affected.

At a minimum, Prime Vendor will perform regression testing prior to any of the following events or the introduction of any of the following, as applicable:

- Commencement of UAT;
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- Cutover (Production);
- Configuration changes;
- New Extension or Interface, or any significant change to an Extension or Interface;
- Customizations;
- An update, patch or upgrade to the BPMS Solution and ERA;
- Database modifications or upgrades;
- A new domain or environment; or
- There is a change to DRS’ systems and/or business processes that interfaces with the BPMS Solution and ERA.

Prime Vendor will monitor and record the frequency of regression test failures. Prime Vendor will report to DRS if:

(a) There are any significant problems experienced in connection with a regression test; or

(b) There are two (2) or more regression test failures for a particular component being tested.

In such event and prior to any additional regression tests being conducted by Prime Vendor, the Prime Vendor Project Manager will meet with the DRS Project Manager to review Prime Vendor’s quality assurance procedures and the steps Prime Vendor has or will take to ensure against any further regression test failures. If problems persist, the Prime Vendor Executive Sponsor, the DRS Project Director and/or DRS Executive Sponsor shall meet to resolve the regression test/quality Issue.

Prime Vendor will transfer Knowledge to DRS on the methods and methodology used to perform regression testing, and will transfer any artifacts used in regression testing to DRS for DRS’ future re-use. Prime Vendor will provide updated the artifacts to DRS as Prime Vendor introduces new or makes changes to existing artifacts in regression testing.

6.3.6.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
</table>
| 6.3.6.3.1     | Regression test planning     | Prime Vendor will develop a regression Test Plan and approach for conducting, reporting, and monitoring all testing activities, and processes to correct identified Defects and other Issues. Deliverable(s):  
   - Test Plan  
   - Testing templates  
   - Test Scenarios  
   - Test Scripts |
| 6.3.6.3.2     | Regression test execution    | Prime Vendor will conduct tests based on the approved Test Scenarios and Test Scripts. Prime |
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Vendor will provide reasonable advance notice of the regression test. Prime Vendor will complete Knowledge transfer to DRS, and provide regression testing artifacts to DRS before obtaining certification on the regression testing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quality Assurance: Prime Vendor will provide summaries of each test along with the detailed test results in electronic format of each test conducted. Prime Vendor will update and maintain the Issues and Defect Log.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Defects and other Issues will be resolved and corrected by Prime Vendor prior to certification of regression testing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deliverable(s):</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regression test summaries and detailed test results</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regression build approved</td>
</tr>
</tbody>
</table>

6.3.6.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.6.4.1</td>
<td>Regression Test Plan</td>
<td>Develop regression Test Plan, including schedule, Test Scripts, Test Scenarios and activities.</td>
<td>PV</td>
<td>DRS</td>
<td>Regression Test Plan, including schedule, regression Test Scripts, regression Test Scenarios, and activities, is completed.</td>
<td>15 days for the first regression Test Plan, and 5 days for any update to such Test Plan</td>
</tr>
<tr>
<td>6.3.6.4.2</td>
<td>Regression Testing</td>
<td>Conduct regression testing, notify DRS in advance (5 days for the initial delivery and 3 days for any updates) of any regression testing that will be performed, and provide summaries and detailed test re-</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.6.4.3</td>
<td>Regression testing artifacts</td>
<td>Provide DRS with regression testing artifacts.</td>
<td>PV</td>
<td>DRS</td>
<td>All up-to-date regression testing artifacts are provided to DRS.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.6.4.4</td>
<td>Regression Test Analysis on DRS Systems</td>
<td>Perform an analysis on DRS services and systems affected by regression testing and provide feedback to Prime Vendor.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.6.4.5</td>
<td>Regression test Defects and Issues Log.</td>
<td>Regression testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete regression testing Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.6.4.6</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.6.4.7</td>
<td>Certification Form – Regression Testing</td>
<td>Certification Form – Regression Testing.</td>
<td>PV</td>
<td>DRS</td>
<td>All Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

6.3.7 Security Test Stage

6.3.7.1 Objective
Ensure all components of the BPMS Solution and ERA are appropriately protected with the appropriate security controls, that the BPMS Solution and ERA is not vulnerable to outside penetration attacks, and that all Interface, Extension and report development meets applicable OWASP and mandatory OCIO standards.

6.3.7.2 Approach
Security at the user level is embedded in each Prime Vendor test activity (e.g., unit, functional, system, integration, regression, etc.). Security testing validates that each of the roles that have been configured, based upon the applicable security matrix, has the appropriate level of authority to perform the functions they are assigned and validates the access levels for the functions required, as well as the authentication and authorization mechanisms. In addition, the networks, data and IT services have security controls which are compliant to the mandated OCIO standards.

A Penetration Test will be conducted by an independent Third Party, the timing of which will be without the knowledge of Prime Vendor. All penetration testing will be coordinated with the DRS Project Director to maintain the highest level of confidentiality as to the timing of the testing.
Interface, Extension and report development is to be certified as meeting applicable OWASP standards.

### 6.3.7.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.7.3.1</td>
<td>Security Test Plan</td>
<td>Prime Vendor will develop a security Test Plan and approach for conducting, reporting, and monitoring all testing activities, and processes to correct identified Defects and other Issues.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deliverable(s):</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Testing templates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test Scenarios</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test Scripts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The plan will specify, among other items, that during the SIT Test, Prime Vendor will conduct the test using DRS-provided users, and during UAT, DRS will conduct the security testing with Prime Vendor's oversight. The execution of Penetration Testing will not be performed with Prime Vendor's oversight (see Requirement 6.3.7.3.3 below).</td>
</tr>
<tr>
<td>6.3.7.3.2</td>
<td>Security test execution</td>
<td>DRS will conduct tests based on the approved Test Scenarios and Test Scripts. DRS will provide test results to Prime Vendor.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quality Assurance: Based on the test results provided by DRS, Prime Vendor will provide summaries of each test. Prime Vendor will update and maintain the Issues and Defect Log.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Defects and other Issues will be resolved and corrected by Prime Vendor prior to certification of security testing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deliverable(s):</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Security test summaries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Security build approved</td>
</tr>
<tr>
<td>6.3.7.3.3</td>
<td>Penetration Test</td>
<td>A Penetration Test will be performed by an independent Third Party without Prime Vendor's knowledge as to when or how the tests will be conducted. Conduct a Penetration Test against the BPMS Solution and ERA; and the infrastructure used to deliver the BPMS Solution and ERA (i.e., firewalls, etc.).</td>
</tr>
<tr>
<td>6.3.7.3.4</td>
<td>OWASP Compliance</td>
<td>Prime Vendor will certify each Interface, Extension and report developed meets applicable OWASP standards.</td>
</tr>
</tbody>
</table>
### 6.3.7.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.7.4.1</td>
<td>Security Test Plan</td>
<td>Develop security Test Plan, including schedule, Test Scripts, Test Scenarios and activities.</td>
<td>PV</td>
<td>DRS</td>
<td>Security Test Plan, including schedule, Test Scripts, Test Scenarios and activities, is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.7.4.2</td>
<td>Security Testing</td>
<td>Conduct security testing and provide summaries DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.7.4.3</td>
<td>Penetration Testing</td>
<td>Conduct a Penetration Test, and provide summaries and detailed test results to DRS.</td>
<td>PV*</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.7.4.4</td>
<td>Penetration Test Review and Remediation Plan</td>
<td>Penetration Test results are reviewed with Prime Vendor and areas of vulnerability are addressed to DRS' satisfaction.</td>
<td>PV</td>
<td>DRS</td>
<td>Test results reviewed between Prime Vendor, DRS and, if elected by DRS, the third party firm conducting the ethical hacking test. Prime Vendor develops a remediation plan, acceptable to DRS, is prepared, and Prime Vendor has taken action to remediate the vulnerabilities.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.7.4.5</td>
<td>Penetration Test Retesting</td>
<td>Security re-testing if required by DRS.</td>
<td>PV*</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.7.4.6</td>
<td>Security test Defects and Issues Log</td>
<td>Security testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete security testing Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.7.4.7</td>
<td>OWASP Certification</td>
<td>Upon completion of development for each Interface, Extension and report, certification of compliance with applicable OWASP and OCIO standards.</td>
<td>PV</td>
<td>DRS</td>
<td>Certification against applicable OWASP standard does not have any exceptions.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
### Deliverable ID | Deliverable/Activity Name | Deliverable/Activity Description | R | C | Certification Criteria | Review Period
--- | --- | --- | --- | --- | --- | ---
6.3.7.4.8 | Updated Project Documents | Updated Project Documents. | PV | DRS | Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder. | 3 days
6.3.7.4.9 | Certification Form – Security | Certification Form – Security Testing. | PV | DRS | Defects and other Issues have been resolved and corrected. | 3 days

* Penetration Testing is conducted by independent Third Party without Prime Vendor's knowledge.

### 6.3.8 Device Test Stage

#### 6.3.8.1 Objective
Test all BPMS Solution and ERA data collection and other devices to ensure equipment operates in accordance with equipment specifications and that such devices integrate with the BPMS Solution and ERA.

#### 6.3.8.2 Approach
Prime Vendor will conduct technical device testing to ensure configuration and connectivity of all devices used with the BPMS Solution and ERA. Prime Vendor will undertake the initial device testing to cover all device types and models, and DRS will conduct the remaining device testing on further deployed devices. Prime Vendor is responsible for correcting Defects and addressing other issues arising from device testing.

#### 6.3.8.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
</table>
| 6.3.8.3.1 | Device Test Plan | Prime Vendor will develop a performance Test Plan and approach for conducting, reporting, and monitoring all device testing activities, and processes to correct identified defects and other issues. Deliverable(s):  
- Test Plan  
- Testing templates  
- Test Scenarios  
- Test Scripts |
| 6.3.8.3.2 | Device test execution | Prime Vendor will conduct tests based on the approved Test Scenarios, Test Scripts and other device-based scenarios. Prime Vendor will permit DRS to observe the test as the device testing is being ex- |
### 6.3.8.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.8.4.1</td>
<td>Device Test Plan</td>
<td>Device Test Plan, including schedule, Test Scripts, Test Scenarios and scenarios.</td>
<td>PV</td>
<td>DRS</td>
<td>Device Test Plan, including schedule, Test Scripts, Test Scenarios and activities, is completed.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.8.4.2</td>
<td>Device Testing</td>
<td>Conduct device testing, and provide summaries and detailed test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.8.4.3</td>
<td>Device Defects and Issues Log</td>
<td>Update device testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete device Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.8.4.4</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.8.4.5</td>
<td>Certification Form – Device Testing</td>
<td>Certification Form – Device Testing.</td>
<td>PV</td>
<td>DRS</td>
<td>All Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
6.3.9 Performance Test Stage

6.3.9.1 Objective
Confirm that the BPMS Solution and ERA meets the Performance Standards, and test the software design scalability of the various components of the BPMS Solution and ERA, including when the various components of the BPMS Solution and ERA become degraded and ultimately cannot be used.

6.3.9.2 Approach
The approach to performance testing is designed to identify as quickly as possible the specific load points at which the components of the BPMS Solution and ERA fail to meet the Performance Standards. The load testing (scalability) approach will be to step up performance in increments, monitoring performance at each test stage. This will enable Prime Vendor to pinpoint the exact point at which performance starts to degrade and the point at which performance becomes unacceptable. Prime Vendor will conduct the performance testing of the BPMS Solution and ERA using performance testing tools to be provided by Prime Vendor. DRS reserves the right to require performance testing with individuals using manually entered user ids.

6.3.9.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
</table>
### Appendix D.3 – Statement of Work

#### Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• Performance test summaries and detailed test results</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Performance build approved</td>
</tr>
</tbody>
</table>

#### 6.3.9.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.9.4.1</td>
<td>Performance Test Plan</td>
<td>Performance Test Plan, including schedule, Test Scripts, Test Scenarios and activities, with templates to be provided by Prime Vendor.</td>
<td>PV</td>
<td>DRS</td>
<td>Performance Test Plan, including the schedule, Test Scripts, Test Scenarios and activities, with templates, is complete, and Prime Vendor has available the appropriate performance tools and utilities to measure performance.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.9.4.2</td>
<td>Performance Testing</td>
<td>Conduct performance testing, and provide summaries and detailed test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.9.4.3</td>
<td>Performance test Defects and Issues Log</td>
<td>Performance testing Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete performance testing Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.9.4.4</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.9.4.5</td>
<td>Certification Form – Performance Testing</td>
<td>Certification Form – Performance Testing.</td>
<td>PV</td>
<td>DRS</td>
<td>Performance Standards are met and Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
6.3.10 Parallel Test Stage

6.3.10.1 Objective
Verify that all components of the BPMS Solution and ERA support DRS workflows and correct any Defects and other Issues with such workflows.

6.3.10.2 Approach
During parallel testing, Prime Vendor and DRS will run concurrent processes and data, one on DRS’ existing Employer Information System, and the other using the BPMS Solution and ERA, to determine whether the BPMS Solution and ERA are accurately processing DRS data and workflows. DRS will work with Prime Vendor to reconcile any differences, and any variations generally need to be rationalized in order to satisfy the parallel processing testing.

6.3.10.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.10.3.1</td>
<td>Parallel Test Plan</td>
<td>Prime Vendor will assist DRS to develop a parallel Test Plan and approach for conducting, reporting, and monitoring all testing activities related to the BPMS Solution and ERA.</td>
</tr>
<tr>
<td>6.3.10.3.2</td>
<td>Parallel test execution</td>
<td>DRS will manage the parallel testing activities (scenario based) including the documentation of issues and requested changes to the BPMS Solution and ERA. Quality Assurance: Prime Vendor will provide summaries of each test along with the detailed test results in electronic format of each test conducted. Prime Vendor will update and maintain the Issues and Defect Log. Defects and other Issues will be resolved and corrected by Prime Vendor prior to certification of parallel testing.</td>
</tr>
</tbody>
</table>

6.3.10.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
### Deliverable ID | Deliverable/Activity Name | Deliverable/Activity Description | R  | C  | Certification Criteria | Review Period |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.10.4.1</td>
<td>Parallel Test Plan</td>
<td>Parallel Test Plan, including schedule, Test Scripts, Test Scenarios and activities.</td>
<td>DRS</td>
<td>PV</td>
<td>Parallel Test Plan, including schedule, Test Scripts, Test Scenarios and activities. Is complete.</td>
<td>5 days</td>
</tr>
<tr>
<td>6.3.10.4.2</td>
<td>Parallel Test</td>
<td>Conduct parallel test, and provide summaries and test results to DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.3.10.4.3</td>
<td>Parallel test Defects and Issues Log</td>
<td>Update the parallel test Defects and Issues Log.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete updates to the parallel test Defects and Issues Log.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.10.4.4</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>6.3.10.4.5</td>
<td>Certification Form – Parallel Testing</td>
<td>Certification Form – Parallel Testing.</td>
<td>PV</td>
<td>DRS</td>
<td>Defects and other Issues have been resolved and corrected.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

#### 6.3.11 Data Conversion and Migration Test Stage.
Testing of the converted and migrated data will be undertaken during each event of data conversion and migration, and for the final data conversion and migration upload prior to Production of the BPMS Solution and ERA, all in accordance with the terms of Section 5.3.

#### 6.3.12 Disaster Recovery and Business Continuity Plan Test Stage.
Testing of the Disaster Recovery and Business Continuity Plan will be undertaken prior to Production of the BPMS Solution and ERA in accordance with the terms of Section 5.4. This test may involve a DRS-system wide test, incorporating the BPMS Solution and ERA as one component of the overall disaster recovery and business continuity test conducted by DRS.
7.0 Cutover to Production

7.1 Objective
Place the BPMS Solution and ERA or a component of the BPMS Solution and ERA, as applicable, into actual, live use.

7.2 Approach
The Cutover to Production of the BPMS Solution and ERA will be the culmination of the efforts put forth by both the Prime Vendor’s and DRS’ project team.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participate in developing the cutover plan.</td>
<td>Develop Production cutover plan.</td>
</tr>
<tr>
<td>Participate and confirm all responsibilities of the cutover to Production.</td>
<td>Conduct Production cutover plan meeting to outline plan for all users.</td>
</tr>
<tr>
<td>Execute DRS’ items on the cutover plan.</td>
<td>Execute Prime Vendor’s items on the cutover plan.</td>
</tr>
<tr>
<td>Validate the outcomes of the cutover readiness assessment.</td>
<td>Complete cutover readiness assessment.</td>
</tr>
<tr>
<td>Provide approval for cutover to Production.</td>
<td>Confirm approval for cutover to Production.</td>
</tr>
<tr>
<td>Provide executive feedback on the status and readiness of DRS to cutover.</td>
<td>Conduct executive overview of the BPMS Solution and ERA.</td>
</tr>
<tr>
<td>Present and validate final data for uploading prior to Production.</td>
<td>Upload final data presented by DRS.</td>
</tr>
<tr>
<td>Participate in the documentation, review and resolution of cutover Defects and other Issues.</td>
<td>Support Production cutover of BPMS Solution and ERA to Productive Use.</td>
</tr>
<tr>
<td>Provide defined personnel to support cutover to Production.</td>
<td>Document Production cutover Issues; review and resolve cutover Issues.</td>
</tr>
<tr>
<td>Validate that the BPMS Solution and ERA, associated devices and all Interfaces, Extensions and reports are ready for cutover to Production.</td>
<td>Establish and provide a sufficient number of personnel for cutover to Production command center support covering the BPMS Solution and ERA.</td>
</tr>
</tbody>
</table>

7.3 Requirements
The following Table outlines and describes the requirements to be addressed:
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3.1</td>
<td>BPMS Solution and ERA installed and configured to requirements.</td>
<td>The BPMS Solution and ERA meets the DRS Business and Technical Requirements and Performance Standards.</td>
</tr>
<tr>
<td>7.3.2</td>
<td>BPMS Solution and ERA Pre-Live Testing completed.</td>
<td>BPMS Solution and ERA testing completed with no Level 1 or Level 2 Defects and other Issues identified with “work off” plan.</td>
</tr>
<tr>
<td>7.3.3</td>
<td>Operational Support Strategy and Plan.</td>
<td>Develop a strategy to transition operational support of the BPMS Solution and ERA to DRS personnel.</td>
</tr>
<tr>
<td>7.3.4</td>
<td>Transition to Support and Maintenance Services.</td>
<td>Formal introductions to key executives within Prime Vendor’s support organization, and development of a transition plan to ensure knowledge from the Prime Vendor’s project team is transferred to Prime Vendor’s support organization.</td>
</tr>
<tr>
<td>7.3.5</td>
<td>Sign off of authority to proceed with cutover to Production.</td>
<td>Confirmation that BPMS Solution and ERA built to requirements, testing completed, all cutover preparation completed and approval for go-live (cutover to Production) has been granted.</td>
</tr>
</tbody>
</table>

### 7.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.4.1</td>
<td>Cutover Plan</td>
<td>The cutover plan is a detailed document that outlines the steps/activities that need to be completed for cutover to Production with the duration and specific action time as well as the number of personnel of Prime Vendor, DRS and CTS, and will include a fail back plan if the cutover process needs to be terminated for any reason.</td>
<td>PV</td>
<td>DRS</td>
<td>Cutover plan with complete details on the activities, personnel, checkpoints and approval for cutover to Production, including the procedures to be followed for any fail back plan.</td>
<td>5 days</td>
</tr>
<tr>
<td>7.4.2</td>
<td>Command Center Set-Up Plan</td>
<td>The command center set-up plan describes the personnel, systems, facilities and policies and procedures for the center. Prime Vendor will consult with DRS/CTS, based on prior cus-</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
<td>Review Period</td>
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</tr>
<tr>
<td>7.4.3</td>
<td>Cutover Readiness Assessment</td>
<td>The cutover readiness assessment is used as a checklist of items which need to be complete prior to cutover. Items will be prioritized and integrated into the cutover plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete checklist of readiness assessment items.</td>
<td>5 days</td>
</tr>
<tr>
<td>7.4.4</td>
<td>Command Center Communication Plan</td>
<td>The communication plan document will outline methods of communication to assist people in the command centers, end users, and application specialists during the cutover period.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7.4.5</td>
<td>Security Matrix</td>
<td>Security matrix data worksheet provides the details for DRS/CTS to guide the command center support to adjust security appropriately during the cutover to Production period.</td>
<td>PV</td>
<td>DRS</td>
<td>A complete data security worksheet security matrix.</td>
<td>3 days</td>
</tr>
<tr>
<td>7.4.6</td>
<td>Show-Stopper Report</td>
<td>Status report to include list of Issues with severity and impact. This report will help all parties determine whether the system can be turned on given the issues documented.</td>
<td>PV</td>
<td>DRS</td>
<td>List of any major anticipated Issues present with activating the cutover.</td>
<td>3 days</td>
</tr>
<tr>
<td>7.4.7</td>
<td>Pre-Cutover DRS Executive Review</td>
<td>High-level demonstration of the features and functionality of the BPMS Solution and ERA provided to the executives of DRS.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7.4.8</td>
<td>Production Readiness Confirmation</td>
<td>Confirmation from Prime Vendor that the BPMS Solution and ERA has met all of the DRS Business and Technical Requirements, the BPMS Solution and ERA has no outstanding Level 1 Defects or Level 2 Defects and other issues identified with “work off” plan, All tasks and activities necessary to take the BPMS Solution and ERA into Production, including applicable education and training (as reported by the DRS OCM and Communications Manager) has been completed, all cutover preparation has been completed and the BPMS Solution and ERA is otherwise ready for Production.</td>
<td>PV</td>
<td>DRS</td>
<td>Confirmation that the BPMS Solution and ERA is ready for cutover.</td>
<td>3 days</td>
</tr>
<tr>
<td>7.4.9</td>
<td>Practice Cutover</td>
<td>Practice and dry run of activating cutover.</td>
<td>PV</td>
<td>DRS</td>
<td>Review and confirmation that the cutover procedures are sufficient to</td>
<td>3 days</td>
</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
<td>Review Period</td>
</tr>
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<td>------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>7.4.10</td>
<td>Cutover</td>
<td>Place BPMS Solution and ERA or component(s) thereof into Production upon written approval by DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>Review and confirm that the BPMS Solution and ERA are working as designed.</td>
<td>3 days</td>
</tr>
<tr>
<td>7.4.11</td>
<td>User Survey</td>
<td>User survey to allow Prime Vendor to continuously improve in areas of implementation, maintenance, and client relationships. Survey will be used to improve areas within Prime Vendor to give the best user experience.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7.4.12</td>
<td>Comprehensive Strategy and Plan to Transition Operational Support to DRS Staff</td>
<td>Develop a comprehensive strategy and plan to transition operational support to DRS internal staff to enable DRS to operationally support and manage the BPMS Solution and ERA from and after Production, which plan will incorporate Knowledge transfer elements and expected DRS personnel required.</td>
<td>PV</td>
<td>DRS</td>
<td>The comprehensive strategy and plan to transition operational support to DRS internal staff is complete to enable DRS to operationally support and manage the BPMS Solution and ERA from and after Production, which plan will incorporate Knowledge transfer elements and expected DRS personnel required.</td>
<td>5 days</td>
</tr>
<tr>
<td>7.4.13</td>
<td>Transition Plan to Prime Vendor's Support Organization</td>
<td>Develop a comprehensive strategy and plan to transition to Prime Vendor's support organization from and after Production, which plan will incorporate Knowledge transfer elements required from the Prime Vendor project team to Prime Vendor's support organization.</td>
<td>PV</td>
<td>DRS</td>
<td>The plan to transition to Prime Vendor's support organization is complete and addresses the Knowledge transfer elements required from the Prime Vendor project team to Prime Vendor's support organization.</td>
<td>5 days</td>
</tr>
<tr>
<td>7.4.14</td>
<td>Transition to Support</td>
<td>Formally introduce DRS to key executives in Prime Vendor's support organization.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7.4.15</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>7.4.16</td>
<td>Certification Form – Production</td>
<td>Certification Form - Production.</td>
<td>PV</td>
<td>DRS</td>
<td>Cutover is complete, the BPMS Solution and ERA are in Production, and all other activities required in this Section are completed. If Production relates to a component of</td>
<td>3 days</td>
</tr>
</tbody>
</table>
## Deliverable ID

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>the BPMS Solution or ERA, then the Certification Form will be for the component placed into Production.</td>
<td></td>
</tr>
</tbody>
</table>
8.0 Post-Production Activities

Objectives

Improve DRS processes through a "lessons learned" approach, and, to the extent additional implementation activities are occurring, improve project processes. Stabilize and optimize the BPMS Solution and ERA. Transition operational support of the BPMS Solution and ERA to DRS' internal personnel and transition to Prime Vendor's Support and Maintenance Services.

8.1 Lessons Learned

8.1.1 Objective

Capture and implement lessons learned so that DRS can improve upon its processes and attain better efficiencies and quality.

8.1.2 Approach

Prime Vendor and DRS will de-construct, analyze, evaluate and assess each component of the ERA Project and the processes to determine what successes and failures occurred, the root cause and/or determining factors that led to the successes or failures, and develop specific improvements, approaches and best practices to address any deficiencies and build further upon the successes. Lessons learned activities will occur at the conclusion of each of the major milestones during the pendency of the ERA Project, and "wrap up" lessons learned exercise(s) will occur immediately after the go-live (Production) of the BPMS Solution and ERA or any component thereof.

8.1.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1.3.1</td>
<td>Lessons Learned Report</td>
<td>Each party will develop a report on lessons learned from Fit/Gap to Production, and will discuss each of the areas of success and areas of improvement to arrive at a combined best practices and improvement report.</td>
</tr>
<tr>
<td>8.1.3.2</td>
<td>Implement Best Practices</td>
<td>To the extent there are other components in the various stages of implementation, the best practices will be implemented.</td>
</tr>
</tbody>
</table>
### 8.1.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1.4.1</td>
<td>Cutover Assessment Report</td>
<td>Complete post cut over assessment for the BPMS Solution and ERA within 30 days of the commencement of the Optimization Period.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete post cut over assessment for the BPMS Solution and ERA.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.1.4.2</td>
<td>Post cut over Production assessment</td>
<td>Review and provide feedback on the Post cut over Production assessment.</td>
<td>DRS</td>
<td>PV</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.1.4.3</td>
<td>Lessons Learned Report</td>
<td>Describes successes and areas of improvement, proposes best practices.</td>
<td>PV</td>
<td>DRS</td>
<td>Report is detailed and comprehensively identifies all areas of performance.</td>
<td>5 days</td>
</tr>
<tr>
<td>8.1.4.4</td>
<td>Implement Improvements – Prime Vendor</td>
<td>Prime Vendor completes implementation of recommended best practices to improve Prime Vendor processes.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8.1.4.5</td>
<td>Implement Improvements - DRS</td>
<td>DRS completes implementation of recommended best practices to improve DRS processes.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8.1.4.6</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.1.4.7</td>
<td>Certification Form – Lessons Learned</td>
<td>Certification Form – Lessons Learned.</td>
<td>PV</td>
<td>DRS</td>
<td>Lessons learned report is complete and best practices implemented.</td>
<td>3 days</td>
</tr>
</tbody>
</table>
8.2  Stabilization Period

8.2.1  Objective
Correct all Level 1 and Level 2 Defects; correct all Level 3 Defects to the extent achievable.

8.2.2  Approach
Once in Production, there will be a Stabilization Period in order to correct any residual and/or new Defects. If any Defects exist or are later discovered during the Stabilization Period, DRS will report such Defects to Prime Vendor. Prime Vendor will correct all Defects and the Stabilization Period will continue until all Level 1 Defects or Level 2 Defects have been corrected by Prime Vendor. In order to certify completion of the Stabilization Period, the BPMS Solution, ERA, and all Interfaces, Extensions and reports, and Interoperability among the various components of the BPMS Solution and ERA, must operate in Production without any Level 1 Defects or Level 2 Defects for a minimum of ninety (90) consecutive calendar days. If such Defects are not resolved with the 90 day period or there are latent Defects arising near the end of the 90 day period, then the Stabilization Period will be extended to the extent necessary to demonstrate operation in Production without any Level 1 Defects or Level 2 Defects for a period of sixty (60) consecutive calendar days.

The certification procedures for completion of the Stabilization Period are set forth in the Technology Agreement.

8.2.3  Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2.3.1</td>
<td>Stabilization Period</td>
<td>Production Use of the BPMS Solution and ERA, including all Interfaces, Extensions, reports and Interoperability among the various components of the BPMS Solution and ERA for the Stabilization Period without Level 1 or Level 2 Defects for a period of at least 90 calendar days.</td>
</tr>
</tbody>
</table>

8.2.4  Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.
### Appendix D.3 – Statement of Work

#### Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2.4.1</td>
<td>Defects and Issues Log</td>
<td>Defects and Issues Log identifying all existing and any new Defects and other Issues occurring in the Stabilization Period.</td>
<td>PV</td>
<td>DRS</td>
<td>Defects and Issues Log identifies all existing and new Defects and other Issues.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.2.4.2</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.2.4.3</td>
<td>Certification Form – Stabilization Period Complete</td>
<td>Certification Form – Stabilization Period Complete.</td>
<td>PV</td>
<td>DRS</td>
<td>Production use of the BPMS Solution, including all Interfaces, Extensions, reports and Interoperability among the various components of the ERA Solution for the Stabilization Period for a minimum of 90 calendar days without Level 1 Defects or Level 2 Defects. All other Stabilization Period criteria are met, including the criteria set forth in the Technology Agreement. If Production relates to a component of the BPMS Solution or ERA, then the Certification Form will be for the component placed into Production.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

#### 8.3 Transition to Support – Post Production (Go-Live)

**8.3.1 Objective**

Transition operational support to DRS and transition to Prime Vendor's Support and Maintenance Services organization.

**8.3.2 Approach**

Prime Vendor will provide transfer of Knowledge pertaining to the operational maintenance and support to DRS to enable DRS and its technology partners to provide operational support for and management of the BPMS Solution and ERA. Prime Vendor will make formal introductions to key executives with Prime Vendor's support organization to ensure a smooth transition to DRS receiving Support and Maintenance Services.

**8.3.3 Requirements**

The following Table outlines and describes the requirements to be addressed:
### 8.3.3.1 Operational Support Strategy and Plan

The operational support strategy and plan is activated, and Prime Vendor provides knowledge transfer to DRS to ensure successful transition of operational support of the BPMS Solution and ERA to DRS staff.

### 8.3.3.2 Transition to Support and Maintenance Services

The transition to Support and Maintenance strategy and plan is activated, and Prime Vendor ensures that Knowledge is transferred from its project team to its support organization.

### 8.3.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

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<th>Deliverable/Activity Name</th>
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<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3.4.1</td>
<td>Transition to Operational Support Strategy and Plan</td>
<td>Develop and then activate Transition to Operational Support Strategy and Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Develop the Transition to Operational Support Strategy and Plan and then transition to completion.</td>
<td>5 days</td>
</tr>
<tr>
<td>8.3.4.2</td>
<td>Transition to Support and Maintenance Services Plan</td>
<td>Develop and then activate Transition to Support and Maintenance Services Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Develop the Transition to Support and Maintenance Services Plan and then transition to completion.</td>
<td>5 days</td>
</tr>
<tr>
<td>8.3.4.3</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.3.4.4</td>
<td>Certification Form – Transitions</td>
<td>Certification Form –Transitions.</td>
<td>PV</td>
<td>DRS</td>
<td>Complete Transition to Support and Maintenance Services.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

### 8.4 Optimization Period

#### 8.4.1 Objective
Optimize both the BPMS Solution and ERA or applicable component thereof for DRS' use.
8.4.2 Approach
During the Optimization Period of 90 days, Prime Vendor will:
(a) Address any adoption Issues and negative user experiences that have occurred prior to the commencement of the Optimization Period;
(b) Examine workflows and processes that were designed and configured into the BPMS Solution and ERA systems for purposes of determining whether such workflows and processes need to be changed or improved;
(c) Lead any changes or improvements to the BPMS Solution and ERA workflow and processes that are approved by DRS; and
(d) Ensure the transfer of Knowledge to DRS in accordance with the terms of Section 3.7 of the Technology Agreement.

The initial review and assessment for optimization must be completed within thirty (30) days of the commencement of the Optimization Period in order to provide sufficient time to implement the selected optimizations.

In connection with the Optimization Services, Prime Vendor will:
- Identify necessary process workflow enhancement concerns/potential;
- Document feedback regarding Prime Vendor recommended workflow practice effectiveness and adoption;
- Document feedback regarding system performance concerns;
- Document feedback regarding project experience, including methodology, project team, etc.;
- Develop short and long term optimization recommendation action plans based upon activities completed during the Optimization period; and
- Refine and improve the BPMS Solution and ERA to address concerns of DRS; and BPMS Solution and ERA users and based on best practices.

With respect to any changes to the BPMS Solution or ERA that are requested by DRS during the Optimization Period, Prime Vendor will provide an initial assessment (within the initial 30 day period) of the impact such change will have on the BPMS Solution or ERA, the timeline for making such change and the Prime Vendor effort required to make such change. Following receipt of such initial assessment, DRS may request that one or more of such changes (within the Fixed Fee) and prioritize such changes; provided, however, that any such changes that exceed (in the aggregate) two (2) full time equivalents ("FTEs") for the Optimization Period will require a Change Order.

Responsibilities:

<table>
<thead>
<tr>
<th>DRS</th>
<th>Prime Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete post- Production Use survey.</td>
<td>Conduct detailed post-Production assessment for BPMS Solution and ERA within 30 days of the commencement of the Optimization Period.</td>
</tr>
<tr>
<td>Participate in interviews and walk-throughs of departments.</td>
<td>Provide on-site, expert solution and process Optimization consulting.</td>
</tr>
</tbody>
</table>
8.4.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.4.3.1</td>
<td>Optimization Plan</td>
<td>A schedule and tasks that defines the different solution areas, workflows and times for the Optimization Period. It should include the Prime Vendor post cutover assessment survey as well as key benefits that are looking to be achieved.</td>
</tr>
</tbody>
</table>

8.4.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.4.4.1</td>
<td>Optimization Reviews</td>
<td>Engage in optimization reviews of business units selected by DRS.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8.4.4.2</td>
<td>Optimization Recommendations Plan</td>
<td>Deliver Optimization Recommendation Plan.</td>
<td>PV</td>
<td>DRS</td>
<td>Optimization Plan is completed for all DRS-selected business units.</td>
<td>3 days</td>
</tr>
<tr>
<td>8.4.4.3</td>
<td>Review Optimization Recommendations</td>
<td>Review and prioritization of optimization recommendations.</td>
<td>DRS</td>
<td>PV</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8.4.4.4</td>
<td>Implement Selected Optimization Improvements</td>
<td>Implementation of DRS selected optimization recommendations.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8.4.4.5</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents.</td>
<td>PV</td>
<td>DRS</td>
<td>Updated Project Documents are completed</td>
<td>3 days</td>
</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
<td>Review Period</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------</td>
<td>---------------------------------</td>
<td>---</td>
<td>---</td>
<td>------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>8.4.4.6</td>
<td>Certification Form – Optimization Period Complete</td>
<td>Certification Form – Optimization Period Complete.</td>
<td>PV</td>
<td>DRS</td>
<td>All Optimization Period activities are complete and Optimization Period criteria are met, including the criteria set forth in the Technology Agreement.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

8.5 Deployment beyond Early Adopters

8.5.1 Objective
Ensure ERA is ready to be deployed to all DRS Employers beyond the Early Adopters.

8.5.2 Approach - TBD

8.5.3 Requirements - TBD
9.0 Project Management

9.1 Project Management
Prime Vendor will work with the DRS Project Manager to manage the ERA Project, and will perform the Services identified in the Technology Agreement and this Section. There will be a peering relationship toward project management, such that the Project Manager(s) from Prime Vendor will be paired with the Project Manager(s) from DRS. Prime Vendor's primary interaction at the project management level will be with the core DRS project team.

9.1.1 Objective
Manage activities and resources to successfully deliver the ERA Project on-time and within the Fixed Fee while complying with the Project Management Practices (PMP).

9.1.2 Approach
Prime Vendor will utilize the implementation approach described in the PMP, which incorporates standard project management methods and practices. Prime Vendor will combine, when appropriate, multiple topics such as communications, technical activities, into Executive Summaries, project status reports, project meetings, etc.

9.1.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1.3.1</td>
<td>Prime Vendor Project Management</td>
<td>Prime Vendor will provide oversight, manage, monitor and report on all activities under this Statement of Work and otherwise participate in project management activities.</td>
</tr>
<tr>
<td>9.1.3.2</td>
<td>Prime Vendor on-going work management</td>
<td>Prime Vendor will be responsible for the on-going management of the activities that are required to be performed to ensure compliance with this Statement of Work and successful completion of the ERA Project.</td>
</tr>
</tbody>
</table>
Appendix D.3 – Statement of Work
Employer Reporting Application Project

9.1.3.3 Plan development, implementation and management

In addition to the project-based documents referenced herein as being Prime Vendor’s responsibility, Prime Vendor will manage the following project-based plans and reports:

- Project Management Plan and any sub-project plans created;
- Project Schedule;
- Joint Resource Plan;
- Overall Organizational Change Management, Communication, Education and Training, and Knowledge Transfer Plan;
- Project team-based communication plan;
- Project Status Reports;
- Defect and Issues Log;
- Risk Management Log;
- Change Order Log; and
- Financial and Budget Reports.

9.1.3.4 Project tools and utilities

The ERA Project Agreement sets forth the Prime Vendor Tools and Utilities that Prime Vendor will provide to the DRS in connection with the ERA Project. The terms and conditions of the Technology Agreement and the ERA Project Agreement govern the rights and obligations relating to the Prime Vendor Tools and Utilities.

9.1.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1.4.1</td>
<td>Monthly Executive Status Report</td>
<td>Monthly executive status report that includes a summary of the overall project, high severity Risks and Issues requiring escalation, project finances and the status of Change Requests and Critical Milestone Due</td>
<td>PV</td>
<td>DRS</td>
<td>Monthly executive report adheres to the agreed standards described in the PMP for monthly executive status update and will show current status, Risks and Issues and key milestones for the ERA Project. The language, level of detail and complexity of the report is appropriate for</td>
<td>5 days</td>
</tr>
</tbody>
</table>
### Deliverable ID | Deliverable/Activity Name | Deliverable/Activity Description | R | C | Certification Criteria | Review Period
--- | --- | --- | --- | --- | --- | ---
| 9.1.4.2 | Weekly Project Status Report (PSR) | Weekly Project Status Report in accordance with the requirements set forth in the Technology Agreement, including providing detailed status reporting by specified work streams to allow for detailed monitoring of progress to milestones, Deliverables, Risks, Issues and Change Requests and dependencies (see the Technology Agreement for additional requirements). | PV | DRS | Weekly Project Status Reports adhere to the agreed PMP standards for PSR and the utilization of the agreed templates and tools and is provided within the correct time frame and to the required quality. | 3 days
| 9.1.4.3 | Weekly Project Schedule | Weekly updated Project Schedule reflecting all changes to the Project Schedule setting forth the items referenced in the Technology Agreement, and including a separate detailed summary of changes made to the Project Schedule. | PV | DRS | Weekly ERA Project Schedule (incorporating all Third Party project details) reflecting all changes to the Project Schedule and progress in terms of percent complete. Project Schedule to contain all Deliverables and all tasks (each representing approximately 40-80 hours in effort) with the following detail for each task: unique ID, description, duration, start and end dates, effort, dependencies, personnel assignments and percent complete. See the Technology Agreement for additional requirements. | 3 days
| 9.1.4.4 | Joint Resource Plan and Compliance/Variance Report | Updated Joint Resource Plan to reflect any agreed to changes, as such updates are approved, and reporting compliance with or variance of such plan, all in accordance with the requirements set forth in the Technology Agreement. | PV | DRS | Contains all personnel from Prime Vendor and outlines DRS personnel requirements. Plan structured to show personnel on a monthly basis. | 3 days
<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1.4.5</td>
<td>Communication Component of the Organizational Change Management, Education and Training and Knowledge Transfer Plan</td>
<td>Develop the project-based communication component of the Organizational Change Management Plan in accordance with DRS standards. Updated project-based communication plan to be provided by Prime Vendor if requested by DRS. See also Deliverable IDs 2.2.4.1 through 2.2.4.4.</td>
<td>PV</td>
<td>DRS</td>
<td>See Deliverable ID 2.2.4.2</td>
<td>10 days</td>
</tr>
<tr>
<td>9.1.4.6</td>
<td>Project Tools and Utilities</td>
<td>Prime Vendor will provide the Prime Vendor Tools and Utilities required to manage the ERA Project.</td>
<td>PV</td>
<td>DRS</td>
<td>Prime Vendor Project Tools and Utilities are fit for purpose to support all activities and requirements for the ERA Project. Any certification provided by DRS as to the adequacy of the Prime Vendor Tools and Utilities will not diminish the obligation of Prime Vendor to supplement or replace the Prime Vendor Tools and Utilities if it is later determined that the certified set do not meet the requirements of the ERA Project Agreement.</td>
<td>5 days</td>
</tr>
</tbody>
</table>

### 9.2 Work Management

#### 9.2.1 Objectives
- Orchestrated project teams from Prime Vendor, Third Parties and DRS to meet ERA Project objectives;
- Update tasks, roles and responsibilities, as needed;
- Manage to Critical Milestones, milestones, activities, tasks and Deliverables and Due Dates;
- Build communication channels to assure Knowledge transfer;
- Manage tasks and dependencies based on other projects that are part of the program; and
- Manage resources, conflicts and escalations.
9.2.2 Approach

Project Management

The project team from Prime Vendor, Third Parties and DRS will be assigned tasks in sequence as set forth in the Project Schedule and will be notified of their tasks via different channels: Emails, SharePoint and team meetings. Prime Vendor will report on personnel utilization and allocation for both Prime Vendor and DRS personnel. All Critical Milestones, milestones, activities, tasks and sub-tasks will be maintained and updated in the Project Schedule. Prime Vendor will ensure that a reporting structure is in place to review the Deliverables, Issues and Risks. Mitigation actions will be reported in compliance with the Risks and Issues Management Plan to assure protective and corrective actions are taking place. Issues and Risk tools from the PMP will be utilized by Prime Vendor for the tracking and review of Issues and Risks.

Communication

Effective communication mechanisms are the key to maintaining control and coordination of the ERA Project. ERA Project communication will utilize the following communication methods:

- Weekly Project Status Meetings – Face-to-face for Key Personnel
- Ad hoc Project Activity Meetings – teleconference, video conference or face-to-face
- Quarterly Executive Briefings – Face-to-face
- Monthly Executive Sponsor Meetings, including contract compliance – Face-to-face
- Formal Communication – Email or personal delivery

The requirements, deliverables and Certification Criteria for Work Management are embedded in applicable Sections of this Statement of Work, the ERA Project Agreement and Technology Agreement.

9.3 Scope Control

9.3.1 Objective

Control the scope of the ERA Project during execution and deliver this scope in accordance with the ERA Project Agreement and Technology Agreement.

9.3.2 Approach

The Prime Vendor Project Director and Prime Vendor Project Manager, along with the DRS Project Director and DRS Project Manager, will be responsible for monitoring and ensuring against unnecessary increases in scope.

Prime Vendor is responsible for:

- Ensuring all Prime Vendor contractual obligations are assigned to adequately skilled Prime Vendor and DRS personnel for their fulfillment, including Third Parties that are included in the BPMS Solution and ERA;
Prime Vendor will identify any DRS personnel that are causing delays or potential delays as soon as they occur so that DRS can address the issue;

Reviewing contract compliance monthly, or more frequently as necessary, to ensure all services rendered are within the scope of work set forth in this Statement of Work as well as the Technology Agreement and ERA Project Agreement; and

Ensuring Deliverables pass through Prime Vendor’s internal quality assurance and other reviews which include resolving all of the reviewer’s comments and certifying to DRS that such Deliverables meet the Certification Criteria, before project Deliverables are formally submitted for DRS review.

9.3.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.3.3.1</td>
<td>Scope Management</td>
<td>Manage the ERA Project scope and manage any change in scope.</td>
</tr>
</tbody>
</table>

9.3.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.3.4.1</td>
<td>Updated Statement of Work</td>
<td>Update the Statement of Work to include all agreed to changes to the Statement of Work.</td>
<td>PV*</td>
<td>DR</td>
<td>Accurate proposed changes to the Statement of Work</td>
<td>5 days</td>
</tr>
<tr>
<td>9.3.4.2</td>
<td>Updated Project Documents</td>
<td>Updated Project Documents to reflect agreed to changes.</td>
<td>PV*</td>
<td>DR</td>
<td>Updated Project Documents are complete, current, accurate and stored in the project SharePoint folder.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

* DRS may elect to take responsibility for generating the updated Statement of Work and Project Schedule.
9.4 Change Orders

9.4.1 Objective
Recognize and manage all proposed changes to the ERA Project scope of work reflected in this Statement of Work and ERA Project Agreement and associated attachments.

9.4.2 Approach
Contract change requests will be managed in accordance with the requirements in the Technology Agreement. All Change Requests will be managed in accordance with the PMP and utilize the Change Request form, and other DRS processes, tools and templates, as applicable.

- Reviewing with DRS and drafting proposals for additional Services, as identified in a Change Order, and processing the Change Requests as required and as defined in the Technology Agreement;
- Ensuring timely implementation of Change Orders as required and as defined in the Technology Agreement; and
- Capturing potential contract changes in a Change Request Log or in amendments, as applicable.

9.4.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.4.3.1</td>
<td>Change Request management</td>
<td>Manage Change Requests in accordance with the Technology Agreement requirements and the PMP.</td>
</tr>
</tbody>
</table>

9.4.4 Deliverables, Activities and Certification Criteria
The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.4.4.1</td>
<td>Change Request Form</td>
<td>Develop Change Request form to reflect requested change.</td>
<td>PV</td>
<td>DRS</td>
<td>See requirements in the Technology Agreement.</td>
<td>5 days</td>
</tr>
<tr>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
<td>Deliverable/Activity Description</td>
<td>R</td>
<td>C</td>
<td>Certification Criteria</td>
<td>Review Period</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------</td>
<td>----------------------------------</td>
<td>-----</td>
<td>-----</td>
<td>----------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>9.4.4.2</td>
<td>Change Order Log</td>
<td>Change Order Log – provides an audit trail and log of pending Change Requests, including a list of pending Change Requests that will or will not be implemented as part of the initial deployment of the ERA Project.</td>
<td>PV</td>
<td>DRS</td>
<td>Change Order Log captures the status of all Change Requests, Change Responses and signed Change Orders.</td>
<td>3 days</td>
</tr>
<tr>
<td>9.4.4.3</td>
<td>Change Order</td>
<td>Completion of Change Orders (signed by both parties).</td>
<td>PV</td>
<td>DRS</td>
<td>Completion of Change Order (signed by both parties or rejected by DRS) and stored in the project SharePoint folder.</td>
<td>5 days</td>
</tr>
</tbody>
</table>

### 9.5 Issue Management

#### 9.5.1 Objective

Utilize a structured process for identifying, reporting, documenting, tracking, and resolving issues within the applicable timeframes as they arise throughout the ERA Project.

#### 9.5.2 Approach

Issues will arise throughout the ERA Project and beyond; issues should be surfaced as early as possible and dealt with efficiently. Throughout the ERA Project, issues raised by the Prime Vendor project team, including Third Parties, and the DRS project team, will be documented by Prime Vendor utilizing the Defects and Issues Log. Issues must be communicated in a timely manner, clearly identifying and articulating issues as they arise in a comprehensive manner, providing thoughtful approaches to solving issues and addressing problems as they arise, and generally engaging in and promoting a healthy, non-adversarial, working relationship. The project managers together with the project team will have access to the tool for documentation and tracking. Issues will have different levels of severity, resolutions, ownership, and documentation. The DRS Project Manager will assign the level of severity for each Issue. Issues must not be ignored or remain unreported. Doing so would jeopardize the ERA Project and inhibit progress towards a speedy resolution.

Issues will be reviewed and updated as part of the weekly Project Status Meetings and reviewed in the monthly Executive Sponsor Meetings. Issues will be escalated according to the project escalation process set forth below. Issues that are resolved will be documented, communicated to DRS, and then closed.

<table>
<thead>
<tr>
<th>Decision Level</th>
<th>Timeframe to Resolve</th>
<th>DRS Representative</th>
<th>Prime Vendor Representative</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SME Level</td>
<td>3 days</td>
<td>DRS Project Team Member</td>
<td>Prime Vendor Functional/Technical Lead</td>
<td></td>
</tr>
</tbody>
</table>
9.5.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.5.3.1</td>
<td>Management of Issues</td>
<td>Manage Issues in accordance with agreed issue management methodology specified by the PMP.</td>
</tr>
<tr>
<td>9.5.3.2</td>
<td>Use of Issue management tool</td>
<td>Manage and update issues using the Defects and Issues Log.</td>
</tr>
</tbody>
</table>

The requirements, Deliverables and Certification Criteria for Issue Management are embedded in applicable Sections of this Statement of Work, the ERA Project Agreement and Technology Agreement.

9.6 Risk Management

9.6.1 Objective

Minimize variances in the ERA Project Schedule, budget and quality, to reduce exposure to Risks and to facilitate proactive steps to eliminate threats to the ERA Project success within the timeframes set forth in the Project Schedule.

9.6.2 Approach

The PMP risk identification and management process will be used to identify, assess and monitor project Risks and apply mitigation plans. Risk assessment includes identification of Risks and the calculation of Risk impact (impact x likelihood). For all Risks identified in the ERA Project, Prime Vendor will establish a mitigation plan for such Risks, which will be provided to DRS for its review and approval prior to implementing such plan.

Risks assessment and reviews will be conducted as part of the project team meeting and the Risk Management Log will be updated by Prime Vendor accordingly. Risks will be escalated as required through the project escalation process.

9.6.3 Requirements

The following Table outlines and describes the requirements to be addressed:
Appendix D.3 – Statement of Work
Employer Reporting Application Project

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.6.3.1</td>
<td>Management of project and program Risks</td>
<td>Manage Risks in accordance with agreed risk management methodology described in the PMP.</td>
</tr>
<tr>
<td>9.6.3.2</td>
<td>Use of Risk management tool</td>
<td>Manage and update Risks using DRS' risk management tool.</td>
</tr>
</tbody>
</table>

The Deliverables and Certification Criteria for Risk Management are embedded in applicable Sections of this Statement of Work, the ERA Project Agreement and Technology Agreement.

### 9.7 Financial and Budget Management

#### 9.7.1 Objective
Facilitate the effective financial and budget management of the ERA Project.

#### 9.7.2 Approach
Prime Vendor will provide DRS with financial budget and reports for the ERA Project which reflects all the financial information and any changes including executed Change Orders. The financial and budget reports will provide sufficient detail to enable DRS to be able to monitor the overall cost of the ERA Project (Fixed Fee plus any fee impacts based on Change Orders), and the progress of the ERA Project from the perspectives of work effort expended, work effort remaining and percent complete. Prime Vendor will require its personnel to provide detailed time entry information (hours worked, costs of Service, description of task or activity, etc.) by task and/or activity ID Code as referenced in the Project Schedule. Prime Vendor will provide summary reports of such information in such detail as DRS may require, and upon DRS' request, will provide all such information in electronic format to DRS. Prime Vendor shall store and retain this information for the duration of the ERA Project and for a year thereafter.

#### 9.7.3 Requirements
The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7.3.1</td>
<td>Financial and budget plan</td>
<td>Provide budget and financial reporting information for projects to support project monitoring, review and invoicing.</td>
</tr>
</tbody>
</table>
## 9.7.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7.4.1</td>
<td>Monthly Financial Report</td>
<td>Prime Vendor will provide inputs into the Monthly Executive Status Report in the form of a monthly financial report including historical, current and projected financial information.</td>
<td>PV</td>
<td>DRS</td>
<td>Inputs are comprehensive, complete and accurate.</td>
<td>3 days</td>
</tr>
<tr>
<td>9.7.4.2</td>
<td>Invoice Supporting Documentation</td>
<td>The Deliverable and milestone Certification Forms will support the invoices submitted by Prime Vendor and indicate that Deliverable and milestone Certification Criteria have been met unless a Certification Form indicates partial Certification.</td>
<td>PV</td>
<td>DRS</td>
<td>Supporting invoice documentation is complete and sufficiently detailed to support the processing of invoices by DRS.</td>
<td>3 days</td>
</tr>
</tbody>
</table>

## 9.8 Quality Management

### 9.8.1 Objective

Implement processes to ensure that all configurations, Interfaces, Extensions and Deliverables are of a consistent high quality, are accurate, complete and serve the purpose as intended.

### 9.8.2 Approach

Prime Vendor will ensure that, prior to delivery to DRS, each Deliverable will:

- Conform to the applicable requirement and not require re-work based on incomplete work or incorrect assumptions made by Prime Vendor;
- Conform to the applicable agreed Deliverable format;
- For reporting purposes, such as the Defects and Issues Log, not omit, drop or make references to Issues or Defects that are incomplete, not accurate, misleading or not comprehensive to provide the full context of the Issue or Defect;
- Conform to its descriptions in the applicable "Deliverables, Activities and Certification Criteria" charts;
- Be understandable and clear;
• Be substantially free from formatting, grammatical, typographical and other errors; and
• Be tested by Prime Vendor prior to delivery to DRS to ensure that such artifacts pass all functionality, unit and other relevant tests, and are prepared in a manner to avoid regression testing failures;
• Meet the Quality Standards set forth in Schedule 6.1(d) of the Project Agreement.

Prime Vendor will create an internal project quality management plan which will provide a structured mechanism for monitoring project quality through:

• Establishing clear quality objectives for the ERA Project in accordance with the above requirements;
• Establishing a process to track and report on Prime Vendor's compliance with the quality objectives;
• Establishing formal quality audits in the ERA Project;
• Establishing formal communication and feedback mechanisms for quality improvement; Encouraging all ERA Project members to focus on quality and quality improvement; and

Prime Vendor will conduct informal project quality reviews throughout the duration of the ERA Project to evaluate critical processes, and will conduct formal project quality reviews once per project calendar quarter. The informal and formal reviews must, at a minimum, measure and assess the quality and timeliness of the delivery of Prime Vendor's Services, including Prime Vendor's project management, implementation, integration and training and education Services. Prime Vendor will provide DRS and DRS’ independent Quality Assurance (QA) Consultant with a copy of such review (unedited) within five (5) business days after the end of each such review. If there are areas of improvement or deficiencies cited in the review results, the parties will meet to review such areas, and develop a plan to address such items.

In addition to the foregoing reviews, DRS or DRS’ independent QA Consultant will be conducting monthly project reviews and will be preparing a quality scorecard for the ERA Project. Prime Vendor will provide full and complete in-person access, at no additional cost to DRS, to all of Prime Vendor's personnel assigned to a project and associated project-related materials and documentation for the purpose of conducting DRS project reviews.

9.8.3 Requirements

The following Table outlines and describes the requirements to be addressed:

<table>
<thead>
<tr>
<th>Requirement #</th>
<th>Requirement Title</th>
<th>Requirement Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.8.3.1</td>
<td>Quality Assurance Plan</td>
<td>Develop a Quality Assurance Plan that will detail the processes, procedures and tools that will be implemented to ensure the level of quality required in all Deliverables and covers compliance with the PMP quality assurance framework.</td>
</tr>
</tbody>
</table>
### Requirement # | Requirement Title | Requirement Statement
--- | --- | ---
9.8.3.2 | High quality Deliverables | Produce high quality project Deliverables by complying with the Quality Assurance Plan.
9.8.3.3 | Monthly DRS Reviews | Prime Vendor to participate in monthly DRS reviews.

### 9.8.4 Deliverables, Activities and Certification Criteria

The following Table outlines and describes the Deliverables to be produced, the responsible and contributing parties for such Deliverables, their respective specific responsibilities, for Prime Vendor Deliverables, the Certification Criteria and the Review Period stated in the number of business days that DRS will have to initially review each Deliverable after the Deliverable has been formally submitted by Prime Vendor. The Due Dates for each of the Deliverables are set forth in the Project Schedule and will be tracked in the Project Status Reports.

<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
</table>
| 9.8.4.1 | Quality Assurance (QA) Plan | Provide a Quality Assurance Plan that describes:
- The processes and procedures to be applied by the Prime Vendor to identify and correct quality issues.
- The process of evaluating project performance on a regular basis to provide confidence that the ERA Project will satisfy the relevant quality standards. | PV | DRS | The Quality Assurance Plan will contain the DRS quality standards, Prime Vendor quality checkpoints, Deliverable review process, quality roles and project quality assurance and control activities. | 10 days |
<p>| 9.8.4.2 | Quality Assurance Methods Documentation | Provide documentation demonstrating the quality assurance methods and outcomes of the QA compliance assessment. | PV | DRS | Documentation is complete and detailed as to quality assurance methods. | 5 days |
| 9.8.4.3 | Quality Assurance Reviews | Formal and informal Quality Assurance Reviews will include, at a minimum, the measurement and assessment of the quality and timeliness of the delivery of Prime Vendor's Services, including Prime Vendor's project management, implementation, integration and training | PV | DRS | N/A | N/A |</p>
<table>
<thead>
<tr>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>Deliverable/Activity Description</th>
<th>R</th>
<th>C</th>
<th>Certification Criteria</th>
<th>Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.8.4.4</td>
<td>Prime Vendor Internal QA Reports</td>
<td>Prime Vendor will deliver the quarterly QA reports prepared by Prime Vendor's audit group to DRS and DRS' independent QA Consultant.</td>
<td>PV</td>
<td>DRS</td>
<td>Reports are provided to DRS and DRS Independent QA Consultant on a timely basis in accordance with the Technology Agreement, and are provided without any redacting or other edits.</td>
<td>5 days</td>
</tr>
<tr>
<td>9.8.4.5</td>
<td>Prime Vendor QA Deficiencies Addressed</td>
<td>The Prime Vendor quality assurance lead will assist the Prime Vendor Project Manager to implement recommendations from the Quality Assurance Review. The Prime Vendor Project Manager will keep the DRS Project Manager and DRS independent QA Consultant updated with progress on implementing recommendations.</td>
<td>PV</td>
<td>DRS</td>
<td>QA Reports are complete with respect to quality reviews.</td>
<td>5 days</td>
</tr>
<tr>
<td>9.8.4.6</td>
<td>DRS QA Reviews</td>
<td>Participate in DRS reviews with the DRS independent QA Consultant.</td>
<td>PV</td>
<td>DRS</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

and education Services. Formal Quality Assurance Reviews will also include:

- On-site reviews with key Prime Vendor and DRS project personnel.
- DRS satisfaction survey.
- Detailed review of project documentation.
10.0 Assumptions

The following set forth the assumptions applicable to the ERA Project. If an assumption is determined to be no longer valid, then DRS or Prime Vendor may assert that the assumption will result in an out-of-scope activity or event, entitling either DRS or Prime Vendor to activate the Change Order process as set forth in the Agreement.

1. DRS will meet its responsibilities in accordance with the ERA Project Agreement.
2. DRS Third Parties will not cause material delays to Prime Vendor performing its obligations.
Appendix A

Prime Vendor Implementation Methodology

[COMPLETE COPY OF THE IMPLEMENTATION METHODOLOGY TO BE PROVIDED BY PRIME VENDOR]
## List of Deliverables and Activities

<table>
<thead>
<tr>
<th>#</th>
<th>Deliverable ID</th>
<th>Deliverable/Activity Name</th>
<th>R</th>
<th>C</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1.5.1</td>
<td>RTM</td>
<td>PV</td>
<td>DRS</td>
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<tr>
<td>2</td>
<td>1.5.2</td>
<td>Updated RTM</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>3</td>
<td>1.5.3</td>
<td>Certification Form</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>4</td>
<td>2.1.4.1</td>
<td>Samples and Templates – Organizational Change Management</td>
<td>PV</td>
<td>N/A</td>
</tr>
<tr>
<td>5</td>
<td>2.1.4.2</td>
<td>Finalized Organizational Change Management Plan</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>6</td>
<td>2.1.4.3</td>
<td>Solicitation and Feedback</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>7</td>
<td>2.2.4.1</td>
<td>Samples and Templates - Communication</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>8</td>
<td>2.2.4.2</td>
<td>Communication component of the Organizational Change Management Plan</td>
<td>DRS</td>
<td>PV</td>
</tr>
<tr>
<td>9</td>
<td>2.2.4.3</td>
<td>Improvements to the communication component of the Organizational Change Management Plan</td>
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<td>DRS</td>
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<tr>
<td>10</td>
<td>2.3.1.4.1</td>
<td>Education, Training and Knowledge Transfer component of the Organizational Change Management Plan</td>
<td>PV</td>
<td>DRS</td>
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<tr>
<td>11</td>
<td>2.3.1.4.2</td>
<td>Curriculum Plan</td>
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<td>DRS</td>
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<tr>
<td>12</td>
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<td>External end-User Training Materials</td>
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<td>DRS</td>
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<tr>
<td>13</td>
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<td>On-Line Help Materials</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>14</td>
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<td>Instructor Course Materials</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
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<td>Quick reference guides (QRG)</td>
<td>PV</td>
<td>DRS</td>
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<tr>
<td>16</td>
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<td>Web-based education and training delivery modules</td>
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<td>DRS</td>
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<td>Trainer assessment and Train-the-Trainer course materials</td>
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<td>Education and Training course handover report – Train-the-Trainer</td>
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<tr>
<td>26</td>
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<td>Certification Form – ESS Training</td>
<td>PV</td>
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<tr>
<td>#</td>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
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<td>C</td>
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<tr>
<td>27</td>
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<td>Non-ESS personnel education, training and Knowledge transfer component of the Organizational Change Management Plan</td>
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<td>Conduct Education and Training</td>
<td>PV</td>
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<td>29</td>
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<td>DRS</td>
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<td>Project Preparation Session Agenda and Presentation</td>
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<td>Project Preparation and Demonstration Session</td>
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<td>Open House Demonstrations for various DRS business units and Stakeholders</td>
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<td>Agenda and Materials for Project Team Boot Camp Sessions</td>
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<td>Organize Workbooks</td>
<td>DRS</td>
<td>PV</td>
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<tr>
<td>61</td>
<td>4.1.4.5</td>
<td>Fit/Gap Assessment</td>
<td>PV</td>
<td>DRS</td>
</tr>
<tr>
<td>62</td>
<td>4.1.4.6</td>
<td>Documented Requirements</td>
<td>DRS</td>
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<tr>
<td>#</td>
<td>Deliverable ID</td>
<td>Deliverable/Activity Name</td>
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<td>C</td>
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<tr>
<td>63</td>
<td>4.1.4.7</td>
<td>Identify Affected DRS Systems and interfaces</td>
<td>DRS</td>
<td>PV</td>
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<td>4.1.4.8</td>
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<td>DRS</td>
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<td>PV</td>
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<td>4.1.4.17</td>
<td>Complete list of Interfaces, Extensions and Reports</td>
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<td>Assessment of changes required for DRS data requirements</td>
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<td>DRS</td>
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<td>4.2.4.3</td>
<td>Minimum Data Sets / File Layouts</td>
<td>PV</td>
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<td>RTM</td>
<td>PV</td>
<td>DRS</td>
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<td>4.2.4.6</td>
<td>Sources of Data Elements</td>
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<td>PV</td>
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<td>82</td>
<td>4.2.4.7</td>
<td>Updated Test Scenarios and Test Scripts</td>
<td>PV</td>
<td>DRS</td>
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## Appendix D.3 – Statement of Work

**Employer Reporting Application Project**

### Deliverable ID | Deliverable/Activity Name | R | C
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100 | 4.3.4.15 | Certification Form - Configuration for Performance | PV | N/A
101 | 4.3.4.16 | Updated Project Documents | PV | DRS
102 | 4.3.4.17 | Certification Form – Build, Configure and Validate | PV | DRS
103 | 4.4.4.1 | List of proposed tools and utilities for DRS data integration | PV | DRS
104 | 4.4.4.2 | Test of Proposed Tools and Utilities | PV | DRS
105 | 4.4.4.3 | Certification Form – List of Prime Vendor Tools and Utilities | PV | DRS
106 | 4.4.4.4 | Temporary data structures and reports Document | PV | DRS
107 | 4.4.4.5 | Develop, test and implement temporary data structures and reports | PV | DRS
108 | 4.4.4.6 | Updated Project Documents | PV | DRS
109 | 4.4.4.7 | Certification Form – Data Integration | PV | DRS
110 | 4.5.4.1 | BPMS Solution and ERA Report Inventory | PV | DRS
111 | 4.5.4.2 | BPMS Solution and ERA Report Request Log | PV | DRS
112 | 4.5.4.3 | Resource / Cost Estimate | PV | DRS
113 | 4.5.4.4 | Report Design | PV | DRS
114 | 4.5.4.5 | Development Plan | PV | DRS
115 | 4.5.4.6 | Report Validation | PV | DRS
116 | 4.5.4.7 | Updated Project Documents | PV | DRS
117 | 4.5.4.8 | Certification Form - Reports | PV | DRS
118 | 5.1.4.1 | Interface Functional Specification | PV | DRS
119 | 5.1.4.2 | Interface Technical Specifications | PV | DRS
120 | 5.1.4.3 | Interface Development | PV | N/A
121 | 5.1.4.4 | Interface Test Plan | PV | DRS
122 | 5.1.4.5 | Interface Testing | PV | DRS
123 | 5.1.4.6 | Interface Testing Defect and Issues Log | PV | DRS
124 | 5.1.4.7 | Performance Monitoring Tool Interface | PV | DRS
125 | 5.1.4.8 | Downstream Impacts | PV | DRS
126 | 5.1.4.9 | OWASP Certification | PV | N/A
127 | 5.1.4.10 | Updated Project Documents | PV | DRS
128 | 5.1.4.11 | Certification Form - Interfaces | PV | DRS
129 | 5.2.4.1 | Extension Functional Specification | PV | DRS
130 | 5.2.4.2 | Extension Technical Specifications | PV | DRS
131 | 5.2.4.3 | Extensions Developed | PV | N/A
132 | 5.2.4.4 | Extension Test Plan | PV | DRS
133 | 5.2.4.5 | Extension Testing | PV | DRS
134 | 5.2.4.6 | Extension Testing Issue and Defect Log | PV | DRS
135 | 5.2.4.7 | OWASP Certification | PV | N/A
136 | 5.2.4.8 | Updated Project Documents | PV | DRS
137 | 5.2.4.9 | Certification Form - Extensions | PV | DRS
138 | 5.3.4.1 | Data Conversion Strategy and Policies Document | PV | DRS
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Appendix C

Preliminary Organizational Change Management

(TO BE DEVELOPED DURING THE IMPLEMENTATION PLANNING STRATEGY WORKSHOP)
## Appendix D

### List of Select Interfaces

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<th>Interface</th>
<th>Data types</th>
<th>Internal (I) / External (E) to DRS</th>
<th>Input (I) Output (O) Bi-directional (I/O)</th>
<th>Accessed by means of</th>
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<tr>
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<td>Natural / Cobol</td>
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<td>Electronic Document Image Management System (EDIMS)</td>
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<td>I/O</td>
<td>Natural / Cobol / Secure FTP</td>
<td>Med</td>
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<tr>
<td>Employer e-services</td>
<td>Financial, Employer, Member</td>
<td>I</td>
<td>I/O</td>
<td>Natural / Cobol / Web</td>
<td>Med</td>
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<tr>
<td>Invoice System</td>
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<td>O</td>
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<td>Member Information System (MIS)</td>
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<td>Member e-Services (Online Account Access)</td>
<td>Financial, Member</td>
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<td>I/O</td>
<td>Natural / Cobol / Web</td>
<td>High</td>
</tr>
<tr>
<td>Receivable Management (Financial)</td>
<td>Financial, Member, Vendor¹</td>
<td>I/E</td>
<td>I/O</td>
<td>Natural / Cobol</td>
<td>High</td>
</tr>
</tbody>
</table>

¹ Vendor refers to external parties involved in the financial management process.
### Interface | Data types | Internal (I) / External (E) to DRS | Input (I) Output (O) Bi-directional (I/O) | Accessed by means of | Complexity: Low, Med, High
---|---|---|---|---|---
Employer Reporting Application Project | Beneficiary, Employer | | | Cobol / Web (Employer ePay) | |
Health Care Authority | Address/Contact info, Member | E | O | Mainframe | Low
Legislative/Executive (OST) | Financial (warrants/disbursements, etc.) | E | O | Mainframe | Low
Vendors | Financial (warrants, EFT, etc.) | E | O | Mainframe | Low
State Treasurer | Financial (warrants, EFT, etc.) | E | O | Mainframe | Med
Financial institutions (Record Keepers) | Financial, member, retiree, beneficiary | E | I/O | Secure FTP | Med
IRS (1099) | Financial, member, retiree, beneficiary | E | O | Special secure FTP | Low
Courts | | E | O | Mainframe | Low
OFM (AFRS) | Financial | E | O | Mainframe | Med
Central Technology Services | System/Technical Warrant Print 1099 Print | E | I/O | Windows Mainframe Linux | High
DES (Dept. Enterprise Service) | Address labels | E | O | via E-mail | Low
<table>
<thead>
<tr>
<th>Interface</th>
<th>Data types</th>
<th>Internal (I) / External (E) to DRS</th>
<th>Input (I) Output(O) Bi-directional (I/O)</th>
<th>Accessed by means of</th>
<th>Complexity: Low, Med, High</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOH, LNI (tracking death &amp; Disability)</td>
<td>Vital Records²</td>
<td>E</td>
<td>I/O</td>
<td>Linux</td>
<td>Low</td>
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<tr>
<td>Transmittals</td>
<td>Member, Employer</td>
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<tr>
<td>Employer Enrollment &amp; Maintenance</td>
<td></td>
<td>I</td>
<td>I/O</td>
<td>Mainframe</td>
<td>High</td>
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<tr>
<td>E-services Portal (WBET)</td>
<td></td>
<td>I</td>
<td>I/O</td>
<td>Mainframe and Web</td>
<td>Med</td>
</tr>
</tbody>
</table>

1 - Vendor: Institution which collects portion of retirement payment on behalf of another; similar to a garnishee order.
2 - Vital Records: Birth and Death certificates, or other legal orders such as marriage or divorce records.
Appendix E

Preliminary Disaster Recovery and Business Continuity Plan

(TO BE DEVELOPED WITH THE APPROPRIATE TECHNICAL PARTNER)
## Appendix D.4 – Performance Standards

<table>
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<tr>
<th>Performance Standard Description</th>
<th>Performance Standard</th>
<th>Measurement Technique</th>
<th>Measurement and Reporting Period(s)</th>
<th>Performance Credits</th>
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</thead>
<tbody>
<tr>
<td>Monthly BPMS Availability</td>
<td>The monthly BPMS Availability shall not be less than 99.9% of available hours in each month. If a Major Release is installed within a month, then the number of available hours used in calculating this percentage shall be reduced by either 1) four (4) hours or 2) eight (8) hours depending on the applicable measure defined within “Major Release BPMS Downtime.”</td>
<td>DRS Proactive Monitoring</td>
<td>Monthly, commencing at completion of Phase 1 24 x 7 x 365 days a year.</td>
<td>If BPMS Availability drops below 99.9%; 7% of current year Support and Maintenance Service fees charged (based upon the maintenance fee for the year in which incident occurred). Credits apply on a per-monthly basis.</td>
</tr>
<tr>
<td>Major Release BPMS Downtime</td>
<td>The duration of downtime due to Major Release BPMS Downtime shall not exceed the following: If DRS installs Major Releases on a semi-annual basis, the duration of Major Release BPMS Downtime shall not exceed four (4) hours; if DRS installs one (1) Major Release per year, then the Major Release BPMS Downtime shall not exceed eight (8) hours. During the Major Release BPMS Downtime, Prime Vendor shall provide access to at least one (1) technical resource, at no additional cost to DRS, to assist in planning and implementing such upgrade.</td>
<td>DRS Proactive Monitoring</td>
<td>Per Major Release installation event, commencing at completion of Phase 1.</td>
<td>If the Major Release BPMS Downtime is greater than four (4) hours, or eight (8) hours, as applicable; 7% of annual Support and Maintenance Services fees charged (based upon maintenance fees for year in which Major BPMS Release downtime occurred). Credits apply on a per-incident basis.</td>
</tr>
<tr>
<td>Performance Standard Description</td>
<td>Performance Standard</td>
<td>Measurement Technique</td>
<td>Measurement and Reporting Period(s)</td>
<td>Performance Credits</td>
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<tr>
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</tr>
<tr>
<td>BPMS Through-put Response Time</td>
<td>99&lt;sup&gt;th&lt;/sup&gt; percentile Response Time for BPMS Functions (not including Administrative BI and BAM requests) will not exceed 50 milliseconds for 3 consecutive days. BPMS Functions are those which were provided by Vendor’s BPMS toolset.</td>
<td>DRS Proactive Monitoring</td>
<td>Commencing at completion of Phase 1, to be measured and calculated by recording the 99&lt;sup&gt;th&lt;/sup&gt; percentile of all Transactions during each two (2) hour time period. The results are reported daily, and only one instance of Performance Credits will be assessable for each 3-day incident.</td>
<td>If the response time for BPMS Functions is not achieved during a daily reporting period, and such latency is observed over 3 consecutive days; 1% of annual maintenance fees charged (based upon maintenance fees for the year in which incident occurred). Credits are based upon per 3-day incident basis.</td>
</tr>
</tbody>
</table>
### Performance Standard Description

**ERA Standard Transactions Response Time**

- **99th percentile Response Time for Standard Transactions** which are pertaining to Business Operations (not including Administrative BI and BAM requests) will not exceed 50 milliseconds for 3 consecutive days.

  Standard Transactions are those which were provided by Vendor’s BPMS toolset, and do not include DRS developed components.

<table>
<thead>
<tr>
<th>Performance Standard Description</th>
<th>Performance Standard</th>
<th>Measurement Technique</th>
<th>Measurement and Reporting Period(s)</th>
<th>Performance Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERA Standard Transactions Response Time</td>
<td>99th percentile Response Time for Standard Transactions which are pertaining to Business Operations (not including Administrative BI and BAM requests) will not exceed 50 milliseconds for 3 consecutive days.</td>
<td>DRS Proactive Monitoring</td>
<td>Commencing at go-live, to be measured and calculated by recording the 99th percentile of all Transactions during each two (2) hour time period. The results are reported daily, and only one instance of Performance Credits will be assessable each 3-day incident.</td>
<td>If the response time for Standard Transactions is not achieved during a daily reporting period, and such latency is observed over 3 consecutive days; 1% of annual Support and Maintenance Services fees charged (based upon maintenance fees for the year in which incident occurred). Credits are based upon per 3-day incident basis.</td>
</tr>
<tr>
<td>Performance Standard Description</td>
<td>Performance Standard</td>
<td>Measurement Technique</td>
<td>Measurement and Reporting Period(s)</td>
<td>Performance Credits</td>
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<tr>
<td>BPMS-specific Data Loss or corruption</td>
<td>Upon the occurrence of a BPMS Solution failure (not caused by natural disaster), no BPMS-specific data such as (not an exhaustive list) audit logs, security logs, process analytics data, process model definitions, business rules definition, etc. shall be lost or corrupted.</td>
<td>Number of data records or individual data elements lost or corrupted determined through journaling functionality</td>
<td>Per each BPMS Solution failure or data corruption event.</td>
<td>For each BPMS Solution failure where BPMS-specific data was lost: 1) If data is successfully recovered in full, 10% of annual Support and Maintenance Services fees charged (for year in which incident occurred). 2) If data is not successfully recovered in full, 50% of annual maintenance fees charged (for year in which incident occurred).</td>
</tr>
<tr>
<td>Performance Standard Description</td>
<td>Performance Standard</td>
<td>Measurement Technique</td>
<td>Measurement and Reporting Period(s)</td>
<td>Performance Credits</td>
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</tr>
<tr>
<td>DRS-Specific Data loss or corruption</td>
<td>Upon the occurrence of a BPMS Solution failure (not caused by natural disaster), no DRS business data, including, without limitation, member information, employer information, etc. directly attributable to the BPMS failure shall be lost or corrupted.</td>
<td>Number of data records or individual data elements lost or corrupted determined through journaling functionality</td>
<td>Per each BPMS Solution failure or data corruption event.</td>
<td>For each BPMS Solution failure where DRS-specific data was lost:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1) If data is successfully recovered in full, 20% of annual Support and Maintenance Services fees charged (for year in which incident occurred).</td>
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<td></td>
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<td></td>
<td></td>
<td>2) If data is not successfully recovered in full, 100% of costs incurred by DRS which are directly related to data loss/corruption.</td>
</tr>
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</table>

"Actual Available Time" means the number of hours during the applicable measurement period (whether monthly, quarterly or annually) that the BPMS Solution is accessible by DRS and its Authorized Users and performing its intended functions within the Performance Standards set forth in the table above. For purposes of this definition, "accessible" shall mean that all Interfaces and major features and functionality contained in the BPMS Solution, are fully functional and operational without any Level 1 Defects or Level 2 Defects and Response Times are within stated Response Time metrics. Actual Available Time shall not include Major Release Application Downtime.

"BPMS Availability" means Actual Available Time expressed as a percentage of Scheduled Available Time, and is calculated by dividing Actual Available Time by Scheduled Available Time. For example, if the Scheduled Available Time during a measurement period is one hundred (100) hours and the Actual Available Time is ninety-eight (98) hours, then Application Availability is ninety-eight percent (98%).

“BPMS Function” means requests sent to the BPMS Solution to process workflow, execute rules, trigger external modules, send/receive messages, transform data, check security permissions provided by Vendor’s BPMS toolset, or use any Third Party vendor provided API.
"DRS Proactive Monitoring" means the process by which agent scripts capture BPMS Function Response Times. Scripts will monitor critical functionality in the production and DRS environments 24 x 7 x 365. Agents will report real time performance statistics and alerts when critical functionality exceeds the applicable Performance Standards.

"Level 1 Defect" and "Level 2 Defect" are defined in the Technology Agreement.

"Major Release" is defined in the Technology Agreement.

"Major Release BPMS Downtime" means the downtime of the entire BPMS Solution or any component thereof resulting from the installation of a Major Release.

"Response Time" means the elapsed time to complete a given BPMS Function, as applicable.

"Scheduled Available Time" means all hours during the applicable measurement period (whether monthly, quarterly or annually) less total scheduled downtime for the applicable measurement period; provided, however, that if the applicable System experiences actual downtime during the allocated scheduled downtime period less than the full amount of scheduled downtime, then the amount of scheduled downtime not used shall not be deducted from the amount of Scheduled Available Time. Scheduled Available Time shall not include Major Release Application Downtime.

"Standard Transactions" means the following transactions:

<table>
<thead>
<tr>
<th>#</th>
<th>Transaction Title</th>
<th>Transaction Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enroll Employer</td>
<td>This transaction facilitates the enrollment of employers into a DRS retirement system, including DCP and assists employers in obtaining appropriate OASI status. This includes gathering employer enrollment information, requesting documents, the application process, checking the eligibility of the employer against RCWs, WACs and DRS business rules, and enrolling the employer into the appropriate retirement system.</td>
</tr>
<tr>
<td>2</td>
<td>Update Employer</td>
<td>This transaction allows employers to submit updates to their employer profile information, pension plan information, DCP information and/or OASI status information. This includes the ability for employers to submit a change request, notification to DRS that a change request has been submitted, tracking and receiving documents from the employer and completing the change request.</td>
</tr>
<tr>
<td>#</td>
<td>Transaction Title</td>
<td>Transaction Description</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Determine Member Eligibility</td>
<td>This transaction allows an employer to assess a member’s eligibility to participate in a DRS retirement plan. This includes transactions to review retirement and membership status with DRS and other programs like First Class City and Higher Education Retirement Plans, identification of the employer’s available systems, and evaluation of the position eligibility by applying RCWs, WACs, and business rules to confirm the reportable status of the member.</td>
</tr>
<tr>
<td>4</td>
<td>Enroll Member</td>
<td>This transaction enables employers to enroll their employees into a DRS retirement system, DCP or HERP. The first step in this process is to go through the Determine Member Eligibility process then based on if the employee is reportable, edit the enrollment information, create or update a member’s profile, enroll them in the correct system and plan and create the employment record.</td>
</tr>
<tr>
<td>5</td>
<td>Update Member</td>
<td>This transaction provides the ability for employers and internal DRS team members to update member information which includes transactions with member profile data and separation dates edited against DRS business rules.</td>
</tr>
<tr>
<td>6</td>
<td>Plan Choice</td>
<td>This transaction facilitates the member’s plan choice selection between plans 2 and 3 or HERP and Plan 3 for PERS, SERS, and TRS and the notification of that selection to DRS, the member and the employer. This includes notifications to members about their plan choice rights, reminders to the member about their plan choice, editing the plan choice decision against RCWs, WACs and business rules and recording the member’s plan choice.</td>
</tr>
<tr>
<td>7</td>
<td>Earning Activity</td>
<td>This transaction provides the ability for the employer to submit all employee pension and/or DCP earning activity data to DRS including the ability to capture HERP data. This includes data regarding hours, compensation, employer/member contributions, earning periods, investment data, and reporting information. All information will be edited against RCWs, WACs and business rules.</td>
</tr>
<tr>
<td>8</td>
<td>Process Employer Report</td>
<td>This transaction provides a publicly accessible function for employers to submit member profile information, pension plan information and/or DCP information. This will include, for each employer, a data map that identifies how their data in the native format will be arranged to conform to DRS’ common format. The ability to edit that report against RCWs, WACs and business rules to filter data that may need to be corrected by the employer and also commit the data that has been edited and is correct.</td>
</tr>
<tr>
<td>9</td>
<td>Process Employer Electronic Payments</td>
<td>This transaction allows employers to create and submit electronic payments to DRS. This will include setting up bank account information, verifying employee user information, being able to select a receivable to pay or to make a payment, create a payment advice based on payment type and amount and being able to review, save and submit that payment information.</td>
</tr>
</tbody>
</table>
### Appendix D.4 – Performance Standards

**Employer Reporting Application Project**

<table>
<thead>
<tr>
<th>#</th>
<th>Transaction Title</th>
<th>Transaction Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Employer Profile Review</td>
<td>This transaction allows an employer to access their profile information and the ability to access other services and/or resources. This includes the ability to retrieve the user’s information based upon their role and access levels and display the services/resources available for that user.</td>
</tr>
<tr>
<td>11</td>
<td>Member Lookup</td>
<td>This transaction provides a publicly accessible function for employers to lookup current employees, past employees or perspective employees that may have prior history in a Washington State retirement plan (and possibly First Class City and/or Higher Education Retirement Plans). Transactions for this process will include search capability against the mainframe and retrieval of data based on that search.</td>
</tr>
<tr>
<td>12</td>
<td>Review Employer Enrollment</td>
<td>This transaction will enable the requester to view information about eligibility for pension plan enrollment, enrollment in DCP and OASI participation. The transaction will solicit identifying information from the requester to help direct the requester to the most pertinent information. It will include a self-estimator for estimated cost to purchase prior service and provide an option to initiate the enrollment process.</td>
</tr>
<tr>
<td>13</td>
<td>Register Employer/ Employer Login</td>
<td>This transaction provides a publicly accessible function to facilitate the user registration and login into the employer reporting application with the other capabilities of recovering a user ID, forgotten password, changing their user ID and maintaining other user’s access within their organization.</td>
</tr>
</tbody>
</table>
EXHIBITS TO

DRS / PRIME VENDOR TECHNOLOGY AGREEMENT

EXHIBIT 1  ERA PROJECT AGREEMENT

EXHIBIT 2  SUBCONTRACTOR CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

EXHIBIT 3  THIRD PARTY CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

EXHIBIT 4  SOURCE CODE ESCROW AGREEMENT
ERA PROJECT AGREEMENT

ERA Project Agreement Date: ________, 2014

This ERA Project Agreement, including all Schedules and Attachments referenced herein (collectively, the "ERA Project Agreement"), is a Project Agreement to that certain Technology Agreement, by and between DRS and Prime Vendor, dated ________, 2014 (the "Agreement" or "TA"). Capitalized terms used herein shall have the meanings ascribed to them in the ERA Project Agreement or, if not defined herein, such terms shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, authorized representatives of the parties have executed this ERA Project Agreement effective as of the date written above.

Approved
Washington State Department of Retirement Systems

Approved
[Prime Vendor]

Project Director
[Name, Title]

Approved as to Form
State of Washington
Office of the Attorney General

[Prime Vendor] Information
[Prime Vendor] UBI Number:

Assistant Attorney General

Minority or Woman Owned Business Enterprise

Yes ______________ No ____
(Certification Number)
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<tr>
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</tr>
<tr>
<td>Schedule 5.2</td>
<td>Third Party Software Terms and Conditions</td>
</tr>
<tr>
<td>Schedule 5.5</td>
<td>DRS Business and Technical Requirements</td>
</tr>
<tr>
<td>Schedule 5.6</td>
<td>Demonstrations and Demonstration Materials</td>
</tr>
<tr>
<td>Schedule 5.9</td>
<td>Approved Equipment Configuration</td>
</tr>
<tr>
<td>Schedule 6.1</td>
<td>Statement of Work</td>
</tr>
<tr>
<td>Schedule 6.1(d)</td>
<td>Quality Standards and Scorecard</td>
</tr>
<tr>
<td>Schedule 6.2</td>
<td>Key Personnel</td>
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<tr>
<td>Schedule 6.3</td>
<td>Project Schedule</td>
</tr>
<tr>
<td>Schedule 6.4</td>
<td>Joint Resource Plan</td>
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<tr>
<td>Schedule 6.5</td>
<td>Critical Milestones; Delay Credits</td>
</tr>
<tr>
<td>Schedule 7</td>
<td>Prime Vendor Tools and Utilities</td>
</tr>
<tr>
<td>Schedule 8</td>
<td>Equipment</td>
</tr>
</tbody>
</table>
TERMS AND CONDITIONS

1. ERA Project Description.

The Employer Reporting Application Project will implement a Business Process Management Suite (BPMS) Solution and use the BPMS Solution to build an Employer Reporting Application (ERA), which will replace the existing Employer Information System (EIS). EIS is DRS’ existing Employer reporting system, which collects data related to retirement for Washington State public employees. The BPMS Solution and ERA will provide the architectural foundation for the future addition of other core business processes, such as retiree benefits processing, disbursements, and financial services.

Currently, Washington’s 1,300 public Employers must report to DRS wage and other information relating to retirement plans and deferred earnings for every employee. Employers now use a variety of ways to send this information to DRS: secure file transfer, automated dataset upload, web application, manually entered from a paper report. At DRS, the information is stored and maintained in a secure database within EIS. Maintaining this information in EIS is costly, time-consuming and prone to error for both Employers and for DRS.

Through the ERA Project, DRS will replace the assortment of methods for transmitting this information with a single, web-based Employer Reporting Application (ERA). ERA will include edits to assure the integrity of both Employers’ and employees’ data, will directly populate the existing databases, will be convenient for Employers to use, and will streamline these reporting processes. The scope of the ERA Project also includes acquiring and implementing a Business Process Management Suite (BPMS) Solution.

The BPMS Solution will provide a highly-integrated and adaptable architecture capable of processing large volumes of sensitive data with complex business rules, providing internal and external users with a streamlined, user-friendly, and easy-to-maintain ERA system, and integrating with the other core systems until all business processes are transitioned to the new platform. The BPMS Solution will be hosted, on-premise, by DRS at the State Data Center.

As the BPMS Solution is being implemented, Prime Vendor will work with DRS to design, configure and build, validate, test and bring into production the ERA. A critical component of the building and configuring of ERA, is the Knowledge Transfer from Prime Vendor to DRS to ensure that DRS is able to design, configure and implement future systems to support DRS’ pension programs such as retiree benefits processing, disbursements, and financial services.

2. Summary of Fees and Costs. The following Tables set forth the summary of the fees for the ERA Project:

<table>
<thead>
<tr>
<th>One-Time Fees</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
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</tr>
</tbody>
</table>
3. **ERA Project Schedules.** The following Schedules are incorporated into and made a part of the ERA Project Agreement:

- Schedule 4: Payment Terms and Payment Milestones
- Schedule 5.1: BPMS Solution and ERA
- Schedule 5.2: Third Party Software Terms and Conditions
- Schedule 5.5: DRS Business and Technical Requirements
- Schedule 5.6: Demonstrations and Demonstration Materials
- Schedule 5.9: Approved Equipment Configuration
- Schedule 6.1: Statement of Work
- Schedule 6.1(d): Quality Standards and Scorecard
- Schedule 6.2: Key Personnel
- Schedule 6.3: Project Schedule
- Schedule 6.4: Joint Resource Plan
- Schedule 6.5: Critical Milestones; Delay Credits
- Schedule 7: Prime Vendor Tools and Utilities
- Schedule 8: Equipment

4. **Payment Terms and Payment Milestones.** The Fixed Fee for the BPMS Solution, ERA, Equipment and Services shall be payable in accordance with the payment milestones ("Payment Milestones") and other terms and conditions set forth in Schedule 4.

5. **BPMS Solution, ERA and Interfaces.**

   5.1 **BPMS Solution and ERA.** The Software, including all Third Party Software, being licensed from or provided by Prime Vendor for the ERA Project is set forth in Schedule 5.1.

   5.2 **Third Party Software.** Schedule 5.2 sets forth the terms and conditions for the Third Party Software that is licensed to DRS by Prime Vendor for the ERA Project. Such terms and conditions are in addition to, and not in lieu of, any of the rights of DRS herein, and do not diminish any of Prime Vendor obligations set forth in the TA or this ERA Project Agreement.
5.3 **Interfaces.** The Interfaces provided by Prime Vendor to DRS as part of the ERA Project are set forth in the Statement of Work.

5.4 **Design and Scalability Limitations.** Prime Vendor represents and warrants to DRS that Prime Vendor is unaware of any software design or scalability issues with respect to the BPMS Solution that exceed the transaction volumes of DRS presently and for a period of fifteen (15) years assuming a compounded growth rate of five percent (5%) per year. Prime Vendor further represents and warrants to DRS that it has performed such due diligence as is required to ensure that none of these BPMS Solution limitations are reasonably expected to be exceeded for DRS.

5.5 **DRS Business and Technical Requirements.** The DRS Business and Technical Requirements for the BPMS Solution shall be comprised of the following items:

(A) The Prime Vendor responses to the requirements as set forth in **Schedule 5.5**;

(B) The features and functionalities included in the Demonstrations and the responses to the Demonstrations Materials; and

(C) The DRS data integration and extraction requirements developed by the parties under the Employer Reporting Application Project Statement of Work.

5.6 **Product Demonstrations.** The recorded BPMS Solution demonstrations are set forth in the DVD(s) enclosed with this Project Agreement, the dates of which are set forth in **Schedule 5.6**, based on the demonstration scripts attached thereto. Prime Vendor represents and warrants to DRS that: (a) the Demonstrations were all based on the following version(s): ______; (b) all component of the BPMS Solution are, as of the ERA Project Agreement Date, made generally available by Prime Vendor to its customers; (c) ____ is the Version being provided to DRS under this ERA Project Agreement; and (d) the representations and warranties set forth in **Section 9.1.3** of the TA are hereby affirmed with respect to the Demonstrations.

5.7 **Support For Interfaces, Extensions and Software-Based Deliverables.**

(a) **Developed During the ERA Project to Meet DRS Business and Technical Requirements Existing as of the Effective Date.** During the ERA Project, in accordance with the terms of this ERA Project Agreement and the ERA Statement of Work Prime Vendor will develop and implement Interfaces, Extensions and software-based Deliverables in order to meet the DRS Business and Technical Requirements existing as of the ERA Project Agreement Effective Date. During the ERA Project and through Project Completion, Prime Vendor shall provide Support and Maintenance Services for such Interfaces, Extensions and Deliverables including the retrofitting of such Interfaces, Extensions and Deliverables to, and the maintaining compatibility with Enhancements, all for the Fixed Fee.
(b) Developed During the ERA Project to Meet New DRS Business and Technical Requirements. If there are new DRS Business and Technical Requirements or changes to the existing DRS Business and Technical Requirements made during the ERA Project that require an Interface, Extension and/or software-based Deliverable to be developed, the parties will use the Change Order process to identify the scope change, the fees, if any, to develop the Interface, Extension and/or software-based Deliverable, and the Support and Maintenance Services Fee for the Interface, Extension and/or software-based Deliverable, which Support and Maintenance Services Fee shall not exceed twenty-two percent (22%) of the development cost, all in accordance with the terms of the TA. For purposes herein, a new DRS Business and Technical Requirement shall not be deemed to include the changes resulting from a change in the DRS benefits programs as set forth in Section 1.4 and applicable Sections of the Statement of Work. For Change Orders approved by DRS, Prime Vendor shall provide Support and Maintenance Services for such Interfaces, Extensions and Deliverables including the retrofitting of such Interfaces, Extensions and Deliverables to, and the maintaining compatibility with Enhancements, all for the Fixed Fee as adjusted by the Change Order.

(c) Developed After Project Completion of the ERA Project. If, after Project Completion of the ERA Project, DRS commissions a new Interface, Extension and/or software-based Deliverable, Prime Vendor shall comply with the terms of Section 3.2.6 of the TA.

5.8 Approved Equipment Configuration and Performance Standards. The Approved Equipment Configuration for the BPMS Solution is set forth in Schedule 5.9.

6. Implementation Services

6.1 Statement of Work. The Statement of Work for the ERA Project is set forth in Schedule 6.1. The Statement of Work sets forth the various assumptions, roles and responsibilities of each of the parties.

(a) Completeness of Services and Products. Prime Vendor represents and warrants to DRS that, as of the Effective Date: (a) Prime Vendor identified in the Statement of Work all software, services and other items required to: (i) implement the BPMS Solution and ERA; and (ii) achieve the DRS Business and Technical Requirements and other requirements as set forth in this ERA Project Agreement, and the Performance Standards; (b) all such software, services and other items are included in this ERA Project Agreement; (c) there are no other products that are required to meet the DRS Business and Technical Requirements or Performance Standards; and (d) the Services to be provided by Prime Vendor on a Fixed Fee basis under the Statement of Work are the complete services required to meet DRS’ requirements as set forth herein, and there are no other services (i.e., optional or needed additional services) that are omitted but necessary to meet such requirements. Without limiting the applicability or generality of the foregoing, Prime Vendor represents to DRS that, with respect to this Project Agreement, it will have performed sufficient due diligence activities to properly determine, subject to the Assumptions set forth in the Statement of Work, the software, products and scope of services required to successfully meet
the DRS Business and Technical Requirements and Performance Standards. Prime Vendor acknowledges that, subject to the Assumptions, the above representations and warranties are a material factor influencing DRS’ decision to enter into, and that DRS materially relied upon such representations and warranties when it entered into, the TA and this ERA Project Agreement.

(b) Special Provisions Relating to Scope. The parties acknowledge that, given the complexities inherent in implementing the BPMS Solution and ERA, there may be additional activities and tasks that may be required to implement the DRS Business and Technical Requirements that are not reflected in the ERA Project Agreement, but are nonetheless advisable, necessary or required to successfully implement the DRS Business and Technical Requirements. If there is a disagreement as to which party is responsible for a given activity, task or subtask, the matter shall be referred to the Prime Vendor Account Executive and the DRS Project Director for resolution, and they will use as guidelines in resolving the matter whether the activity, task or subtask was reasonably related and/or linked to a party’s stated responsibilities in the Statement of Work and/or Project Schedule.

In addition to the foregoing, the scope of implementation responsibilities includes incorporating changes to the BPMS Solution and ERA to meet and accommodate changes to the DRS Practices and Policies as such changes occur during the pendency of the ERA Project, all within the Fixed Fee and for no additional cost to DRS. Prime Vendor acknowledges that it has factored into the Fixed Fee sufficient contingency to address these changes.

(c) Assumptions. The Assumptions set forth in the Statement of Work identify the complete list of assumptions applicable to the ERA Project (including the Statement of Work, Joint Resource Plan and Project Schedule) and relied on by the parties in developing the scope of work set forth in the Statement of Work. If an assumption is determined to be no longer valid, then a party may assert that the assumption will result in an out-of-scope activity or event, entitling that party to activate the Change Order procedures.

(d) Quality Standards and Scorecard. The Quality Measurements and Scorecard are set forth in Schedule 6.1(d).

6.2 Key Personnel. The Key Personnel for the ERA Project are set forth in Schedule 6.2.

6.3 Project Schedule. The Project Schedule existing as of the Effective Date is set forth in Schedule 6.3. The commencement and completion dates for the ERA Project are as follows: May 1, 2014 (or earlier) with release to Early Adoptors July 1, 2015, with Stabilization and Optimization periods to follow. The Project Schedule will be revised from time-to-time by the parties, and once revised shall become incorporated into and a part of the ERA Project Agreement. Any change(s) to the Due Date of a Critical Milestone must be made pursuant to the Change Order procedures set forth in the TA to be effective.

6.4 Joint Resource Plan. The Joint Resource Plan set forth in Schedule 6.4 identifies the role, amount and timing of DRS and Prime Vendor personnel resources
assigned to the ERA Project. Prime Vendor recommended the skill level, amount and timing of DRS resources in the Joint Resource Plan and such plan is based on Prime Vendor's knowledge of the BPMS Solution and ERA and the experience of Prime Vendor's other similarly-situated customers who have installed the BPMS Solution and built applications similar to ERA using the BPMS Solution. Prime Vendor represents to DRS that the amount and roles of DRS resources described therein are reasonably adequate to perform the tasks assigned to DRS in the Statement of Work within the applicable timeframes set forth in the Statement of Work and Project Schedule. Prime Vendor represents that, based on its experience and project planning undertaken at DRS prior to the Effective Date, the Joint Resource Plan, Statement of Work and Project Schedule reference and contain sufficient hours in which to implement all of the ERA Project. Prime Vendor shall track and report to DRS resource utilization and the variance between actual resource utilization and the Joint Resource Plan.

6.5 Critical Milestones. The Critical Milestones for the ERA Project are set forth in Schedule 6.5. Upon certifying any Critical Milestone submitted by Prime Vendor, DRS shall provide Prime Vendor with written certification of such Critical Milestone by signing the Certification Form set forth in Schedule 3.2.3 of the TA by the DRS Project Director, or her or his designee. No other form of certification, such as email communications, oral information or otherwise, shall be effective for purposes of certification, payment or otherwise, and shall not be effective against DRS.

6.6 Use of Prime Vendor Implementation Methodologies. Prime Vendor has recommended using certain proprietary and non-proprietary methodologies for the ERA Project ("Prime Vendor Implementation Methodologies", as further described in the Statement of Work). Prime Vendor represents to DRS that, based on its further due diligence during the implementation planning study workshops conducted prior to the Effective Date, the Prime Vendor Methodologies are appropriate, sufficient and applicable to the Services required to complete the ERA Project with quality Deliverables, on-time and within the Fixed Fee. Based on such representation, DRS has agreed that such methodologies will be used in the ERA Project. However, if DRS or Prime Vendor determine that one or more of the Prime Vendor Methodologies are impeding the progress of the ERA Project or are negatively impacting the quality of Deliverables, on-time performance or budgetary considerations, then Prime Vendor shall adjust, modify or change the Prime Vendor Methodologies to address the negative impact on the ERA Project, and any such changes to the Prime Vendor Methodologies shall be subject to a no cost Change Order in order to make such changes effective.

6.7 Travel, Out-of-Pocket and Related Expenses. Schedule 5 sets forth the fixed charges for the travel, out-of-pocket and related expenses.


8. Equipment. Schedule 8 sets forth the Equipment to be provided by Prime Vendor to DRS for the ERA Project.
**SCHEDULE 4**

**PAYMENT TERMS AND PAYMENT MILESTONES**

[TO BE DEVELOPED]

BPMS Solution License Fees

<table>
<thead>
<tr>
<th>#</th>
<th>Payment Milestones</th>
<th>Expected Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Implementation Fees

<table>
<thead>
<tr>
<th>Description of Invoicing Milestone</th>
<th>% of Total Implementation Fees¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Kick-off Event</td>
<td>5%</td>
</tr>
<tr>
<td>Implement BPMS Solution (Phase 1)</td>
<td>10%</td>
</tr>
<tr>
<td>Complete Employer Portal (Phase 2)</td>
<td>10%</td>
</tr>
<tr>
<td>Complete Member Eligibility (Phase 3)</td>
<td>5%</td>
</tr>
<tr>
<td>Complete the Employer Reporting (Phase 4)</td>
<td>15%</td>
</tr>
<tr>
<td>Complete New Employer (Phase 5)</td>
<td>5%</td>
</tr>
<tr>
<td>Production (Go-Live)</td>
<td>20%</td>
</tr>
<tr>
<td>Completion of Stabilization</td>
<td>10%</td>
</tr>
<tr>
<td>Completion of Optimization/Project Completion</td>
<td>20%</td>
</tr>
</tbody>
</table>

¹ If there are multiple implementation tracks (e.g., an implementation track for each software module): (1) 20% of the total implementation fees will be allocated to Project Completion; and (2) the remaining 80% of the total implementation fees will be allocated among the implementation tracks, and these percentages (excluding the percentage allocated to Project Completion) will apply to the portion of the total implementation fees that have been allocated to the applicable implementation track.
SCHEDULE 5.1

BPMS SOLUTION AND ERA

[PRIME VENDOR TO PROPOSE]
SCHEDULE 5.2

THIRD PARTY SOFTWARE TERMS AND CONDITIONS

[PRIME VENDOR TO PROPOSE]
SCHEDULE 5.5

DRS BUSINESS AND TECHNICAL REQUIREMENTS

[INCORPORATE PRIME VENDOR RESPONSE]
SCHEDULE 5.6

DEMONSTRATIONS AND DEMONSTRATION MATERIALS

(SEE ATTACHED)
SCHEDULE 5.9

APPROVED EQUIPMENT CONFIGURATION

(SEE ATTACHED)
SCHEDULE 6.1

STATEMENT OF WORK

(SEE ATTACHED)
QUALITY STANDARDS AND SCORECARD

Quality Measurement Factors  The quality measurement factors for the ERA Project shall include:

1. The degree to which a configuration, Interface, Extension, Deliverable tendered by Prime Vendor to DRS, whether in draft or other form, is complete and meets the applicable Certification Criteria;

2. The number of times a configuration, Interface, Extension or Deliverable needs to be re-worked because of incomplete analysis, incorrect assumptions made by or lack of understanding on the part of Prime Vendor;

3. Whether written Deliverables are clearly written, understandable, and devoid of typographical and formatting errors;

4. Whether proper quality assurance for the configuration, Interface, Extension and/or Deliverable has been undertaken by Prime Vendor, and if prior quality assurance reviews have resulted in deficiencies, whether Prime Vendor has addressed those deficiencies to ensure the deficiencies do not reoccur;

5. For the Defects and Issues Log, whether any Defects or Issues were omitted, dropped, or written in a manner as to not fully disclose the context of how the Issue or Defect arose;

6. Whether Prime Vendor undertakes proper testing prior to delivery to DRS, and are prepared in a manner to avoid regression testing failures;

7. Whether training and education courses cover all the applicable materials needed to adequately train the various categories and constituencies of DRS personnel as specified in the Statement of Work, and are delivered by highly-skilled instructors who are able to convey the subject matter in a manner that is understandable by DRS personnel;

8. Whether the training and education materials are complete and comprehensively support the changes needed to adapt to the future state of business processes;

9. Whether Prime Vendor personnel communicate to DRS in a timely manner, clearly identify and articulate Issues as they arise in a comprehensive manner, provide thoughtful approaches to solving Issues and addressing problems as they arise, and generally engage in and promote a healthy, non-adversarial, working relationship; and

10. Whether Prime Vendor provides knowledgeable staff who maximize the transfer of Knowledge to DRS personnel, consistent with industry standards.
Scorecard

To assess the Quality Measurement Factors, the parties will use the scorecard attached to this Schedule.
## ERA Project Quality Scorecard

Scorecard Control #: _______________

Date: _____________________________

Scorecard Issuer: _________________

<table>
<thead>
<tr>
<th>Quality Measurement Factor</th>
<th>Score (1-10)*</th>
<th>Notes/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting Certification Criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of Re-work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear, Understandable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Assurance Reviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accuracy of Defects and Issues Log</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Regression Testing Failures</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 = lowest score; 10 = highest score
**SCHEDULE 6.2**

**KEY PERSONNEL**

Each of the following individuals constitutes Key Personnel for the Prime Vendor under the terms of the Agreement:

<table>
<thead>
<tr>
<th>Position</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Percentage On-Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Vendor Executive Sponsor* –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime Vendor Account Executive* –</td>
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<td></td>
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<tr>
<td>Project Director –</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Project Manager –</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Quality Assurance Lead -</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Functional Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security Lead* –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration/Interface Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reports and Reporting Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Change Management Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education, Training and Knowledge Transfer Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migration/Conversion Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Testing Lead –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Standards Management Lead -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[ADD MAJOR THIRD PARTY SOLUTION LEAD(S)]</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Prime Vendor personnel shall be considered Key Personnel as agreed to in writing by the parties.

On-site personnel generally shall adhere to the work schedule of Monday – Fridays, 8:00 a.m. to 5:00 p.m., Pacific time, provided that the work schedule will not limit Prime Vendor personnel from working additional hours during the work week and during the weekend. The hours of certain Prime Vendor on-site personnel may be staggered or flexible hours instituted provided the DRS Project Director agrees that ERA Project needs are not being compromised.

* The Prime Vendor Executive Sponsor, Security Lead and Prime Vendor Account Executive shall not be chargeable to DRS.
SCHEDULE 6.3

PROJECT SCHEDULE

(SEE ATTACHED)

[TO BE DEVELOPED DURING IPS]

ERA Project Schedule Requirements Checklist

To complete the ERA Project Schedule, the following items need to be included or addressed:

- Specify the overall start and completion dates for the ERA Project.
- Include all Critical Milestones, milestones, major and key Deliverables (by name), activities, and tasks and, where helpful, subtasks:
  - The ERA Project Schedule should include any activities required of Third Parties, and be designated as such; and
  - All other activities should designate whether the Prime Vendor or DRS is the lead or responsible party.
- When identifying Critical Milestones:
  - Lead off the entry by the Phrase: "Critical Milestone". If there is an ID associated with the Critical Milestone, include the ID reference in the line item.
  - Set forth the exact name as used in the Statement of Work or Project Agreement. Using the "Find" function, a user should be able to type in the exact name of the Critical Milestones to locate the entry in the ERA Project Schedule;
  - The Critical Milestone Due Dates must match the Critical Milestone Due Dates set forth in the ERA Project Agreement;
  - Color-code the Critical Milestone entries so that they stand out when viewed or printed; and
  - Identify all major dependencies and interdependencies in a separate column.
- When identifying Deliverables:
  - Include the Deliverable ID in a separate column;
  - The Deliverable ID must match the ID in the Statement of Work;
  - Identify all major dependencies and interdependencies in a separate column (can be the same column used for Critical Milestones).
- Include a reference to the Project Status Meetings, Executive Sponsor meetings, quality review meetings, contract compliance meetings and other recurring meetings. Since these are recurring activities, reference to these meetings can be stated in one place and does not need to be repeated throughout the ERA Project Schedule.
- Train the Trainer and end user training and education activities all need to be sequenced at the correct time in preparation for the cutover to Production.
- Testing activities need to reflect the agreed to time intervals for the various testing activities. Accordingly, unit testing (for a particular BPMS Solution Module) must start and be completed prior to systems integration testing for that module. Testing activities must include:
  - Pre-Live Testing must precede Production Use, the Stabilization Period and Optimization Period;
✓ The Stabilization Period must be at least 90 days long and precede the Optimization Period; and
✓ The Optimization Period must be at least 90 days long.
**SCHEDULE 6.4**

**JOINT RESOURCE PLAN**

*(SEE ATTACHED)*

**[TO BE DEVELOPED DURING IPS]**

*(SEE ATTACHED)*

**ERA Joint Resource Plan Requirements Checklist**

The Joint Resource Plan must be prepared in Microsoft Excel and reflect the resources required for both Prime Vendor DRS for the ERA Project. The data in the Excel spreadsheets must be exportable by DRS. The Joint Resource Plan must accommodate DRS’ administrative calendars and allow for resource constraints that occur within the business cycle for such things as fiscal year end close. The Joint Resource Plan must reconcile with resource loading details in the Project Schedule, provide specific details regarding FTE personnel resources committed to the project and differentiate between functional and technical personnel resources.

The Joint Resource Plan must contain two types of resource information (in two separate Excel spreadsheets), as described below, which must contain the following elements:

**Joint Resource Plan by Implementation Stage**

One spreadsheet must show the number of resources for both Vendor’s and DRS' personnel by application grouping (i.e., leave vs. scheduling) for each stage or phase of the implementation. This spreadsheet must be based on the implementation methodology agreed by the parties.

**Resource Plan by Month**

The second spreadsheet must show the number of resources for both Bidder’s and DRS’ personnel containing the following information and elements:

A. The number of hours by resource category by month for each of DRS and Bidder. This information must be presented side-by-side so DRS can readily discern how many of its resources are required during any given month against the number of resources Bidder will provide.

B. For Bidder’s personnel, the location (on-site or off-site) of the resource.

C. Total hours for each of Bidder’s and DRS’ personnel by month and overall for the ERA Project.
## SCHEDULE 6.5

### CRITICAL MILESTONES; DELAY CREDITS

<table>
<thead>
<tr>
<th>#</th>
<th>Critical Milestones</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project Kickoff</td>
<td>5/31/2014</td>
</tr>
<tr>
<td>2</td>
<td>Implement BPMS Solution (Phase 1)</td>
<td>6/30/2014</td>
</tr>
<tr>
<td></td>
<td>2.1 Certification – Solution Design (Deliverable ID 4.2.4.10)</td>
<td>5/2014</td>
</tr>
<tr>
<td></td>
<td>2.2 Certification – SIT (Deliverable ID 6.3.4.4.5)</td>
<td>6/2014</td>
</tr>
<tr>
<td></td>
<td>2.3 Certification – Production (Deliverable ID 7.4.16)</td>
<td>6/2014</td>
</tr>
<tr>
<td>3</td>
<td>Complete Employer Portal (Phase 2)</td>
<td>10/31/2014</td>
</tr>
<tr>
<td></td>
<td>3.1 Certification – Solution Design (Deliverable ID 4.2.4.10)</td>
<td>6/2014</td>
</tr>
<tr>
<td></td>
<td>3.2 Certification – SIT (Deliverable ID 6.3.4.4.5)</td>
<td>10/2014</td>
</tr>
<tr>
<td>4</td>
<td>Complete Member Eligibility (Phase 3)</td>
<td>1/31/2015</td>
</tr>
<tr>
<td></td>
<td>4.1 Certification – Solution Design (Deliverable ID 4.2.4.10)</td>
<td>8/2014</td>
</tr>
<tr>
<td></td>
<td>4.2 Certification – SIT (Deliverable ID 6.3.4.4.5)</td>
<td>1/2015</td>
</tr>
<tr>
<td>5</td>
<td>Complete Employer Reporting (Phase 4)</td>
<td>6/30/2015</td>
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<tr>
<td></td>
<td>5.1 Certification – Solution Design (4.2.4.10)</td>
<td>9/2014</td>
</tr>
<tr>
<td></td>
<td>5.2 Certification – SIT (Deliverable ID 6.3.4.4.5)</td>
<td>6/2015</td>
</tr>
<tr>
<td>6</td>
<td>Complete New Employer (Phase 5)</td>
<td>6/30/2015</td>
</tr>
<tr>
<td></td>
<td>6.1 Certification – Solution Design (Deliverable ID 4.2.4.10)</td>
<td>2/2015</td>
</tr>
<tr>
<td></td>
<td>6.2 Certification – SIT (Deliverable ID 6.3.4.4.5)</td>
<td>6/2015</td>
</tr>
<tr>
<td>7</td>
<td>Production (Go-live)</td>
<td>7/2015</td>
</tr>
<tr>
<td></td>
<td>7.1 Certification – Production (Deliverable ID 7.4.16)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Stabilization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.1 Certification – Stabilization (Deliverable ID 8.2.4.3)</td>
<td>9/2015</td>
</tr>
<tr>
<td>9</td>
<td>Project Completion</td>
<td>12/31/2015</td>
</tr>
<tr>
<td></td>
<td>9.1 Certification – Transitions (Deliverable ID 8.3.3.4)</td>
<td>12/2015</td>
</tr>
</tbody>
</table>

### Delay Credits

Delay Credits shall equal five thousand Dollars ($5,000) per day.
## SCHEDULE 7

**PRIME VENDOR TOOLS AND UTILITIES**

<table>
<thead>
<tr>
<th>Tool</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
SCHEDULE 8

EQUIPMENT

(SEE ATTACHED)
EXHIBIT 2

SUBCONTRACTOR CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Subcontractor Confidentiality and Non-Disclosure Agreement ("Subcontractor NDA Agreement") is executed this ___ day of ________, 20__, by ________________________________ ("Subcontractor").

W I T N E S S E T H:

WHEREAS, Prime Vendor, a ________ corporation with a place of business at ____________________________ ("Prime Vendor"), and Washington State Department of Retirement Systems, an agency of the state of Washington, with a principal place of business at 6835 Capitol Boulevard, Tumwater, Washington 98501 ("DRS"), entered into that certain Technology Agreement, dated ________, 2014 ("Technology Agreement");

WHEREAS, with DRS’ prior written consent, Prime Vendor and Subcontractor entered into an agreement ("Subcontract Agreement") under which, among other things, Subcontractor will provide certain of the services and/or deliverables that Prime Vendor is obligated to provide to DRS under the Technology Agreement; and

WHEREAS, Subcontractor may have access to certain confidential and proprietary information of DRS, and Prime Vendor and DRS want to protect the confidentiality of any such confidential and proprietary information that may be disclosed by Prime Vendor or DRS to Subcontractor.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Subcontractor agrees to the foregoing and as follows:

1. CONFIDENTIAL INFORMATION

The following terms shall have the meaning as described in the Technology Agreement: Law(s), OWASP and DRS Confidential Information.

2. NON-DISCLOSURE AND RESTRICTED USE OF CONFIDENTIAL INFORMATION

2.1 Nondisclosure and Restricted Use. At all times during and after Subcontractor’s access to the Confidential Information, Subcontractor will hold the Confidential Information in confidence and, except as is required in connection with Subcontractor’s performance of its obligations to Prime Vendor, Subcontractor: (a) shall not use, copy, disclose or otherwise make the Confidential Information available to any other person or entity without the prior written consent of DRS; and (b) shall not remove or permit to be removed from the Confidential Information any notice placed thereon by Prime Vendor or DRS indicating the confidential nature of, or the proprietary right of DRS in, the Confidential Information.

2.2 Data Security. Subcontractor shall comply with DRS’ security policies and procedures, currently located at http://ofm.wa.gov/ocio/policies/documents/141.10.pdf, as may be updated from time-to-time by DRS.
2.3 Notification Obligation. If Subcontractor becomes aware of any unauthorized use or disclosure of the Confidential Information by any person or entity, Subcontractor promptly and fully shall advise Prime Vendor and DRS of all facts known to Subcontractor concerning such unauthorized use or disclosure.

2.4 Return of Confidential Information. Upon the termination of Subcontractor's obligations to Prime Vendor, or at any time upon Prime Vendor's or DRS' request, Subcontractor shall promptly return to DRS (or destroy provided a written certification of such destruction is provided to DRS) all of the Confidential Information in Subcontractor's possession, custody or control. In connection with any such return, upon Prime Vendor's or DRS' request, Subcontractor shall provide DRS with an affidavit stating that: (a) Subcontractor has returned to DRS all Confidential Information to which Subcontractor had access; (b) Subcontractor does not have any Confidential Information, or copies thereof, in Subcontractor's possession, custody or control; and (c) Subcontractor has not made the Confidential Information, or any part thereof, available to any other person or entity without the prior written consent of Prime Vendor and DRS. If Subcontractor has made the Confidential Information available to another person or entity without the prior written consent of Prime Vendor and DRS, Subcontractor agrees to promptly document the extent and nature of such dissemination, including, without limitation, identifying: (d) what Confidential Information was disclosed; (e) to whom the Confidential Information was disclosed; (f) the manner and means by which the Confidential Information was disclosed; and (g) the date(s) on which such disclosure occurred.

3. GENERAL PROVISIONS

3.1 Injunctive Relief. Because of the unique and highly confidential nature of the Confidential Information, Subcontractor acknowledges and agrees that DRS may suffer irreparable harm if Subcontractor breaches any of Subcontractor's obligations under this Subcontractor NDA Agreement and that monetary damages may be inadequate to compensate for such breach. Accordingly, in addition to any other rights and remedies that may be available to Prime Vendor and DRS at law and in equity, Prime Vendor and/or DRS shall be entitled to seek enforcement of the provisions of this Subcontractor NDA Agreement by seeking injunctive relief.

3.2 Severability. If any provision of this Subcontractor NDA Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Subcontractor NDA Agreement.

3.3 Waiver. No delay or omission by Prime Vendor or DRS to exercise any right occurring upon Subcontractor's non-compliance or default with respect to any of the terms of this Subcontractor NDA Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by Prime Vendor or DRS of any of the covenants, conditions or agreements to be performed by Subcontractor shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.

3.4 Public Disclosures. Without the prior written consent of DRS, which consent may be withheld in DRS' sole discretion, Subcontractor shall not make or publish, directly or indirectly, any statements, articles, public or private announcements (including, without limitation, any announcement made via e-mail or any posting on the Internet or any Prime Vendor web-site), media releases, press conferences, advertising or similar publicity in any form relating to the fact that the parties have entered into this Subcontractor NDA Agreement or that DRS and Prime Vendor have a contractual relationship, the name, image or logo of DRS or any of its Affil-
iates (or any variation or combination of such name, image or logo), as well as the name or image of any DRS employee or contractor of DRS. Without limiting the generality of the foregoing, Subcontractor shall not, without DRS' prior written approval: (a) make any references to third parties that DRS is a customer of Subcontractor or Prime Vendor; (b) include or make any reference to DRS or DRS' name in any proposals to third parties; or (c) provide DRS contact information to existing or prospective customers of Subcontractor or Prime Vendor.

3.5 Governing Law; Jurisdiction. The Subcontractor NDA Agreement, and all the rights and duties of Subcontractor arising from or relating in any way to the subject matter of the Subcontractor NDA Agreement or the transaction(s) contemplated by it, shall be governed by, construed and enforced only in accordance with the laws of the state of Washington (excluding any conflict of laws provisions that would refer to and apply the substantive laws of another jurisdiction). **SUBCONTRACTOR AGREES AND CONSENTS TO THE SOLE AND EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF THE STATE COURTS OF WASHINGTON LOCATED IN THURSTON COUNTY, WASHINGTON.**

3.6 Third Party Beneficiary. DRS and its Affiliates are direct and intended third-party beneficiaries of the terms of this Subcontractor NDA Agreement. If Subcontractor receives conflicting requests and/or instructions from Prime Vendor and DRS with respect to the terms of this Subcontractor NDA Agreement, Subcontractor shall comply with DRS' requests and/or instructions.

3.7 Assignment; Subcontracting. Subcontractor shall not assign the Subcontract Agreement or this Subcontractor NDA Agreement, nor subcontract or delegate any of its obligations under the Subcontract Agreement or this Subcontractor NDA Agreement, without the prior written consent of Prime Vendor and DRS.

3.8 Conflicts of Interpretation. In the event of any conflicts between the terms of this Subcontractor NDA Agreement and the terms of the Subcontract Agreement, the terms of this Subcontractor NDA Agreement shall control.

3.9 Scope of Agreement. The terms and conditions of this Subcontractor NDA Agreement shall apply to DRS and its Affiliates, as that term is defined in the Technology Agreement, but only as to Confidential Information that is disclosed under the Technology Agreement to Subcontractor hereunder.

3.10 Exclusive Agreement; Modifications. This Subcontractor NDA Agreement constitutes the complete and exclusive statement of the agreement of the parties with respect to the subject matter of this Subcontractor NDA Agreement and supersedes all prior oral and written proposals, negotiations, representations, promises, agreements, warranties or understandings concerning such subject matter. All provisions that by their nature require survival shall survive after any termination of this Subcontractor NDA Agreement or Subcontractor's access to the Confidential Information. This Subcontractor NDA Agreement may be modified only pursuant to a writing executed by DRS, Prime Vendor and Subcontractor.
IN WITNESS WHEREOF, this Subcontractor Confidentiality and Non-Disclosure Agreement has been executed on the date and year first above written.

[SUBCONTRACTOR]

By: ________________________________

Printed Name: _______________________

Title: _______________________________
This Third Party Confidentiality and Non-Disclosure Agreement ("Third Party NDA Agreement") is executed this ______ day of ________, 20__, by ____________________ ("Third Party").

WITNESSETH:

WHEREAS, Prime Vendor, a ________ corporation with a place of business at ____________________________ ("Prime Vendor"), and Washington State Department of Retirement Systems, an agency of the state of Washington, with a principal place of business at 6835 Capitol Boulevard, Tumwater, Washington 98501 ("DRS"), entered into that certain Technology Agreement, dated _______, 2014 ("Technology Agreement");

WHEREAS, Third Party has obligations to DRS that will require Third Party to be granted access to the BPMS Solution, as such term is defined in the Technology Agreement and such user will be exposed to and has a need to know certain confidential and proprietary information of Prime Vendor; and

WHEREAS, DRS and Prime Vendor want to protect the confidentiality of any such confidential and proprietary information that may be disclosed by Prime Vendor or DRS to Third Party.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Third Party agrees to the foregoing and as follows:

1. CONFIDENTIAL INFORMATION

   Prime Vendor Confidential Information shall have the meaning as described in the Technology Agreement.

2. NON-DISCLOSURE AND RESTRICTED USE OF CONFIDENTIAL INFORMATION

   2.1 Nondisclosure and Restricted Use. Third Party acknowledges and agrees that Prime Vendor owns all right, title and interest in and to the Prime Vendor Confidential Information, and in and to all copies thereof, and in and to all of the related trade secrets, copyrights, patents and other proprietary rights. Accordingly, at all times during and after Third Party's access to the Prime Vendor Confidential Information, Third Party will hold the Prime Vendor Confidential Information in confidence and, except as is required in connection with Third Party's performance of its obligations to DRS, Third Party: (a) shall not use, copy, disclose or otherwise make the Prime Vendor Confidential Information available to any other person or entity without the prior written consent of DRS and Prime Vendor; and (b) shall not remove or permit to be removed from the Prime Vendor Confidential Information any notice placed thereon by DRS or Prime Vendor indicating the confidential nature of, or the proprietary right of Prime Vendor in, the Prime Vendor Confidential Information. The furnishing of the Prime Vendor Confidential Information for the limited purposes set forth herein does not constitute the grant, option, license,
 sublicense, assignment, or other form of transfer to Third Party of any rights, title or interest in or to such Prime Vendor Confidential Information. Third Party shall not copy, translate, disassemble or decompile, nor create or attempt to create the source code from the object code of the BPMS Solution licensed hereunder or use it to create a derivative work, unless authorized in writing by Prime Vendor.

2.2 Notification Obligation. If Third Party becomes aware of any unauthorized use or disclosure of the Prime Vendor Confidential Information by any person or entity, Third Party promptly and fully shall advise DRS and Prime Vendor of all facts known to Third Party concerning such unauthorized use or disclosure.

2.3 Return of Proprietary Information. Upon the termination of Third Party’s access to the BPMS Solution, or at any time upon Prime Vendor’s or DRS’ request, Third Party shall return to Prime Vendor all of the Prime Vendor Confidential Information in Third Party’s possession, custody or control. In connection with any such return, upon Prime Vendor’s or DRS’ request, Third Party shall provide Prime Vendor with an affidavit stating that: (a) Third Party has returned to Prime Vendor all Prime Vendor Confidential Information to which Third Party had access; (b) Third Party does not have any Prime Vendor Confidential Information, or copies thereof, in Third Party’s possession, custody or control; and (c) Third Party has not made the Prime Vendor Confidential Information, or any part thereof, available to any other person or entity without the prior written consent of Prime Vendor and DRS. If Third Party has made the Prime Vendor Confidential Information available to another person or entity without the prior written consent of Prime Vendor and DRS, Third Party agrees to promptly document the extent and nature of such dissemination, including, without limitation, identifying: (d) what Prime Vendor Confidential Information was disclosed; (e) to whom the Prime Vendor Confidential Information was disclosed; (f) the manner and means by which the Prime Vendor Confidential Information was disclosed; and (g) the date(s) on which such disclosure occurred.

3. GENERAL PROVISIONS

3.1 Injunctive Relief. Because of the unique and highly confidential nature of the Prime Vendor Confidential Information, Third Party acknowledges and agrees that Prime Vendor may suffer irreparable harm if Third Party breaches any of Third Party’s obligations under this Third Party NDA Agreement and that monetary damages may be inadequate to compensate for such breach. Accordingly, in addition to any other rights and remedies that may be available to Prime Vendor and DRS at law and in equity, Prime Vendor and/or DRS shall be entitled to seek enforcement of the provisions of this Third Party NDA Agreement by seeking injunctive relief.

3.2 Severability. If any provision of this Third Party NDA Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Third Party NDA Agreement.

3.3 Waiver. No delay or omission by Prime Vendor or DRS to exercise any right occurring upon Third Party’s non-compliance or default with respect to any of the terms of this Third Party NDA Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by Prime Vendor or DRS of any of the covenants, conditions or agreements to be performed by Third Party shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.
3.4 **Governing Law; Jurisdiction.** The Third Party NDA Agreement, and all the rights and duties of Third Party arising from or relating in any way to the subject matter of the Third Party NDA Agreement or the transaction(s) contemplated by it, shall be governed by, construed and enforced only in accordance with the laws of the state of Washington (excluding any conflict of laws provisions that would refer to and apply the substantive laws of another jurisdiction). **THIRD PARTY AGREES AND CONSENTS TO THE SOLE AND EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF THE STATE COURTS OF WASHINGTON LOCATED IN THE CITY OF THURSTON COUNTY, WASHINGTON.**

3.5 **Third Party Beneficiary.** Prime Vendor is a direct and intended third-party beneficiary of the terms of this Third Party NDA Agreement. If Third Party receives conflicting requests and/or instructions from Prime Vendor and DRS with respect to the terms of this Third Party NDA Agreement, Third Party shall comply with Prime Vendor's requests and/or instructions.

3.6 **Assignment; Subcontracting.** Third Party shall not assign, subcontract or delegate any of its obligations under the Third Party NDA Agreement, without the prior written consent of Prime Vendor and DRS.

3.7 **Exclusive Agreement; Modifications.** This Third Party NDA Agreement constitutes the complete and exclusive statement of the agreement of the parties with respect to the subject matter of this Third Party NDA Agreement and supersedes all prior oral and written proposals, negotiations, representations, promises, agreements, warranties or understandings concerning such subject matter. All provisions that by their nature require survival shall survive after any termination of this Third Party NDA Agreement or Third Party's access to the Prime Vendor Confidential Information. This Third Party NDA Agreement may be modified only pursuant to a writing executed by DRS, Prime Vendor and Third Party.

**IN WITNESS WHEREOF,** this Third Party Confidentiality and Non-Disclosure Agreement has been executed on the date and year first above written.

[THIRD PARTY]

By: ____________________________________

Printed Name: ___________________________

Title: _________________________________
EXHIBIT 4

SOURCE CODE ESCROW AGREEMENT

(SEE ATTACHED)
SOURCE CODE ESCROW AGREEMENT

This Source Code Escrow Agreement ("Escrow Agreement"), is made and entered into as of the ___ day of _______, 2014 ("Effective Date") by and among Washington State Department of Retirement Systems, an agency of the state of Washington, with a principal place of business at 6835 Capitol Boulevard, Tumwater, Washington 98501 ("Licensee"), ______________, a ____ corporation, with a place of business at ______________ (including its successors and permitted assigns, "Owner"), and ______________, as escrow agent (hereinafter, "Escrow Agent").

RECITALS

WHEREAS, Owner and Licensee have entered into that certain Technology Agreement, dated as of ___________, 2014 (the "Underlying Agreement"), which provides for, among other things, the license by Licensee of certain of Owner's software programs ("Software") in accordance with the terms and provisions thereof; and

WHEREAS, the availability and maintenance of the Software is critical to Licensee in the conduct of its business, and Owner therefore has agreed to deposit with Escrow Agent the items described in Attachment A to this Escrow Agreement (such items are hereinafter referred to individually as a "Deposit," and collectively as the "Deposits"); and

WHEREAS, the Deposits are to be held by Escrow Agent in accordance with the terms and conditions of this Escrow Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the foregoing and as follows:

ARTICLE 1
CREATION AND MAINTENANCE OF ESCROW; ESCROW AGENT OBLIGATIONS

1.1 Creation and Maintenance of Escrow. Pursuant to the terms of the Underlying Agreement, Owner has agreed to license the Software to Licensee. The Software may include various applications that are proprietary to Owner (together with, for each such Software application, all third party software and tools, and all Additional Programs, an "Application Set"). With respect to each Application Set, Owner shall separately package the Deposits and, within each such package, separately label the Deposits to correspond with the numbered items in Attachment A so that the Deposits for each Application Set can be easily identified by Escrow Agent and Licensee. Owner shall deposit with Escrow Agent then-current copies of the Deposits for the Software licensed by Licensee from Owner as of the Effective Date ("Initial Deposits") within thirty (30) days following the Effective Date. With respect to any Software that may be licensed by Licensee from Owner following the Effective Date, Owner shall deposit with Escrow Agent then-current copies of the Deposits for such Software (also Initial Deposits) within thirty (30) days following the date on which Licensee and Owner agree in writing in accordance with the terms of the Underlying Agreement to the terms and conditions governing the license of such additional Software. With respect to all Software licensed by Licensee from Owner, Owner further agrees to deposit then-current copies of the Deposits ("Supplemental Deposits") with Escrow Agent thirty (30) days after: (a) the end of each calendar year; and (b) the date on
which Owner issues a major release of the Software; provided that the parties may agree in writing to have the Supplemental Deposits deposited less frequently. If Supplemental Deposits for any Application Set consist of a full and complete update of the Deposits for such Application Set, with Owner's and Licensee's prior written consent, Escrow Agent shall be entitled to destroy the prior Deposits for such Application Set (otherwise Escrow Agent shall retain all such Deposits). Along with each Initial Deposit and each Supplemental Deposit, Owner shall prepare and submit to Escrow Agent for each Application Set a description of the Deposits included with such submission in the form attached hereto as Attachment B.

1.2 Escrow Agent Obligations. Without limiting Escrow Agent's other duties and obligations under this Escrow Agreement:

(a) Escrow Agent shall notify Licensee that it has received Deposits (whether Initial Deposits or Supplemental Deposits) from Owner in accordance with the procedures set forth in Section 1.2(b) of this Escrow Agreement. Escrow Agent's responsibilities following receipt of any such Deposits from Owner shall be limited to promptly inspecting the labels and quantities of the Deposits received by Escrow Agent to confirm whether the items Owner claims to have delivered to Escrow Agent (as reflected on the Owner-completed form of Attachment B included with such Deposits) have in fact been received, and do not include determining whether the contents of such labeled items actually contain the materials or information Owner is required to submit as part of the Deposits. Escrow Agent's responsibilities under this provision shall not be reduced or diminished by Owner's submission of a description of Deposits as described in Attachment B.

(b) Within ten (10) days following Escrow Agent's completion of the inspection described in Section 1.2(a) for each Initial Deposit and each Supplemental Deposit, Escrow Agent shall notify Licensee that Deposits have been received from Owner by issuing to Licensee a complete and executed copy of Attachment B.

(c) Escrow Agent shall separately identify the Deposits through a deposit account number and shall segregate the Deposits from any of Owner's other materials that may be in the possession of Escrow Agent.

(d) Escrow Agent shall store the Deposits in locked, defined units of space (each, a "Storage Unit"). The cost of the first Storage Unit is included in the annual maintenance/storage fee set forth in Attachment D. The fees for additional Storage Units are set forth in Attachment D.

(e) Escrow Agent shall safeguard, safekeep and maintain the Deposits in accordance with industry standards applicable to a source code escrow company, and shall exercise a professional level of care in carrying out the terms of this Escrow Agreement. Escrow Agent shall procure and maintain insurance coverage in such types and amounts as are appropriate to its business, which coverages minimally must insure against fire, theft and other damage to property, and Escrow Agent's errors and omissions. From time to time following Licensee's or Owner's request, Escrow Agent shall provide to Licensee or Owner, as applicable, a certificate of insurance evidencing the types and amounts of all such insurance coverages.

(f) Escrow Agent acknowledges Owner's assertion that the Deposits contain Owner's confidential and proprietary information, and Escrow Agent further acknowledg-
es that it has an obligation to preserve and protect the confidentiality of the Deposits. Accordingly, except as permitted under this Escrow Agreement, Escrow Agent agrees that it will not divulge, disclose or otherwise make the Deposits available to any third person whatsoever, or make any use of the Deposits whatsoever, without the express prior written consent of Owner.

1.3 Limitation on Liability. ESCROW AGENT SHALL NOT BE LIABLE TO OWNER OR LICENSEE UNDER THIS ESCROW AGREEMENT FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES.

ARTICLE 2
TERM AND TERMINATION OF ESCROW AGREEMENT

2.1 Term. Upon payment of the initialization fee and first annual maintenance fee set forth in Attachment D, this Escrow Agreement shall remain in full force and effect for as long as the Underlying Agreement remains in effect unless earlier terminated as provided herein. This Escrow Agreement shall be renewed automatically on an annual basis provided Escrow Agent receives the renewal fees as provided in Article 9 of this Escrow Agreement prior to the last day of the initial period or any subsequent renewal period. If this Escrow Agreement is not renewed or is otherwise terminated in accordance with the terms and conditions set forth herein, all duties and obligations of Escrow Agent to Owner and Licensee will terminate. However, the term of this Escrow Agreement shall be deemed extended to the extent necessary so that Escrow Agent can process any outstanding instruction made during the term of this Escrow Agreement.

2.2 Termination. This Escrow Agreement shall be terminated in its entirety: (a) upon a joint, written notice of termination by Licensee and Owner delivered to Escrow Agent in accordance with the terms set forth herein; (b) upon delivery of all Deposits for all Software to Licensee in accordance with the terms set forth herein; or (c) by Escrow Agent if the initial fees or any renewal fees are not paid as provided in Sections 9.2 and 9.3 of this Escrow Agreement. This Escrow Agreement shall be terminated with respect to a particular Application Set only: (d) upon a joint, written notice of termination with respect to such Application Set by Licensee and Owner delivered to Escrow Agent in accordance with the terms set forth herein; or (e) upon delivery of the Deposits for such Application Set to Licensee in accordance with the terms set forth herein. Upon a subsection (a), (c) or (d) termination event, the Deposits for the applicable Software shall be returned to Owner, provided Owner pays any fees that may then be owed to Escrow Agent.

ARTICLE 3
DISCLOSURE EVENTS

An event requiring the release of the Deposits to Licensee (each, a "Disclosure Event") shall be deemed to have occurred under this Escrow Agreement upon:

(a) Owner's unsecured material breach of any of its material obligations to provide Support and Maintenance Services under the Underlying Agreement; or

(b) Owner's discontinuation of Support and Maintenance Services for any of the Software across its customer base generally; or

(c) Owner's election to discontinue making Support and Maintenance Services available to Licensee on commercially reasonable terms for any reason other than Licensee's
employer's failure to comply with its obligations under Section 1.1 of this Escrow Agreement, provided that such failure remains uncured for a period of thirty (30) days following owner's receipt of written notice thereof; or

(e) Owner's material breach of its obligations under Article 11 of this Escrow Agreement; or

(f) The institution of bankruptcy, receivership, reorganization or other similar proceedings by or against owner under the Federal Bankruptcy Code, if: (a) such proceedings have not been dismissed or discharged within thirty (30) days after they are instituted; (b) owner or a trustee has failed to accept the Underlying Agreement within fifteen (15) days after such proceedings are instituted; or (c) the Underlying Agreement is rejected by owner or a trustee at any time after such proceedings are instituted; or

(g) Owner makes an assignment for the benefit of creditors;

(h) Owner assigns (or attempts to assign) the Underlying Agreement in violation of the terms of the Underlying Agreement governing assignment, or owner assigns (or attempts to assign) this Escrow Agreement in violation of Section 12.3 of this Escrow Agreement; or

(i) Owner undergoes a Change of Control (as defined in the Underlying Agreement).

ARTICLE 4
NOTICE OF DISCLOSURE EVENT AND DELIVERY OF DEPOSITS

4.1 Notice. If Licensee believes that a Disclosure Event has occurred, Licensee shall so notify owner. Within seven (7) days after receiving such notice, owner must have either: (a) cured the Disclosure Event, and provided evidence of such cure to Licensee that is reasonably satisfactory to Licensee; (b) provided a written explanation to Licensee that is reasonably satisfactory to Licensee explaining why the Disclosure Event has not occurred; or (c) provided to Licensee a plan to cure the Disclosure Event that is satisfactory to Licensee in its sole discretion. If, within such seven (7)-day period, none of the conditions described in the foregoing subsections (a), (b) or (c) have been satisfied, then by written notice to owner and Escrow Agent ("Notice"), Licensee shall have the right to demand that Escrow Agent deliver the Deposits to Licensee. Such Notice shall be accompanied by an affidavit signed by an authorized representative of Licensee that:

(i) includes a reasonably detailed description of the Disclosure Event; and

(ii) confirms that Licensee's license to the applicable Software has not been terminated pursuant to the Underlying Agreement; and

(iii) confirms that the Notice and affidavit have been provided to owner in accordance with the provisions of this Escrow Agreement.
Such affidavit must be dated and sworn to within the five (5)-day period prior to receipt of the Notice by Escrow Agent. Escrow Agent shall send Owner a copy of the Notice and affidavit within three (3) days following Escrow Agent's receipt thereof.

4.2 Delivery of Deposits. Unless Escrow Agent receives an original order or certified copy of an order of a court of competent jurisdiction as described in Section 4.3 of this Escrow Agreement restraining Escrow Agent from making delivery of the Deposits to Licensee, then Escrow Agent shall deliver the Deposits to Licensee on the fifteenth (15th) day after the date of the Notice; provided that Escrow Agent shall not be required to deliver the Deposits until Licensee has made all payments to Escrow Agent for any fees described in Article 9 of this Escrow Agreement that remain unpaid at the time the Deposits are due to be delivered to Licensee. Licensee's rights respecting the Deposits shall be those described in the Underlying Agreement. In no event shall Licensee be required to pay for any legal fees incurred by Escrow Agent except as provided in Article 5 of this Escrow Agreement.

4.3 Challenge to Delivery. Owner's exclusive and only right to challenge Licensee's demand for delivery of the Deposits shall be through: (a) instituting an appropriate action in a court of competent jurisdiction; and (b) within the fourteen (14)-day period after the date of the Notice, causing the delivery and receipt by Escrow Agent of an order of such court restraining Escrow Agent from making delivery of the Deposits to Licensee. Owner and Licensee agree that the sole basis for the entry of such an order shall be the absence of a Disclosure Event.

4.4 Escrow Agent Obligations. Escrow Agent shall have no duty to investigate the facts set forth in a Licensee Notice or accompanying affidavit including, without limitation, whether a Disclosure Event exists, and shall be entitled to act upon receipt of any such Notice and a properly executed affidavit.

ARTICLE 5
INDEMNIFICATION OF ESCROW AGENT

Escrow Agent, by reason of its execution of this Escrow Agreement, shall not assume any responsibility or liability for any transactions between Owner and Licensee other than for the performance of Escrow Agent's obligations with respect to the Deposits held by it in accordance with this Escrow Agreement. The party on whose behalf, or pursuant to whose direction, Escrow Agent acts, shall, to the extent permitted by law, indemnify, defend and hold harmless Escrow Agent from any and all liability, damages, costs or expenses, including reasonable attorneys' fees, which may be sustained or incurred by Escrow Agent as a result of taking such action. Absent any such direction, the parties shall jointly and severally indemnify and hold harmless Escrow Agent from any and all liability, damages, costs or expenses, including reasonable attorneys' fees, except for any liability, damages, costs or expenses that may be sustained or incurred by the negligence or willful misconduct on the part of Escrow Agent, its employees or agents, and except for the breach by Escrow Agent of Escrow Agent's duties under this Escrow Agreement. Escrow Agent is not a party to, and is not bound by, any provisions contained in the Underlying Agreement, and with respect to the Deposits acts as a depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of the Underlying Agreement, or with respect to the form or execution of the same, or the identity, authority or right of any person executing the same or depositing the Deposits. This indemnification shall survive the termination of this Escrow Agreement.
ARTICLE 6
COMPLIANCE WITH ORDERS OF COURT

Escrow Agent is hereby expressly authorized to comply with and obey any and all orders, judgments or decrees of any court of competent jurisdiction, and in case Escrow Agent complies with any such order, judgment or decree, it shall not be liable to the parties or to any other person or entity by reason of such compliance. In complying with the foregoing, if Escrow Agent becomes or is made a party to any court proceeding that affects this Escrow Agreement, the parties, or the Deposits, Escrow Agent shall promptly give written notice of such order or directive to Owner and Licensee and comply therewith. To the extent possible in any such proceedings, Escrow Agent shall interplead Owner and Licensee, and Owner and Licensee shall take all actions necessary to assume complete responsibility for such proceedings.

ARTICLE 7
LOCATION AND CONDITION OF DEPOSITS

Unless otherwise provided herein, the parties hereby acknowledge that the Deposits will be stored in accordance with Escrow Agent's standard escrow operating procedures. Escrow Agent shall maintain the environmental conditions within the vault within normal operating temperatures and humidities. For purposes of this Escrow Agreement, "normal operating temperatures and humidities" shall mean temperatures and humidities at or near the range usually maintained for ordinary computer media storage. Owner and Licensee hereby agree not to hold Escrow Agent liable for any damages or claims resulting from loss of data that may occur: (a) solely as a result of self-destruction or disintegration of a tape or disk; (b) solely because of defects in the tapes or disks on which the data is stored; or (c) solely because such tapes or disks are sensitive to the normal operating temperatures and humidities in Escrow Agent's vault.

ARTICLE 8
RESIGNATION OF ESCROW AGENT

If Escrow Agent wants to resign for any reason, it shall give Owner and Licensee as much advance written notice as is possible under the circumstances, but in all events at least sixty (60) days' prior written notice of such resignation, and within such notice period, Owner and Licensee jointly shall appoint and designate a successor escrow agent to stand in the place and stead of Escrow Agent under this Escrow Agreement. Following such appointment and designation, Escrow Agent shall forthwith deliver the Deposits to the successor escrow agent. If the parties do not appoint a successor escrow agent within such notice period, Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and any costs reasonably incurred in connection therewith shall be borne by Licensee and Owner equally. This Escrow Agreement shall terminate when Escrow Agent delivers the Deposits to the successor escrow agent.

ARTICLE 9
FEES AND EXPENSES OF THE ESCROW AGENT

9.1 General. Except as otherwise provided herein, Owner shall pay the fees and expenses of Escrow Agent in accordance with the provisions of Sections 9.2 and 9.3 and the fee schedule set forth in Attachment D or the then-current fee schedule of Escrow Agent, which fee schedule shall be subject to the limitations on increases set forth in Attachment D and shall be provided to Owner and Licensee ninety (90) days prior to any fee change.
9.2 **Initial Fees.** Owner shall pay the initialization and first annual maintenance fees. Escrow Agent shall issue an invoice to Owner for the initialization and first annual maintenance fees on the Effective Date. If such fees are not paid within thirty (30) days after the Effective Date, Escrow Agent shall notify Licensee and Owner with a notice in the form of Attachment C. Such notice shall be sent in accordance with the notice procedures specified herein. If the initial fees are not received by Escrow Agent within thirty (30) days following Licensee's and Owner's receipt of such notice, Escrow Agent may terminate the Escrow Agreement without further notice or liability to Owner or Licensee.

9.3 **Renewal Fees.** Owner shall pay the annual maintenance fees following the first year. Each year during the term of this Escrow Agreement, Escrow Agent shall invoice Owner for the renewal fees ninety (90) days prior to the anniversary of the Effective Date. If the renewal fees are not received sixty (60) days prior to the anniversary of the Effective Date, Escrow Agent shall notify Owner and Licensee with a notice in the form of Attachment C. Such notice shall be sent in accordance with the notice procedures specified herein. If the renewal fees are not received by the anniversary of the Effective Date, Escrow Agent may terminate the Escrow Agreement without further notice or liability to Owner or Licensee. If Licensee pays any renewal fees, Licensee shall be entitled to set-off such amount against any amounts then due or that become due to Owner under the Underlying Agreement.

9.4 **Extraordinary Costs.** Except for any acts taken by Escrow Agent at the direction of Licensee or Owner pursuant to Article 5 of this Escrow Agreement (for which the requesting party bears sole responsibility), and except as otherwise provided in Article 5 of this Escrow Agreement, Owner and Licensee shall each reimburse Escrow Agent for fifty percent (50%) of any extraordinary costs that Escrow Agent may incur including, without limitation, the costs of hiring or retaining any attorneys; provided, however, that Escrow Agent shall notify Owner and Licensee in advance of incurring any such extraordinary costs and shall to the extent possible under the circumstances work cooperatively with Owner and Licensee to minimize the amount of any such extraordinary costs.

**ARTICLE 10**
**ANNUAL REPORTS**

Escrow Agent agrees to keep reasonably detailed and complete records of the activities performed by Escrow Agent pursuant to this Escrow Agreement. Escrow Agent shall issue to Owner and Licensee an annual report profiling the Deposit account activities for the preceding year. Such annual report shall identify Owner and Licensee, their respective then-current designated contacts, any special services and the Deposit history, including all Initial Deposits, Supplemental Deposits, the begin and end dates of any Licensee Verifications under Article 11 of this Escrow Agreement and/or releases of the Deposits and any instructions relating thereto. Upon reasonable notice, during Escrow Agent's normal business hours and during the term of the Escrow Agreement, Owner or Licensee shall be entitled to inspect the records of Escrow Agent pertaining to this Escrow Agreement. Neither Owner nor Licensee shall be entitled to remove or replace any of the Deposits during any such audit.

**ARTICLE 11**
**VERIFICATION PROCESS**

The Deposits shall be subject to verification for accuracy, completeness and sufficiency in accordance with the verification process set forth in Attachment E to this Escrow Agreement.
ARTICLE 12
MISCELLANEOUS

12.1 Further Assurances. Each of the parties shall from time to time execute and deliver all such further documents and instruments and do all acts and things as any other party may reasonably require to effectively carry out the intent and meaning of this Escrow Agreement.

12.2 Amendments and Waiver. No modification of, or amendment to, this Escrow Agreement shall be valid or binding unless set forth in writing and duly executed by the parties. No waiver of any breach of any term or provision of this Escrow Agreement shall be effective or binding unless made in writing and signed by the party against whom enforcement is sought, and any such waiver shall be limited to the specific breach waived.

12.3 Assignment. None of Licensee, Owner or Escrow Agent shall assign or otherwise transfer this Escrow Agreement in whole or in part (whether by operation of law or otherwise) to any third party without the prior written consent of the other parties. Notwithstanding the foregoing, upon Owner's or Licensee's assignment or transfer of the Underlying Agreement to a third party as permitted under the Underlying Agreement, this Escrow Agreement automatically shall be assigned or transferred to such third party, and the assigning or transferring party promptly shall deliver a written notice of same to the Escrow Agent. The terms and conditions of this Escrow Agreement shall be binding upon and inure to the benefit of the parties' respective successors and permitted assigns. Any assignments or transfers in violation of the foregoing shall be, at the option of any non-assigning or non-transferring party, null and void and of no force or effect.

12.4 Notices. Any written notice required or permitted to be delivered pursuant to this Escrow Agreement shall be in writing and shall be deemed delivered: (a) upon delivery if delivered in person; (b) one (1) business day after deposit with a reputable overnight courier; or (c) upon transmission if sent via telex, with a confirmation copy sent via overnight courier, in each case addressed to the following address:

If to Licensee:
Washington State Department of Retirement Systems
6835 Capitol Boulevard
Tumwater, Washington 98501
Attention: Legal/Legislative Manager
Telecopier: ________________

If to Owner:
[PRIME VENDOR]
________________________
________________________
Attention: __________________
Telecopier: ________________

with copies to:
Washington State Office of the Attorney General
7141 Cleanwater Drive S.W.
Tumwater, Washington 98501
Attention: __________________
Telecopier: ________________

[PRIME VENDOR]
________________________
________________________
If to Escrow Agent:

[ESCAPROW AGENT]
_________________
_________________
_________________
Attention: _________________
Telecopier: ________________

or to such other address(es) as may be specified by a party upon written notice given to the other parties. Any demand, notice or other communication given by personal delivery shall be deemed to have been given on the day of actual delivery thereof or, if given by overnight courier, the next business day.

12.5 Severability. If any provision of this Escrow Agreement shall for any reason be held illegal or unenforceable, such provision shall be deemed separable from the remaining provisions of this Escrow Agreement and shall in no way affect or impair the validity or the enforceability of the remaining provisions of this Escrow Agreement.

12.6 Headings. The division of this Escrow Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Escrow Agreement. The terms "this Escrow Agreement," "hereof," "hereunder" and similar expressions refer to this Escrow Agreement and not to any particular Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections are to Sections of this Escrow Agreement.

12.7 Attorneys' Fees. If Owner or Licensee initiates an action or proceeding to enforce the provisions of this Escrow Agreement, the trier of fact may, in the exercise of its discretion, award the party it finds to be the prevailing party in such action or proceeding (Owner or Licensee, as the case may be) that portion or all of its fees, costs and expenses (including court costs and reasonable fees for attorneys and expert witnesses) that it deems to be appropriate under the facts and circumstances. The term "prevailing party" for purposes of this Section shall include a defendant or plaintiff, as applicable, who has by motion, judgment, verdict or dismissal by the court, successfully: (a) defended against any claim that has been asserted against it, in the case of a defendant; and/or (b) asserted any claim against a defendant, in the case of a plaintiff.

12.8 Governing Law; Exclusive Jurisdiction. This Escrow Agreement, and all the rights and duties of the parties arising from or relating in any way to the subject matter of this Escrow Agreement or the transaction(s) contemplated by it, shall be governed by, construed, and enforced in accordance with the laws of the state of Washington (excluding any Washington conflicts of laws rules that would refer to and apply the substantive laws of another jurisdiction). ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ESCROW AGREEMENT SHALL BE BROUGHT ONLY IN THE STATE COURTS LOCATED IN THURSTON COUNTY, WASHINGTON. EACH OF LICENSEE, OWNER AND ESCROW AGENT CONSENTS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF THE STATE COURTS OF WASHINGTON LOCATED IN THURSTON COUNTY, WASHINGTON.

12.9 Attachments. The following Attachments are incorporated by reference into, and deemed to be a part of, this Escrow Agreement:
12.10 **Counterparts; Electronic Signatures.** This Escrow Agreement may be executed in one (1) or more duplicate originals, all of which together shall be deemed one and the same instrument. Counterparts may be executed in either original or electronically transmitted form (e.g., emailed portable document format (PDF) form), and the parties hereby adopt as original any signatures received in electronically transmitted form.

12.11 **Defined Terms; Interpretation.** As used in this Escrow Agreement, capitalized terms shall have the meanings ascribed to them in this Escrow Agreement or, if not defined herein, such terms shall have the meanings ascribed to them in the Underlying Agreement. Unless expressly specified otherwise, all references to "days" without any designation of "calendar" or "business" will be deemed to be references to calendar days and not business days. When calculating the time period before which, within which or following which any act is to be done or step taken pursuant to this Escrow Agreement, the date that is referenced in calculating such period will be excluded (for example, if an action is to be taken within two (2) days of a triggering event and such event occurs on a Tuesday, then the action must be taken by Thursday). If the last day of a business day period is a non-business day, the period in question will end on the next succeeding business day.

12.12 **Supplementary Agreement.** The parties acknowledge and agree that this Escrow Agreement is an agreement supplementary to the Underlying Agreement as defined under Section 365(n) of the United States Bankruptcy Code, 11 U.S.C. § 101, et. seq.

12.13 **Force Majeure.** Escrow Agent will be excused from performing its obligations hereunder to the extent its inability to perform is caused by an act of God, war, riot, civil commotion, explosion, fire, government action, court order, epidemic or other similar circumstance beyond its reasonable control. If any such event prevents, hinders or delays performance of Escrow Agent's obligations hereunder, Escrow Agent shall take all commercially reasonable actions that may be necessary to mitigate the impact of its non-performance and to resume performance of its obligations as soon as possible.

12.14 **Entire Agreement.** This Escrow Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Escrow Agreement.

**IN WITNESS WHEREOF,** authorized representatives of the parties have executed this Source Code Escrow Agreement as of the Effective Date.

**OWNER:**

**LICENSEE:**

[PRIME VENDOR]  
WASHINGTON STATE DEPARTMENT OF RETIREMENT SYSTEMS
By: ____________________________
Title: __________________________

ESCROW AGENT:
ESCROW ASSOCIATES, LLC

By: ____________________________
Title: __________________________

APPROVED AS TO FORM

State of Washington
Office of the Attorney General

______________________________
Sarah Blocki, Assistant Attorney General
ATTACHMENT A

DEPOSITS

Owner represents and warrants to Licensee that the below-described Deposits constitute those materials that are sufficient to enable a reasonably skilled programmer familiar with the types of technology used in the Software to load, execute (including compiling if necessary), support and maintain the Software without the assistance of Owner or any other person or reference to any other materials.

1. All Owner-developed or owned source code for the Software, including all source code listings in human-readable and machine-readable form (collectively, "Source Code").

2. All sub-programs, routines, program files, data files, file and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts related to, interacting with, or a part of, the Software, whether in human-readable or machine-readable form (collectively, "Additional Programs").

3. All initial program load and start-up instructions, directions, information and materials necessary to load and execute (including compiling if necessary) the Source Code (collectively, "Load Instructions").

4. A complete list of all commercially available, and current versions and releases (in object code form) of non-commercially available, third party software tools, utilities, diagnostic programs and support programs used by Owner to compile, load and execute the Source Code (collectively, "Non-Commercially Available Third Party Tools").

5. Owner-developed or owned maintenance and support tools, utilities, diagnostic programs and supporting programs used by Owner to support, enhance or maintain the Software, whether or not such items are made available to licensees generally or at an additional fee, whether in human-readable or machine-readable form (collectively, "Owner Support Tools").

6. A complete list of all commercially available, and current versions and releases (in object code form) of non-commercially available, third party-developed or owned maintenance and support tools, utilities, diagnostic programs and supporting programs used by Owner to support, enhance or maintain the Software, whether or not such items are made available to licensees generally or for a fee (collectively, "Non-Commercially Available Third Party Support Tools").

7. All documentation, interface documentation and source code specifications for the Software including, without limitation, all available reference manuals, user and operating guides and manuals, design specifications, functional specifications, flow charts, internal use listings or manuals relating to error corrections, fixes and workarounds, file and program cross-reference information (whether in manual, guide or other format), whether in human-readable, electronic or machine-readable form (collectively, "Specifications").

8. A complete list of all versions and releases of commercially available third-party products incorporated into the Software, or used by Owner to provide services to Licensee, or otherwise supplied by Owner to Licensee (collectively, "Commercially Available Third Party Software").
9. Current versions and releases (in object code form) of non-commercially available third-party-developed or owned products incorporated into the Software, or used by Owner to provide services to Licensee, or otherwise supplied by Owner to Licensee (collectively, "Non-Commercially Available Third Party Software").

10. Any documentation or other materials relating to security requirements, methodologies or tools that prevent or detect unauthorized access to the Software (collectively, "Security Requirements").

11. Any documentation or other materials relating to methodologies that address traffic management, workload balancing, segmentation, capacity planning and routing (collectively, "Traffic Management Methodologies").

12. A complete list of all commercially available, and current versions and releases (in object code form) of all non-commercially available, third-party developed or owned Software performance analysis tools; and all Owner-developed or owned Software performance analysis tools, whether or not such items are made available to licensees generally or at an additional fee, whether in human-readable or machine-readable form (collectively, "Performance Analysis Tools").

13. A list of any encryption keys or passwords that are required to access or use the Software or any of the Deposits ("Encryption Keys").

14. A list of the names and business addresses of all key programmers or authors currently employed by Owner or its Affiliates of any portion of the Software and/or any of the items referenced in Sections 1 through 13 of this Attachment A ("Programmer List").

15. A listing of all equipment on which the Software operates ("Equipment Configuration").

16. Any other information and technical materials in Owner's possession, under Owner's control, or reasonably available to Owner, that are required to meet the objectives set forth in the introductory paragraph of this Attachment A (collectively, "Other Information").
ATTACHMENT B
DESCRIPTION OF DEPOSITS

Washington State Department of Retirement Systems
6835 Capitol Boulevard
Tumwater, Washington 98501
Attention: Legal/Legislative Manager
Telecopier: ____________

Washington State Office of the Attorney General
7141 Cleanwater Drive SW
Tumwater, Washington 98501
Attention: Assistant Attorney General
Telecopier: ____________

Re: Account No. [Account No.]; Software ____________________

Ladies and Gentlemen:

This letter is to inform you that we have received the following Deposits under the terms of that certain Escrow Agreement by and among the Washington State Department of Retirement Systems, _____________________ and Escrow Associates, LLC, as Escrow Agent, dated as of ____________, 2014 (“Escrow Agreement”). All capitalized terms used herein shall have the meanings ascribed to them in the Escrow Agreement. The items marked or checked below have been received as of the dates indicated below:

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Please check as applicable:

Deposit Type: Initial _____ Supplemental ______

Environment: ______________________

Special Instructions:______________________________________________________________

I received and deposited the above-described Deposits pursuant to the terms and conditions of this Escrow Agreement.

**Escrow Associates, LLC**
**Escrow Agent**

By: ______________________________________
Title: ______________________________________
Date: ______________________________________

I certify that the above-described Deposits were forwarded to the Escrow Agent.

**[PRIME VENDOR]**
**Owner**

By: ______________________________________
Title: ______________________________________
Date: ______________________________________
ATTACHMENT C

NOTICE

Washington State Department of Retirement Systems
6835 Capitol Boulevard
Tumwater, Washington 98501
Attention: Legal/Legislative Manager
Telecopier: ____________

Washington State Office of the Attorney General
7141 Cleanwater Drive SW
Tumwater, Washington 98501
Attention: Assistant Attorney General
Telecopier: ____________

Re: Escrow Agreement #_________ among the Washington State Department of Retirement Systems, ____________________, and Escrow Associates, LLC

Dear Sir or Madam:

In accordance with your escrow agreement, the [SPECIFY EITHER "INITIAL" OR "RENEWAL"] fees are due by [INSERT APPLICABLE DUE DATE]. If such fees are not received by the date set forth above, Escrow Associates, LLC may terminate the escrow agreement without further notice or liability to you.

If you have any questions, please contact me at ___-___-_____.

Sincerely,

_____________________________
Name

_____________________________
Title

_____________________________
Date
ATTACHMENT D
ESCROW FEES

Initialization Fee $_____
(First-year fee only; includes all contract review, modification and set-up of account.)

Annual Maintenance Fee $_____
(Annual fee; includes escrow deposit maintenance, all account activity notifications, unlimited escrow deposit material updates, online account information access, electronic depositing option, and two (2) cubic feet storage allowance.)

Additional Items Menu

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Optional - Full Technical Verification* Call for quote

*Full technical verification includes:
- Construction of the build platform
- Validation of the build instructions by following steps through the compile process
- Troubleshooting of problems encountered, review and correction of errors with Owner
- Deposit compilation report to include:
  - Identification of any errors encountered and error logs, if appropriate
  - Escrow Agent’s recommendations
- Production of executables for Licensee acceptance testing

Escrow Agent shall have the right to increase the fees set forth herein once annually commencing on the first anniversary of the Effective Date, provided that such annual increases shall not exceed two percent (2%) of the then-current fees.
ATTACHMENT E

VERIFICATION PROCESS

1. OWNER VERIFICATION PRIOR TO DEPOSITING. Prior to depositing any Deposits (including any Supplemental Deposits) with Escrow Agent, at its own expense and at no additional cost to Licensee or Escrow Agent, Owner shall verify that the Deposits are accurate, complete and sufficient in accordance with the terms and conditions of the Escrow Agreement, and Owner shall certify to Licensee in writing that the Deposits are accurate, complete and sufficient (“Owner Verification Notice”). Owner shall permit up to two (2) members of Licensee’s internal audit staff and/or its third party representatives that are not an Owner competitor to be present during Owner’s verification of the Deposits. Fourteen (14) days following Licensee’s receipt of the Owner Verification Notice, provided Licensee has not elected to conduct Licensee Verification on-site at Owner’s facilities (in accordance with Section 2.2 below), Owner shall deposit the Deposits with Escrow Agent in accordance with the Escrow Agreement.

2. VERIFICATION OF DEPOSITS BY LICENSEE.

2.1 General. Following receipt of an Owner Verification Notice, Licensee shall have the right to further verify that the Deposits are accurate, complete and sufficient in accordance with the Escrow Agreement (“Licensee Verification”). Licensee Verification may include, without limitation, the following activities: (a) compiling the Source Code; (b) building a full working version of the Software; and (c) testing the functionality of the Software, as applicable.

2.2 Verification Location. Licensee shall conduct Licensee Verification either at: (a) the Escrow Agent’s facilities; or (b) Owner’s facilities, provided that Licensee has provided notice to Owner of such election within fourteen (14) days after Licensee’s receipt of an Owner Verification Notice (the location of Licensee Verification shall be hereinafter referred to as the “Verification Location”).

2.3 Inaccurate, Incomplete or Insufficient Deposits. If Licensee discovers during Licensee Verification or otherwise that the Deposits are inaccurate, incomplete or insufficient in any way, Licensee shall so notify Owner in writing, including as a part of such notice a written list of deficiencies (“Deficiency Notice”). Within five (5) days after receipt of a Deficiency Notice, Owner will provide Licensee or Escrow Agent, as applicable, with additional, replacement and/or corrective Deposits, as applicable, to correct the deficiencies identified in the Deficiency Notice. Upon the receipt or notice of receipt of any additional, corrective and/or replacement Deposits, Licensee shall again have the right to verify the Deposits in accordance with this Section 2. At Licensee’s option, Licensee Verification shall continue until Licensee determines that the Deposits are accurate, complete and sufficient in accordance with the Escrow Agreement. However, if the Licensee Verification process continues for more than thirty (30) days following the date on which Licensee initiated Licensee Verification as a result of Owner’s failure to timely provide additional, replacement and/or corrective Deposits in accordance with this Section 2.3, Owner shall be deemed to be in material breach of its obligations under Article 11 of the Escrow Agreement.

2.4 Personnel. During Licensee Verification, Owner shall permit representatives of Escrow Agent, at least two (2) members of Licensee’s internal audit staff and/or representatives of a Licensee-designated third party, to be present at the Verification Location to verify, audit and inspect the Deposits pursuant to this Section 2. Additionally, at Licensee’s request and at Licensee’s expense (except as otherwise provided in Section 2.6 of this Attachment E), Owner shall
make available at the Verification Location one (1) or more persons who possess in-depth knowledge about the Deposits and their use and operation to assist with, and answer any questions that may be raised during, Licensee Verification.

2.5 **Commercia\ally Available Third Party Software and Support Tools.** During Licensee Verification and at no cost to Licensee, Owner shall make available for use by Licensee and its representatives at the Verification Location copies of all applicable versions and releases of the Commercially Available Third Party Software, the Commercially Available Third Party Support Tools and/or any other products or information that may be reasonably necessary for Licensee to verify the Deposits in accordance with this **Section 2** (but only to the extent any such items are not included in the Deposits). Licensee will provide Owner with reasonable advance notice of which of such items Licensee wants Owner to make available at the Verification Location.

2.6 **Costs and Expenses.** As between Licensee and Owner, Licensee shall bear all fees and expenses charged by the Escrow Agent and Licensee-designated third parties for assistance provided to Licensee during Licensee Verification. Notwithstanding the foregoing, if Licensee issues a Deficiency Notice to Owner, Owner shall pay and/or reimburse Licensee for all such fees and expenses. In addition, if Licensee incurs costs outside its typical allocation for internal audit services due to Owner's repeated failure to provide accurate, complete and/or sufficient Deposits, Owner shall additionally reimburse Licensee for such costs.
TECHNOLOGY AGREEMENT

BY AND BETWEEN

WASHINGTON STATE
DEPARTMENT OF RETIREMENT SYSTEMS

AND

[PRIME VENDOR]

____________, 2013

CONFIDENTIAL
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SCHEDULES

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Exhibit 3 Third Party Confidentiality and Non-Disclosure Agreement
Exhibit 4 Source Code Escrow Agreement
TECHNOLOGY AGREEMENT

This Technology Agreement ("Agreement") is made and entered into as of ____________, 2014 (the "Effective Date"), by and between the Washington State Department of Retirement Systems, an agency of the state of Washington, with a principal place of business at 6835 Capitol Boulevard, Tumwater, Washington 98501 ("DRS"), and ____________________________, a _______ corporation, with a principal place of business at ____________________________ ("Prime Vendor").

WHEREAS, on August 28, 2013, DRS issued a request for proposals (the "RFP", as further defined herein) to provide, support and maintain a Business Process Management Suite Solution ("BPMS Solution," as further defined herein) and to develop the Employer Reporting Application ("ERA," as further defined herein). (The implementation of the BPMS Solution and development of the Employer Reporting Application is referred to as the "ERA Project", as further defined herein).

WHEREAS, on _________, 2013, Prime Vendor submitted to DRS its written response to the RFP, as subsequently supplemented (the "ERA Project RFP Response", as further defined herein), and in the ERA Project RFP Response and otherwise Prime Vendor represented to DRS that it had the software, services, skills and personnel required to meet the requirements set forth in the RFP and implement the BPMS Solution and ERA in accordance with the terms set forth in the Agreement.

WHEREAS, Prime Vendor acknowledges that during the negotiation period, including the implementation planning study workshops, it had sufficient time and opportunity to conduct comprehensive due diligence on the ERA Project, including the ability to obtain a full understanding and clarification of the DRS Business and Technical Requirements.

WHEREAS, in reliance on the representations made by Prime Vendor in the ERA RFP Response and in subsequent discussions, the Demonstrations, presentations to DRS and the commitments and assurances made by Prime Vendor herein, DRS selected Prime Vendor over other prospective technology providers to implement the BPMS Solution and ERA.

WHEREAS, DRS and Prime Vendor want to specify the terms and conditions under which Prime Vendor and DRS will form their long-term technology partnership, implement the BPMS Solution and ERA, and engage in future projects as may be agreed to by the parties.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the foregoing and as follows:

ARTICLE 1
SCOPE OF AGREEMENT, PARTNERING PRINCIPLES AND RELATIONSHIP MANAGEMENT

1.1 Scope of Agreement. The Agreement shall apply to all Software, Services and Equipment provided by Prime Vendor to DRS, whether such Software, Services and Equipment
are contemplated as of the Effective Date or thereafter, including the licensing of new or additional products, engaging in new or additional projects, purchasing new equipment and the like, which shall all be subject to all applicable Washington state laws and policies related to competitive procurement.

1.2 **Partnering Principles.** The principles identified below ("**Partnering Principles**") include principles that the parties have determined to be important to ensure the success of their relationship. The Partnering Principles function as regarding the parties’ overall intentions for the Agreement and all Project Agreements and Contract Supplements executed pursuant to the Agreement. If any term or condition of the Agreement or any Project Agreement or Contract Supplement is ambiguous or unclear or if the parties did not anticipate a particular issue, the parties shall refer to and apply the Partnering Principles to resolve and/or address the ambiguous, unclear and/or unanticipated issue.

<table>
<thead>
<tr>
<th>PARTNERING PRINCIPLE #1</th>
<th>DIRECT SENIOR EXECUTIVE OVERSIGHT</th>
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<td>In a long-term strategic relationship, direct senior executive oversight and involvement by both parties is needed to ensure all commitments and timeframes are met.</td>
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<tr>
<th>PARTNERING PRINCIPLE #2</th>
<th>STATE-OF-THE-ART PRODUCTS</th>
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<td>DRS will be making a significant investment in Prime Vendor’s products, and DRS wants to ensure that Prime Vendor remains a competitive provider of solutions. Prime Vendor commits that its products shall be technologically competitive as measured against other commercially available products of the same types.</td>
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<tr>
<th>PARTNERING PRINCIPLE #3</th>
<th>COMPETITIVE PRICING AND PREDICTABILITY OF ON-GOING COSTS AND EXPENSES</th>
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<td>Prime Vendor’s products and Services must be competitively priced. Costs and expenses must be clearly articulated and understood by the parties prior to initiating a project or any change orders. Cost, personnel and other resource requirements must be clearly outlined for all parties.</td>
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<tr>
<th>PARTNERING PRINCIPLE #4</th>
<th>DECISION MAKING AUTHORITY</th>
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<td>While ultimate decision making authority for implementations and project-related items rest with DRS, Prime Vendor must manage its personnel and discharge its duties within the agreed parameters and requirements to ensure projects are successfully implemented.</td>
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PARTNERING PRINCIPLE #5  
TIME-TO-MARKET SOLUTIONS

In a long-term technology relationship, time-to-market for products is critical to DRS. Prime Vendor must ensure performance on a timely basis and deliver and implement fully tested and operational products.

PARTNERING PRINCIPLE #6  
PRODUCT DEVELOPMENT

DRS will have the ability to influence Prime Vendor’s product development efforts and be given the option to test and implement any new product developments on an early adopter basis. On-going representation and/or observation and participation rights on Prime Vendor’s “top-tier” customer councils and committees should be made available to DRS.

PARTNERING PRINCIPLE #7  
QUALITY PERSONNEL TO SUPPORT THE RELATIONSHIP

Qualified personnel will be devoted by both parties to the relationship. The parties will commit their senior executives and management, as well as administrative, technical and other support personnel, to achieve the objectives of the relationship.

PARTNERING PRINCIPLE #8  
OPEN ARCHITECTURE ENVIRONMENT

Prime Vendor’s products will operate in an open architecture environment, and Prime Vendor should make available to DRS all interfaces and supporting documentation specifications to promote interoperability among DRS’ other systems and devices.

PARTNERING PRINCIPLE #9  
COOPERATION WITH DRS’ OTHER TECHNOLOGY PARTNERS

Given the various technology platforms supporting DRS, joint planning, open communication, and cooperation and collaboration between DRS and all of its technology partners will be required. As such, Prime Vendor will participate in these cooperative activities.

PARTNERING PRINCIPLE #10  
ALIGNMENT OF ACCOUNTABILITY AND RESPONSIBILITY

Accountability and responsibility of roles should be aligned to ensure that each party is responsible for the aspects of a project or relationship that they control.
PARTNERING PRINCIPLE #11

PROTECTION OF DRS’ LONG-TERM INVESTMENT IN THE SOLUTION

Prime Vendor will ensure that DRS’ investments in Prime Vendor products are protected economically against shifts in platforms and product migration.

1.3  Relationship Management. The parties commit to proactive sponsorship of the relationship created under the Agreement, and to further the interests of the relationship, agree to the following:

1.3.1  General. Each party shall allocate appropriate, quality personnel to fulfill the objectives of the relationship including, as appropriate and applicable, personnel to fulfill the development, implementation and support obligations set forth herein and in a Project Agreement and/or Contract Supplement. If either party believes that the other has not allocated sufficient personnel, the matter will be brought to the attention of the Executive Sponsors for resolution.

1.3.2  Executive Sponsors. Each party shall designate a senior executive-level individual (for DRS, the "DRS Executive Sponsor," and for Prime Vendor, the "Prime Vendor Executive Sponsor," and each an "Executive Sponsor") who will have overall responsibility for the relationship between the parties with respect to the relationship. The Prime Vendor Executive Sponsor shall have full authority to act on behalf of Prime Vendor with respect to all matters related to the Agreement. Each party may designate a new Executive Sponsor at any time by providing written notice thereof to the other party. If DRS determines that individual appointed by Prime Vendor is not fulfilling the goals of the relationship, DRS shall communicate that determination to Prime Vendor, and Prime Vendor shall replace such individual with an individual that both parties agree is suitable to fulfill the Prime Vendor Executive Sponsor role. The Prime Vendor Executive Sponsor’s participation as sponsor of the relationship shall not be chargeable to DRS.

1.3.3  Executive Briefings. The relationship with Prime Vendor will involve a significant investment and substantial commitment from DRS in the form of monies, personnel, time and effort. During the pendency of the ERA Project, the Executive Sponsors and other appropriate representatives from each party shall meet at least quarterly, or more frequently if needed, at DRS, to discuss the overall relationship of the parties, the status of the ERA Project, the status of and any risks, issues and any problems or difficulties relating to the ERA Project and/or Services, whether timeframes are being met, and what actions Prime Vendor can take to mitigate such risks, issues, problems or difficulties. From and after Project Completion of the ERA Project, the Executive Sponsors shall meet bi-annually, or more frequently at the request of a party, in alternating locations between Prime Vendor’s home office and DRS’ offices, to discuss the overall relationship of the parties, any risks, issues, problems or difficulties relating to Services, the Product Roadmap, any and such other items as appropriate. In addition to the above meetings, Prime Vendor’s [Chief Executive Officer] shall meet generally on an annual basis with the DRS Executive Sponsor and other DRS leadership to discuss the relationship between DRS and Prime Vendor. Prime Vendor Executive Sponsor’s sup-
port of the relationship, including participation in phone calls, meetings (on-site and off-
site), problem resolution and the like, and any expenses incurred in connection therewith, shall not be chargeable to DRS.

1.3.4 Prime Vendor Account Executive. Prime Vendor shall designate an in-
dividual (the “Prime Vendor Account Executive”) to serve as Prime Vendor’s regular point of contact to administer the Agreement and projects, oversee the delivery of Solutions, Equipment and Services to DRS and the overall performance of Prime Vendor’s responsibilities under the Agreement and any Project Agreements and Contract Supplements. The Prime Vendor Account Executive shall attend all executive briefings. If DRS perceives that the Prime Vendor Account Executive is not effectively discharging her or his duties, at DRS’ request, Prime Vendor shall replace such individual. Prime Vendor shall not charge DRS for any Services, meeting time, etc., provided by the Prime Vendor Account Executive.

1.3.5 Prime Vendor Project Management. For each project, Prime Vendor shall appoint one or more Prime Vendor project manager(s) (“Prime Vendor Project Manager(s)”), and where more than one Prime Vendor Project Manager is assigned, then a project director to oversee the multiple Prime Vendor Project Managers (“Prime Vendor Project Director”).

1.3.6 Prime Vendor Contract Manager. Prime Vendor shall designate an in-
dividual (the “Prime Vendor Contract Manager”) to be responsible primarily for ensur-
ing Prime Vendor’s contractual compliance with the Agreement, and for proactively communicating and coordinating with Prime Vendor’s Project Director, Project Manager(s) and other Prime Vendor personnel as needed, to ensure such compliance. In fu rtherance thereof, the Prime Vendor Contract Manager shall, among other things:

(a) Be fully knowledgeable about all the commitments made by Prime Vendor in the Agreement, Project Agreements and Contract Supplements, especially where such commitments may differ from Prime Vendor’s general business practices and policies;

(b) Advise Prime Vendor personnel and Prime Vendor’s subcontractors on the commitments made by Prime Vendor to ensure the Prime Vendor personnel have a full and complete understanding of the level and scope of the commitments made under the Agreement, Project Agreements and Contract Supplements;

(c) Along with the Prime Vendor Account Executive, serve as a point of contact to administer the Agreement;

(d) Ensure that all policies and procedures relating to Prime Vendor’s administration of the Agreement are applied consistently by Prime Vendor; and

(e) Such other duties or responsibilities relating to the administration of the Agreement as may be reasonably requested from time-to-time by either party.
1.3.7 Prime Vendor Information Security Officer; Compliance with Security Policies and Procedures, and Security Certifications.

(a) Compliance with Security Policies and Procedures. Prime Vendor shall comply with: (i) security requirements and obligations required by applicable Law; (ii) DRS Security Policies and Procedures; (iii) the then-current ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission) ISO/IEC 27000 series of Information Security Management Systems standards; and (iv) Prime Vendor's security standards, policies, guidelines and procedures, provided that DRS Security Policies and Procedures shall take precedence over any inconsistencies or conflicts with Prime Vendor's security standards, policies, guidelines and procedures (subsections (i) through (iv) are collectively referred to as the "Security Policies and Procedures"). If there is a change in the Security Policies and Procedures from and after the Effective Date that Prime Vendor determines increases its costs to provide Services, Support and Maintenance Services or Card Production Services, Prime Vendor may submit a Change Request detailing Prime Vendor's reasonable increased costs to comply with such change. DRS will evaluate the Change Request and either sign a Change Order paying the amounts set forth therein, whereupon Prime Vendor shall comply with the change in the Security Policies and Procedures, or waive Prime Vendor's obligation to comply with such change. The Prime Vendor Information Security Officer's participation shall not be chargeable to DRS.

(b) Prime Vendor Information Security Officer Responsibilities. Prime Vendor shall designate a corporate officer ("Information Security Officer") who shall, at no cost or expense to DRS:

(i) Be responsible to ensure Prime Vendor's initial and on-going compliance with the Security Policies and Procedures;

(ii) At least once every six (6) months, and at any other time reasonably requested by DRS, an officer of Prime Vendor shall provide a written certification to DRS, confirming Prime Vendor's compliance with the Security Policies and Procedures; and

(iii) Upon DRS' request, including following any certification related to Prime Vendor's compliance with the Security Policies and Procedures, meet with State of Washington's Security Program Representatives to discuss Prime Vendor's certification, the Security Policies and Procedures or other related matters.

(c) Security Certifications. Prime Vendor represents and warrants that it is certified under ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission) ISO/IEC 27001:2005, Code of Practice for Information Security Management ("ISO Security Standards"), and shall maintain such certification on an on-going basis. Prime Vendor shall provide DRS with a copy of such certification upon request. Prime Vendor shall provide DRS with full and complete copies of any ISO Security Standards and other security audits, reports and reviews, whether conducted internally by Prime Vendor or through a Third Party, within thirty (30) days of receipt of such audits, reports and reviews, and, to the extent there deficiencies cites and/or recommendations made, Prime Vendor Information Security Officer, Prime Vendor Execu-
vice Sponsor and other appropriate personnel from Prime Vendor shall meet to review the deficiencies and recommendations and develop a plan of action to address such items. The implementation of any measures to address deficiencies and/or recommendations shall not be chargeable to DRS.

1.4 **Conflicts in Interpretation.** In resolving any inconsistencies relating to the Agreement, the following order of precedence shall be followed:

(a) First, and most senior, applicable Laws;

(b) Second, the terms contained in the main body of the Agreement;

(c) Third, the terms contained in any Schedule, Exhibit (except for Project Agreement and Contract Supplement) and/or Attachment to the Agreement, provided that no order of precedence shall be given among them;

(d) Fourth, the terms contained in the main body of a Project Agreement and/or Contract Supplement;

(e) Fifth, the terms contained in any Schedule, Exhibit and/or Attachment to a Project Agreement and/or Contract Supplement other than the Project Schedule and any Statement of Work, provided that no order of precedence shall be given among them;

(f) Sixth, the Statement of Work document, if any, for the applicable Project Agreement and/or Contract Supplement;

(g) Seventh, the Joint Resource Plan, if any, for the applicable Project Agreement and/or Contract Supplement;

(h) Eighth, the Project Schedule, if any, for the applicable Project Agreement and/or Contract Supplement;

(i) Ninth, the RFP Response; and

(j) Tenth, any Documentation (to the extent not included in one of the preceding subsections) in the order of precedence contained in the definition thereof.

All RFP Responses, including the ERA Project RFP Response, are incorporated in by reference and made a part of the Agreement.

Prime Vendor Implementation Methodologies will be used in the ERA Project and in future projects. Using such Prime Vendor Implementation Methodologies may involve the use of terms, conditions, processes, protocols, workflows, assumptions or other features that the parties are required to follow. Using, following or implementing such Prime Vendor Implementation Methodologies shall not alter or modify Prime Vendor’s obligations under the Agreement or any Project Agreement. Without limiting the generality of the foregoing, to the extent a "project charter," a "project management plan," "project initiation plan," "test materials" or similar documents are developed for the ERA Project or other project, such items must be developed consistently with the terms of the Agreement, and any deviation from the terms of the Agreement because of the
Prime Vendor Implementation Methodologies or otherwise, will not be deemed to amend or modify the terms of the Agreement, and the parties expressly disclaim that such changes amend the Agreement through course of dealing, by operation of law or otherwise.

1.5 Definitions and Construction. Capitalized terms used herein shall have the meanings ascribed to them in Schedule 1.5, or in any other Schedule, Exhibit or Attachment. Any project-specific definitions, if any, shall be included in the applicable Project Agreement or Contract Supplement. The words "include", "including" and variations thereof, will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation". Any reference herein to a particular Article or Section number (e.g., "Article 7" or "Section 7.1"), shall be deemed a reference to all Sections of the Agreement that bear sub-numbers to the number of the referenced in the Article or Section (e.g., a reference to Article 9 includes Section 9.1 through 9.14, and a reference to Section 9.1 includes reference to Sections 9.1.1, 9.1.2, etc.). The terms "hereof," "hereunder," "herein" and words of similar import will refer to the Agreement as a whole and not to any particular provision of the Agreement. Definitions in the Agreement apply equally to the singular and plural forms of the defined terms. Unless otherwise expressly specified, all references to "days" without any designation of "calendar" or "business" will be deemed to be references to calendar days and not business days. All references to "business days" shall mean Monday through Friday, excluding Holidays. When calculating the time period before which, within which or following which any act is to be done or step taken pursuant to the Agreement, the date that is referenced in calculating such period will be excluded (for example, if an action is to be taken within two (2) days of a triggering event and such event occurs on a Tuesday then the action must be taken by Thursday). If the last day of a business day period is a non-business day, the period in question will end on the next succeeding business day.

1.6 Prime Vendor Agreements. Following the Effective Date, if Prime Vendor acquires a new Affiliate and such new Affiliate is a party to one (1) or more agreements with DRS or any other agency of the state of Washington (each of subsection (a) and (b), a "New Affiliate Agreement"), DRS has the right, but not the obligation, to subject the products, software and services set forth in the New Affiliate Agreement ("New Affiliate Agreement Products and Services") to the terms of the Agreement, as set forth herein. Within thirty (30) days following DRS’ written notice to Prime Vendor that the New Affiliate Agreement Products and Services will be subject to the terms of the Agreement. Without limiting the generality of the foregoing, any such preexisting agreements shall be deemed merged into this Agreement and this Agreement shall control.

ARTICLE 2
PROJECT AGREEMENTS AND CONTRACT SUPPLEMENTS

2.1 General. DRS shall license Software, and purchase Services and Equipment from Prime Vendor pursuant to the terms of a Project Agreement for project-related initiatives (a "Project Agreement"), and a contract supplement for non-project related initiatives (a "Contract Supplement"). The ERA Project Agreement is attached as Exhibit 1. All future Project Agreements developed by the parties shall be substantially in the same form and format as the ERA Project Agreement, and, to the extent applicable, Contract Supplements, and future Project Agreements and Contract Supplements shall be consistent with the terms and conditions contained in the Agreement, and include, as applicable, the following items:
(a) A list of all Software, Services, and Equipment;

(b) Complete pricing information for the Software (including any Support and Maintenance Services Fees for the Software), Services, and Equipment;

(c) A Statement of Work and Project Schedule for the Services, including a detailed description of the training, education and adoption Services, developed in accordance with the terms set forth in Sections 5.2.1 and 5.2.2;

(d) A list of Key Personnel;

(e) A Test Plan for the System;

(f) The Approved Equipment Configuration for the System;

(g) The Performance Standards, including those relating to:

   (i) System response time warranties (such as data transmission, screen-to-screen, report production and on-line entry standards);

   (ii) System availability and up-times; and/or

   (iii) Other performance and/or functionality standards that are specific to the System;

(h) A listing of System-specific Documentation;

(i) Any Solution-specific license terms or System-specific Support and Maintenance Services terms; and

(j) Any other Solution-specific terms and conditions.

2.2 Purchase Orders; Effectiveness of Project Agreements and Contract Supplements. All purchases of Services and/or the incurrence of any other monetary obligations arising under the Agreement, including each Project Agreement and Contract Supplement shall require a purchase order, duly authorized and signed by the DRS Project Director or designee, in order to create a binding obligation on DRS. Prime Vendor acknowledges that DRS is not obligated under the Agreement to issue any purchase orders.

ARTICLE 3
DELIVERY OF SOLUTIONS

3.1 Software License.

3.1.1 Software License – Grant of License. Subject to the further terms and conditions of the Agreement, Prime Vendor grants to DRS and its Affiliates a perpetual, non-exclusive, non-transferable (except as permitted under the terms set forth in Section 15.12), unlimited use, user and user type in connection with its business operations, non-assessable, irrevocable (except as provided in the last paragraph of Section 10.3), worldwide, fully-paid (once all Software License Fees relating to the particular Software
item have been paid), multi-site and Enterprise-Wide license for DRS, its Affiliates and their Authorized Users to: (a) use the Software and the Documentation; (b) at no additional Software License Fee, to transfer and operate the Software on a different operating system and/or on different equipment; (c) make as many production and non-production copies of the Software and Documentation as DRS deems necessary for production and non-production purposes, including testing, disaster recovery, backup, training and education, development and archiving; and (d) adapt the Software and combine the Software with Third Party Software. For purposes of the Agreement and without limiting the generality of the foregoing, the term "Enterprise-Wide" shall mean the right to use the Software across the entire spectrum of business and operational activities involving DRS and its Affiliates, now and in the future, directly or indirectly, including any and all growth of DRS and its Affiliates. To the extent that DRS licenses Software from Prime Vendor, Support and Maintenance Services Fees shall be separately charged to DRS.

3.1.2 Construction and Interpretation of License and Right to Use Terms. Prime Vendor acknowledges that the intent of the scope of the Software license is to make DRS’ rights to use the Software as broad as possible and, accordingly, the language in Section 3.1.1 shall not be interpreted strictly or narrowly in favor of Prime Vendor. Furthermore, in the event Prime Vendor develops future limitations, qualifications and/or restrictions in how it licenses the Software to its customers, such future limitations, qualifications and/or restrictions shall have no effect on the scope of the Software license granted herein to DRS, and Prime Vendor expressly disclaims the right to claim otherwise.

3.1.3 Restrictions. Other than the rights granted to DRS herein, no Intellectual Property Rights to the Software are transferred to DRS under the Agreement. DRS shall not disassemble, reverse compile, reverse engineer or otherwise translate the Software; provided, however, that DRS shall have the right to disassemble, reverse compile, reverse engineer or otherwise translate the Software for purposes of creating interoperable computer programs.

3.2 Deliverables.

3.2.1 General. As part of a Project Agreement, Contract Supplement, Change Order or other applicable document or request, Prime Vendor may prepare and/or provide Deliverable(s) for DRS.

3.2.2 Review and Certification of Deliverables. Each Deliverable shall be in a form, format, and in such detail as is necessary to: (a) in the case of Deliverables in respect of which specifications have been developed, cause it to conform to such specifications; or (b) in the case of Deliverables in respect of which specifications have not been developed, considering the purpose of the Deliverable, cause it to be reasonably acceptable to DRS; and (c) and be of fit quality, including meeting any quality standards as may be set forth in a Project Agreement or Contract Supplement (the applicable acceptance criteria for a Deliverable under the foregoing subsections shall constitute the "Certification Criteria" for the purposes of this Section). Prior to delivery to DRS, Prime Vendor shall perform a systematic review of each Deliverable and shall, at the time of delivery to DRS, confirm in writing that the Deliverable conforms to the Certification Cri-
teria. Following receipt of the applicable Deliverable and within the review period that is applicable to the Deliverable (or if none is specified, then within a reasonable period of time) (the "Review Period"), DRS shall review the Deliverable. If the Deliverable does not conform to its Certification Criteria, DRS promptly will notify Prime Vendor of the deficiencies, but no later than within the Review Period, and Prime Vendor promptly will modify the Deliverable and resubmit it to DRS for its review. The process described above will repeat until the Deliverable conforms to its Certification Criteria, and once this condition is met the Deliverable will be certified by DRS. To the extent the failure of the Deliverable to conform to the Certification Criteria was caused by Prime Vendor, Prime Vendor shall perform its obligations relating thereto without additional cost or expense to DRS. The parties acknowledge that certain Deliverables, such as design and configuration documents, will be subject to further activities, such as unit, systems and integration and user acceptance testing. If, upon testing or other confirmation process, a Deliverable that was previously certified does not meet the intended functionality due to a Prime Vendor error or design flaw, then the corrections required will be provided by Prime Vendor at no cost to DRS. If the previously certified Deliverable does not meet the intended functionality due to a change in DRS' requirements or a DRS error in communicating its requirements, then any correction shall be subject to a charge pursuant to a Change Order. Any extensions of time permitted by DRS where the Certification Criteria are not met does not waive any rights or remedies DRS has with respect to an Event of Default for failure of Prime Vendor to meet a Critical Milestone Due Date.

If there is substantial but not complete conformance to the Certification Criteria and Prime Vendor wants DRS to partially certify the Deliverable, Prime Vendor shall make a request for partial certification and accompanying such request shall be a plan to complete the Deliverable and the timeframe therefor. DRS will evaluate any such request but shall not be required to agree to partial certification. If DRS agrees to a partial certification, the Certification Form to be signed shall specify that the Deliverable is being partially certified, and the form must have attached an agreed to "Compliance Plan" on how the remaining components of the Deliverable will be completed. If there is partial certification, DRS may agree, but shall not be required as a condition thereof, to make a partial payment against such certification and any such partial payment shall require an amendment to the payment terms under a Project Agreement or Contract Supplement to be effective against DRS.

3.2.3 Certification Form. Upon accepting (or partial certification as provided above) any Deliverable submitted by Prime Vendor, DRS shall provide Prime Vendor with written acceptance of such Deliverable by the signing of the Certification Form set forth in Schedule 3.2.3 by the DRS Project Director, or her or his designee. No other form of certification, such as email communications, oral information or otherwise, shall be effective for purposes of certification, payment or otherwise, and shall not be effective against DRS.

3.2.4 Ownership of Deliverables.

(a) Ownership of Non-Software Based Deliverables. Subject to Prime Vendor's rights under Section 3.2.5, DRS shall be and remain the sole and exclusive owner of any non-software-based Deliverables, such as designs,
configuration outputs, test scripts, test data bases, workflow diagrams and schematics and reports developed by Prime Vendor for or on behalf of DRS.

(b) Ownership of Interface and Extension Deliverables. Subject to Prime Vendor's rights under Section 3.2.5 and the further terms of this Section, all Interfaces and Extensions paid for by DRS and developed by Prime Vendor shall be and remain the sole and exclusive property of DRS. If Prime Vendor wants to make such Interfaces or Extensions available to any other customer, or wants to incorporate the Interface and/or Extension in its base software or service offering, then ownership of such item will transfer to Prime Vendor upon written notice and agreement by Prime Vendor that: (i) Prime Vendor shall include the Support and Maintenance Services with respect to such items (whether or not such items were previously covered by Support and Maintenance Services); (ii) any Support and Maintenance Services Fees or other fees relating to such items separately paid by DRS (i.e., any separate charges shall be eliminated); (iii) DRS shall not be obligated to pay any license fees for such Interfaces or Extensions; and (iv) if the amount paid by DRS for such item exceeded Twenty Five Thousand Dollars ($25,000), the parties shall negotiate a recapture formula whereby DRS will be reimbursed by Prime Vendor for the amounts paid by DRS in connection with such Interfaces or Extensions with the financial goal to have the amount paid reimbursed within a two (2) year period.

(c) Work-For-Hire. In developing a Deliverable that is owned by DRS, the parties agree that such ownership shall inure to the benefit of DRS from the date of the conception, creation or fixation of the Deliverable in a tangible medium of expression, as applicable, and that all newly created copyright aspects of such Deliverables shall be considered "works-made-for-hire" within the meaning of the Copyright Act of 1976, as amended. If and to the extent such Deliverables, or any part thereof, are not considered "works-made-for-hire" within the meaning of the Copyright Act of 1976, as amended, Prime Vendor shall be deemed to have expressly assigned to DRS all exclusive right, title and interest in and to such Deliverables without further consideration, and Prime Vendor agrees to promptly execute all such documents as may be requested by DRS to evidence and/or perfect DRS' Intellectual Property Rights therein.

3.2.5 Pre-Existing and Independently Developed Intellectual Property. Each party (and/or its Third Party licensors) is and shall remain the owner of all right, title and interest in and to that party’s Intellectual Property Rights that existed prior to the Effective Date and in and to that party’s Intellectual Property Rights that may be independently developed by such party on or after the Effective Date.

3.2.6 Support for Interfaces, Extensions and other Software-Based Deliverables. For new or additional Interfaces, Extensions and other software-based Deliverables that are not required to meet a DRS Business and Technical Requirement, Prime Vendor shall include proposed Support and Maintenance Services Fees in connection with the Change Order process to enable DRS to determine whether it wants Prime Vendor to provide Support and Maintenance Services for such Interfaces, Extensions and other software-based Deliverables, provided that such Support and Maintenance Services Fees cannot exceed twenty two percent (22%) of the development fees. Sup-
port and Maintenance Services for such Interfaces, Extensions and other software-based Deliverables shall include the obligation of Prime Vendor to retrofit such Interface, Extension or other Deliverable to, and maintain the compatibility with, all Enhancements.

3.2.7 Third-Party Agreements. Any agreement entered into by Prime Vendor and a Third Party in connection with Deliverables under the Agreement shall include the same terms as those appearing in Section 3.2.4 to ensure that DRS obtains the same rights in the works generated under such Third Party agreement as those set forth in Section 3.2.4.

3.3 Interfaces.

3.3.1 Cooperation. Prime Vendor acknowledges that DRS is working with a number of Third Parties to develop, maintain and support DRS’ various systems and departments and that it may be necessary to implement one (1) or more Interfaces between the BPMS Solution, ERA and such systems and departments or other Systems. Prime Vendor shall cooperate and work with DRS and such Third Parties to implement and use standard Interfaces or develop and implement custom developed Interfaces, in accordance with the terms of Section 3.2, as necessary to allow information to pass from DRS and Third Party software and systems to the BPMS Solution and ERA or other Systems, and from the BPMS Solution and ERA or other Systems to Third Party software and systems. Such cooperation may include, among other things, Prime Vendor’s attendance at meetings with DRS and/or Third Party vendors and making available to DRS and/or Third Party vendors the Documentation for the Interfaces. Prime Vendor shall attend DRS-requested telephonic meetings upon two (2) business days’ notice by DRS and DRS-requested in-person meetings at DRS upon four (4) business days’ notice by DRS.

3.3.2 Delivery/Development of Interfaces; Interface Documentation. In accordance with the terms set forth in the applicable Project Agreement or Contract Supplement, Prime Vendor shall deliver and install at DRS the standard Interfaces identified in the applicable Project Agreement or Contract Supplement. If Prime Vendor must develop a custom Interface, such Interface development shall be considered a Deliverable and developed in accordance with the terms set forth in Section 3.2. Prior to Project Completion for the applicable System, Prime Vendor shall provide to DRS the Documentation for all Interfaces, including record layouts, design documentation, functional specifications, technical specifications, data transformations and data aggregations for each and every Interface (both standard Interfaces and custom developed Interfaces). DRS’ receipt of such Documentation shall in all instances be a condition of Project Completion for the applicable System, and DRS shall not be obligated to make and/or shall be excused from making any payment due to Prime Vendor at Project Completion until all such Documentation is received and accepted by DRS. Prior to Project Completion, Prime Vendor shall provide to DRS Documentation for all Enhancements to any Interfaces at no additional charge to DRS. After Project Completion, Prime Vendor shall provide to DRS Documentation for Interface Enhancements as part of and pursuant to Prime Vendor’s Support and Maintenance Services obligations.
3.4 **Documentation.**

3.4.1 **General.** For each component of a Solution, Prime Vendor shall provide to DRS Documentation that is reasonably detailed and complete and that accurately describes the functional and operational characteristics of the Solution. Prime Vendor shall provide to DRS updated versions of all such Documentation as soon as reasonably practical following its release by Prime Vendor, but in no event later than ten (10) business days following delivery of any Enhancements to DRS. Updated Documentation will be at least as detailed as the Documentation issued to DRS with any initial Solution delivery. The date, version and/or release number of each and every item of Documentation that is applicable to a particular System will be specified in the applicable Project Agreement or Contract Supplement. For any Interfaces and Extensions and other software-based Deliverables, the Interface and Extension software shall internally document in the source code, instructions and pointers on how the Interface or Extension operates, and replicates such instructions and pointers in separate written Documentation. The level of detail required for Interface Documentation shall be sufficient to enable a reasonably skilled programmer to update and retrofit the Deliverable to future versions and releases of the Solution or other computer programs to which the Interface interfaces or Extension operates.

3.4.2 **Additional Documentation.** Prime Vendor’s Documentation shall include detailed user-level descriptions of the changes in a release and the impact of such changes, detailed, comprehensive and complete technical release notes that identify all changes in a release and/or Enhancement. Prime Vendor agrees to continually work to improve and enhance the level of detail contained in its Documentation.

3.5 **Project Management, Performance and Other Tools, Utilities, Etc.** Prime Vendor shall grant to DRS a royalty-free license during the term of the Agreement to all Prime Vendor (or its Affiliate’s)-owned utilities and tools used by Prime Vendor to provide Services and/or in connection with a project, and, to the extent such licenses are sub-licensable by Prime Vendor to DRS, a license to Third Party-owned utilities and tools used by Prime Vendor to provide Services and/or in connection with a project, including all tools and utilities used by Prime Vendor to provide project management, implementation, evaluation and operational, maintenance and support Services, and all tools and utilities used by Prime Vendor to provide performance monitoring, testing, managing and support of the Solution (collectively, "Prime Vendor Tools and Utilities"). During the pendency of a project, Prime Vendor shall provide training and education on the use of the Prime Vendor Tools and Utilities. The Prime Vendor Tools and Utilities shall be set forth in the applicable Project Agreement or Contract Supplement. For so long as the Agreement is not terminated and Prime Vendor is providing Support and Maintenance Services to DRS, Prime Vendor shall provide updated versions and/or all new Prime Vendor Tools and Utilities as such updated versions are available, all at no additional cost to DRS.

3.6 **Source Code.**

3.6.1 **Source Code Escrow Agreement.** The Source Code and other Deposit Materials for all Solutions licensed to DRS hereunder shall be deposited in escrow located in the United States, and shall be subject to release, all in accordance with the terms and conditions of the Source Code Escrow Agreement. The Source Code Escrow Agreement is supplementary to the Agreement. Prime Vendor shall make and cause to
be made deposits of the Deposit Materials for the Source Code Escrow Agreement within thirty (30) days of the Effective Date. If Prime Vendor fails to deposit all such Deposits within the initial thirty (30) day time period, and thereafter, within the time frames specified in the Source Code Escrow Agreement, provided such failure is not cured by Prime Vendor within thirty (30) days following receipt of written notice of such failure, without limiting any other rights and remedies that may be available to DRS, DRS shall have the right to: (a) seek specific performance of the Deposit obligations in the Source Code Escrow Agreement, and Prime Vendor hereby waives all defenses associated with such remedy; (b) withhold payment of any and all amounts then due or that may become due to Prime Vendor; (c) obtain release of the Source Code and other Deposit Materials in accordance with the Source Code Escrow Agreement; and/or (d) terminate the Agreement in accordance with Article 10.2.

3.6.2 Source Code License. Upon any release of the Deposits to DRS under the Source Code Escrow Agreement, DRS shall have a perpetual, non-exclusive, non-transferable (except as permitted under the terms set forth in Section 15.12), unlimited user, non-assessable, irrevocable, worldwide, fully paid and multi-site license (and sublicense with respect to Third Party Software) either directly or through a Third Party retained by DRS, to use, modify, adapt, execute, compile and create derivative works of the Deposits for DRS' internal use in order to support and enable DRS' continued use of the Solution.

3.7 Technical Assistance and Knowledge Transfer. Prime Vendor shall transfer any knowledge it possesses which is necessary for the day-to-day operation of the System(s) to DRS employees and contractors designated by DRS so that DRS will be able to operate and support the System(s) on a going forward basis ("Knowledge"). The transfer of Knowledge shall consist of Prime Vendor instructing, educating and training DRS personnel with respect to the following, to the extent within Prime Vendor's Knowledge:

(a) The BPMS Solution, ERA and other Solutions and all Interfaces between and among the BPMS Solution, ERA and other Solutions and Third Party Software;

(b) Enhancements to the Solution and Interfaces;

(c) All data files, file and data definitions and relationships, data definition specifications, data models, program and logic, interfaces, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts relating to the Solution;

(d) All available maintenance and support tools, utilities, diagnostic programs and supporting programs utilized by Prime Vendor in the support and maintenance of the Solution, Interfaces and other Deliverables;

(e) Available Documentation;

(f) Security requirements and methodologies implemented under the terms of this Agreement to prevent or detect unauthorized access, and any networking security tools;
(g) Methodologies that address traffic management, workload balancing, segmentation, routing and overall network performance analysis;

(h) The installation/maintenance of tools to support network performance analysis;

(i) Management and troubleshooting, including how to install and utilize management and remote troubleshooting tools;

(j) Maximizing the use of the Solution, Interfaces and other Deliverables to perform key operational functions, including data backups, program downloads and security checks and how to automate such functions to minimize manual intervention; and

(k) Any and all updated, changed or revised policies, practices, procedures, processes and/or techniques with respect to the Knowledge previously transferred to DRS hereunder.

If and when the Deposit Materials are released to DRS, Prime Vendor shall cooperate with and assist DRS in the transfer of Knowledge and in such other aspects of the Systems or their operation as may be reasonably necessary to facilitate DRS’ understanding and use of the Deposit Materials.

3.8 DRS Participation in Product Development. The terms set forth in this Section shall apply to the manufacturer of the Solution, and accordingly if Prime Vendor is not the manufacturer of the Solution, Prime Vendor shall secure the following rights stated herein for the benefit of DRS.

3.8.1 Advisory Council. Prime Vendor shall permit DRS to participate on Prime Vendor’s advisory or other councils and committees, including any of its "Technical Design Workshops" or similar advisory groups. If Prime Vendor has any councils, committees, retreats, "Technical Design Workshop" or other similar forums in which Prime Vendor’s top tier customers are entitled to participate, DRS shall be granted participation rights on no less favorable terms as Prime Vendor’s other top tier customers.

3.8.2 Product Roadmaps. Prime Vendor shall provide DRS with its internal product roadmap for the Solution and other products that are of interest to DRS (collectively, the "Product Roadmap"). The initial Product Roadmap shall be attached to the Project Agreement or Contract Supplement, and each Product Roadmap thereafter shall contain substantially the same detail and content as the initial Product Roadmap and be provided to DRS whenever Prime Vendor makes any significant change to the roadmap.

3.8.3 Early Adopter Status. From time-to-time, Prime Vendor allows certain customers to become "early adopters" of new, improved and/or emerging software products ("Emerging Products"). Prime Vendor shall advise DRS of any Emerging Products that relate to the Solution and, as appropriate, other Prime Vendor products. DRS shall have the right to become an early adopter of any such Emerging Products, in which event the parties shall develop a Project Agreement or Contract Supplement that shall address, as appropriate: (a) fees, if any, to be paid to Prime Vendor; (b) implementation, training, support and other related services associated with installing and operating the
Emerging Product; and/or (c) any additional equipment required, on a loaner or other basis, to operate the Emerging Product.

3.8.4 Development Participation. Prime Vendor will afford DRS the ability to directly participate in the development of future features and functionality of the Solution and other software products of Prime Vendor that are of interest to DRS through the hosting of one-on-one development meetings ("Development Meetings"). Prime Vendor agrees that such Development Meetings will include discussion of the development phase of a subsequent release or version of the Solution and the development phase of a new product, as well as the timing for freezing the developments for the release, version or new product, and the cutoff date for reviewing new developments for the release, version or new product. Prime Vendor will provide DRS with written notice of any features and functionality that are planned in new releases and versions generally within thirty (30) days, but no later than sixty (60) days, after Prime Vendor first identifies such for a particular release or version ("Planned Features and Functionality"). During the Development Meetings, DRS may request that Prime Vendor provide new and additional features and functionality in a future release or version or new product. Prime Vendor will review, consider and respond in writing to such DRS requests for inclusion into new releases, versions and new products within thirty (30) days or other mutually agreed timeframe of its receipt of such request. Prime Vendor shall provide DRS with prior written notice if Prime Vendor determines to remove any particular feature or functionality as a Planned Feature or Functionality. Prime Vendor shall retain the sole right and discretion over the development and timing of Planned Features and Functionality and other Enhancements to be included in the Solution. Development Meetings shall be conducted at DRS’ request but at a time mutually convenient for both parties and can be held, at DRS’ election, in person with key Prime Vendor developer personnel at Prime Vendor’s primary software development facilities for the Solution.

ARTICLE 4
EQUIPMENT

4.1 Delivery of Equipment.

4.1.1 Delivery Costs; Changes in Delivery Location. Prime Vendor shall cause the Equipment, if any, to be delivered to the applicable DRS-specified installation location on the date specified in the applicable Project Agreement or Contract Supplement using the method of transportation required to meet the delivery date(s) specified therein. Equipment shall in no event be left or dropped off at DRS' loading dock, and delivery will not have occurred until the Equipment is delivered to the applicable DRS-designated data center room, designated staging area or other location. All costs associated with delivery of the Equipment to DRS (freight, rigging and insurance) shall be included in the purchase price for the Equipment and not charged in a separately issued invoice. At any time prior to delivery of the Equipment, DRS shall have the right to designate a different delivery location for the Equipment. To the extent that such change in delivery location results in changes to the delivery dates for the Equipment, such changes shall be implemented in accordance with the Change Order terms of Section 5.3. All Equipment shall be subject to the testing and acceptance procedures set forth in Section 6.9.
4.1.2 Delivery Delays Requested by DRS. Unless otherwise agreed by the parties, upon ten (10) days prior written notice to Prime Vendor and prior to the scheduled Equipment shipment date, DRS shall have the right to suspend or reschedule delivery of any Equipment at no cost or expense to DRS; provided, however, that DRS shall reimburse Prime Vendor for any reasonable, actual and documented warehousing or other similar expenses incurred by Prime Vendor as a result of a delivery suspension that continues for more than ninety (90) days. If DRS suspends or reschedules any Equipment delivery date as provided herein less than ten (10) days before the originally scheduled shipment date for the applicable Equipment, Prime Vendor shall accommodate such request, and DRS shall reimburse Prime Vendor for any reasonable, actual and documented warehousing or other similar expenses incurred by Prime Vendor as a result of such suspension or rescheduling.

4.1.3 On-Site Receipt of Equipment. Prime Vendor personnel will be on-site at the DRS-specified data center room, staging area or other location at the time the Equipment is delivered. Such personnel will receive, unpack and inventory the Equipment and inspect such Equipment for damage. Prime Vendor will report to DRS and resolve all shipping errors, inventory discrepancies and damaged or defective materials. Receiving and unpacking shall be performed in a staging area previously designated for the storage and unpacking of Equipment. Such area will be selected based on a location that minimizes movement of material and personnel through the installation site. Prime Vendor shall utilize materials such as plywood or masonite as necessary to prevent heavy objects from damaging floors, walls and doors. Prime Vendor shall perform general cleaning of the installation area (e.g., clearing floors of debris, packing material, etc.) on a regular basis throughout the installation period. Rubbish shall be disposed of at Prime Vendor’s expense and in compliance with local requirements and DRS Policies. If Prime Vendor fails to maintain and clean the installation site in accordance with this Section, DRS shall have the right to invoice Prime Vendor for all costs and expenses related to such cleaning, and such invoices shall be due and payable within fourteen (14) days following the date of the invoice. At its option, DRS shall have the right to set off any such costs and expenses against any amounts due or to become due to Prime Vendor.

4.2 Title; Risk of Loss. Title and risk of loss to any Equipment shall pass to DRS upon delivery of such Equipment to the DRS-designated installation site (e.g., DRS’ data center); provided, however, that such title transfer shall in no way constitute a waiver of any acceptance rights and remedies that may be available to DRS under the Agreement, and provided further that Prime Vendor shall at all times remain responsible for any damages associated with such Equipment that are based upon the fault or negligence of any Prime Vendor employee, agent and/or subcontractor.

4.3 New Equipment; Substitutions. All Equipment shall be new and shall not contain any replacement or refurbished parts or components. Prime Vendor shall not substitute any Equipment, or component thereof, with any other equipment, or component thereof, without DRS’ prior written consent. Prime Vendor may be permitted to temporarily substitute any Equipment, or component thereof, if all of the following conditions are met: (a) the substitute equipment, or component thereof, is equivalent or better in form, fit, function, capacity and performance than the ordered Equipment, or component thereof; (b) Prime Vendor is unable to meet the delivery requirements of DRS in the absence of such substitution; (c) Prime Vendor
provides reasonable prior written notice of the substitution to DRS; and (d) DRS consents in writing to the proposed substitution. If Prime Vendor substitutes any Equipment, or component thereof, as described herein, the cost of installation and removal of such substitute Equipment shall be borne solely by Prime Vendor. Title to and risk of loss for the substitute Equipment, unless accepted by DRS as a permanent substitution, shall at all times remain with Prime Vendor.

4.4 Equipment Testing. Upon delivery of any item of Equipment to DRS, Prime Vendor shall test the Equipment components (including the related operating system software) in accordance with the applicable Equipment manufacturer’s standard diagnostic procedures, applicable DRS Policies (including related to any data center Third Party procedures) and other testing criteria deemed reasonably necessary by DRS to verify and confirm that the Equipment components (including the related operating system software) operate in accordance with such manufacturer’s specifications and certify that the Equipment is ready for software loading. If any non-conformities are discovered during Equipment testing, Prime Vendor promptly shall correct such non-conformities. For equipment purchased by DRS from a Third Party, DRS shall be responsible for the testing of the equipment and will provide Prime Vendor with notice when it has completed its testing. Thereafter, Prime Vendor shall perform such reviews of DRS’ equipment to enable Prime Vendor to certify the configurations, and if Prime Vendor cannot so certify, provide written notice of any additional items or components needed for certification. This process shall continue until Prime Vendor is able to certify DRS’ equipment for purposes of software loading, and upon such certification shall sign and deliver the Certification Form to DRS.

4.5 Equipment Maintenance. DRS shall have the right to obtain maintenance services for any Equipment purchased from Prime Vendor directly from the manufacturer or any other Third Party.

ARTICLE 5
PROJECT AND IMPLEMENTATION SERVICES

Prime Vendor shall provide the Services as described in a Project Agreement or Contract Supplement, and when providing such Services shall comply with the further terms and conditions set forth in this Article.

5.1 Project Management Services. For projects in which Prime Vendor is performing project management Services, Prime Vendor shall act as the project manager and shall perform all customary duties of a project manager, including performing the day-to-day project management duties, managing the provision and coordination of the Services provided by Prime Vendor, reporting on the progress of or delays involving DRS, and managing to complete the project on-time and within the Fixed Fee or budget. Without limiting the generality of the foregoing, Prime Vendor shall provide the following project management Services, which Services may be supplemented as specified in a Project Agreement.

5.1.1 Project Status and Other Meetings. On the dates and locations specified in the Statement of Work and/or Project Schedule and other dates as reasonably requested by DRS, the Prime Vendor Project Director, the Prime Vendor Project Manager(s), the DRS Project Director and applicable DRS Project Manager(s) and other appropriate representatives of the parties shall discuss the status of the project (“Project
**Status Meetings**. Project Status Meetings for the ERA Project shall be held weekly or as otherwise set forth in a Project Agreement, at DRS’ campus.

At least two (2) business days before each Project Status Meeting, Prime Vendor shall create and distribute to all meeting participants, a meeting agenda, and send the Project Status Report electronically to DRS. At each Project Status Meeting, the parties shall review the Project Status Report and discuss any existing or newly discovered Issues, including personnel and personnel Issues, operational Issues, progress towards project goals, any proposed changes to Critical Milestone or Deliverables Due Dates and other Issues relevant to the project. Prime Vendor shall keep minutes of the meetings and shall include such minutes in the next Project Status Report.

In addition, Prime Vendor shall create, maintain, update and circulate to applicable personnel a separate schedule that identifies the time, place, location and participants for all Project Status Meetings, other status meetings, team meetings, executive briefings and other meetings relating to the project. For all Prime Vendor-arranged or conducted meetings: (a) Prime Vendor shall discuss such dates for meetings in advance with all key personnel from DRS who need to attend such meetings to avoid scheduling the meetings when there are scheduling conflicts, and conflicts of availability for key personnel of DRS; and (b) Prime Vendor shall prepare all meeting materials and present them to the meeting attendees sufficiently in advance of the meeting to permit time for review by the recipients.

### 5.1.2 Project Status Reports and Feedback.

**General.** The Project Status Report shall conform to the form, format, frequency, quality standards, content structure, minimum data sets, nomenclature and other operational program management systems adopted by DRS, and be signed by the Prime Vendor Project Director (or Prime Vendor Project Manager if there is no Prime Vendor Project Director) and include:

- **(i)** Excerpts from project issue logs based on escalation criteria as specified by DRS' approved processes;
- **(ii)** Excerpts from project risks logs based on escalation criteria as specified by DRS' approved processes;
- **(iii)** The project budget plan, both actual funds expended and those to be encumbered;
- **(iv)** A separate section identifying the accomplishments and Issues encountered since the last Project Status Report, and suggestions and proposed actions for dealing with and resolving such Issues, including identifying and explaining actual delays and expected delays, and the impact of such Due Date delays and expected delays, relating to the Statement of Work, Project Schedule and Deliverable Due Dates and Critical Milestone Due Dates;
(v) A separate section identifying previously-reported Issues, the date such Issue was previously reported, and the action taken to address such Issues – if no action was taken by either party, Prime Vendor shall identify which party was required to act and identify that such party did not take action;

(vi) The percent complete for each Deliverable, Critical Milestone and other milestones and the effort remaining and/or estimated number of hours required to complete each Deliverable, Critical Milestone and other milestones;

(vii) Thirty (30) and sixty (60) day forecasts identifying all the activities and tasks required of the project teams and the expected Deliverables and other outputs, which forecasts must be consistent with the timeframes set forth in the Project Schedule;

(viii) A cumulative summary and status of each Change Request, Change Response and Change Order, and a determination as to whether response time frame commitments are being met;

(ix) Compliance with Deliverable Due Dates and Critical Milestone Due Dates, and whether any Delay Credits, SLA Credits and/or Incentives are incurred, earned back or due;

(x) Status of any requests for additional Prime Vendor Personnel;

(xi) Status of any proposed changes to any other Schedules, Exhibits or Attachments to a Project Agreement or Contract Supplement, or any proposed amendments to the Agreement;

(xii) Tasks/activities accomplished and Deliverables completed since last Project Status Report, tasks/activities/Deliverables planned for completion/delivery between the issuance of the current Project Status Report and the next Project Status Report and the dependencies of such tasks/activities/Deliverables; and

(xiii) Such other matters as one party may request of the other.

Issues or Risks that may arise shall be timely reported by one party to the other. Prime Vendor shall include in the Project Status Reports any delays by DRS and/or Third Parties or other circumstances as well as any issues that are reported by DRS to Prime Vendor. For any delays caused by DRS (including any failures by DRS personnel to fulfill its responsibilities), Prime Vendor shall identify the delay and/or the specific activity, task or subtask in the Project Schedule that DRS has not completed on time. DRS shall have the right to assume that Prime Vendor is not aware of any Issues or Risks unless Prime Vendor specifically identifies such Issues or Risks in the Project Status Reports.
No Issues or Risks shall be deleted or removed from the Project Status Report, issue log or risk log, respectively, until such Issue or Risk has been resolved to DRS' reasonable satisfaction and DRS agrees to remove the Issue from the Project Status Report, issue log or risk log, as applicable.

(b) **Feedback and Updates.** DRS shall have the right, but not the obligation, to provide feedback and comment on any Project Status Report provided by Prime Vendor. If DRS provides written feedback and comment to a Project Status Report, Prime Vendor shall incorporate into and address such feedback and comment in the next Project Status Report.

5.1.3 **Issue Management.** The issue log tool and issue management methodology shall be identified in each Project Agreement, and Prime Vendor shall use such tool and methodology to provide issue management Services. Prime Vendor shall identify and report on all Issues, whether such Issues are identified by Prime Vendor or DRS, which arise in a project. Without limiting the generality of the foregoing, Prime Vendor shall:

(a) Populate an issues and defects log as soon as Prime Vendor or DRS identifies an Issue or Defect; to the extent the Prime Vendor's tool is used for the issue and defects log, Prime Vendor shall provide DRS with the ability to directly input Issues and Defects;

(b) For each Issue and Defect identified, propose to DRS a mitigation plan to eliminate or mitigate the Issue and/or Defect, and upon approval, Prime Vendor shall include the mitigation plan in the issues and defects log;

(c) Monitor all outstanding Issues and report on whether the previously-approved mitigation efforts have been or are being undertaken and then assess whether the mitigation efforts are successful or need further revision; and

(d) Provide the current, updated issues log to the DRS Project Director on no less than a weekly basis, and such updated log shall be included in connection with the delivery of the Project Status Report.

To the extent Prime Vendor uses an issue log tool other than DRS' tool, Prime Vendor shall provide DRS with unrestricted access to such issues log tool, including the ability to export, save and download any or all information contained in such tool relating to any DRS project.

5.1.4 **Risk Management.** The risk log tool and risk management methodology shall be identified in each Project Agreement, and Prime Vendor shall use such tool and methodology to provide risk management Services. Prime Vendor shall provide risk management Services for both episodic and on-going Risks in a project. Without limiting the generality of the foregoing, Prime Vendor shall:

(a) Populate a risk log as soon as Prime Vendor or DRS identifies a Risk; to the extent the Prime Vendor's tool is used for the risk log, Prime Vendor shall provide DRS with the ability to directly input Risks;
(b) For each Risk identified, propose to DRS a mitigation plan to eliminate or mitigate the Risk, and upon approval, Prime Vendor shall include the mitigation plan in the risk log;

(c) Monitor all outstanding Risks and report on whether the previously-approved mitigation efforts have been or are being undertaken and then assess whether the mitigation efforts are successful or need further revision; and

(d) Provide the current, updated risk log to the DRS Project Director on no less than a weekly basis, and such updated log shall be included in connection with the delivery of the Project Status Report.

5.1.5 Project Financial Status. DRS may create a project budget plan for use in managing a project. If DRS develops a project budget plan, Prime Vendor will provide data inputs during the pendency of the project required to populate such project budget data based on Deliverables, Critical Milestones and milestones.

5.1.6 Communications Plan. Each Project Agreement shall include a comprehensive communication plan which shall have at least two (2) separate components: one component targeted to communications to project team members and other internal constituents (internal); and a second component targeted to communications to broader DRS constituencies (external). The internal constituents plan will be developed by Prime Vendor with DRS input, and the DRS constituencies plan will be developed by DRS with Prime Vendor input. The communication plan shall include, as applicable:

(a) Developing communications standards, methods, formats and templates, with Prime Vendor initially providing a variety of samples and templates with respect to internal and external constituencies for DRS’ consideration;

(b) Communicating project status for both internal and external constituencies, as mutually agreed, but no less than quarterly during the pendency of a project;

(c) Communicating team member assignments for internal constituencies;

(d) Communicating upcoming tasks, meetings and Critical Milestones for internal constituencies;

(e) Communicating Issues and Risks for internal constituencies; and

(f) Schedule management for internal constituencies.

Prime Vendor’s development of its component of the communications plan shall be a Deliverable, subject to the terms of Section 3.2.
5.1.7 Document Management and Control.

(a) Form and Format. In developing written documentation, Prime Vendor shall present for DRS’ approval, the form and format for documentation templates and conventions such that all project-related documentation retains a consistent look and feel.

(b) Repository. For each project, using the tool or utility agreed to by the parties and identified in a Project Agreement, a project repository will be developed and used to track documents and other project artifacts. Prime Vendor shall comply with DRS’ procedures and policies relating to the use, version control and updating of the repository, and shall ensure that any items uploaded into the repository are uploaded on a timely basis, are an accurate version of the documents to be uploaded, and use the taxonomy and naming conventions approved by DRS.

(c) Security of Documents in Prime Vendor’s Control. Prime Vendor shall ensure the security of all project materials under Prime Vendor’s control.

5.1.8 Contract Compliance Meeting. Prime Vendor and DRS shall meet approximately monthly to discuss the parties’ compliance with the Agreement and any pending Project Agreements and resolve any compliance Issues.

5.1.9 Cooperation; Coordination with Other DRS Contractors and Third Parties. DRS may involve Third Parties in the implementation of a project to assist DRS in the discharge of its responsibilities or otherwise perform activities and tasks not otherwise assigned to Prime Vendor. Notwithstanding any such Third Party involvement, Prime Vendor shall:

(a) Take the lead to facilitate communications with and work constructively and cooperatively with DRS’ Third Parties involved in a project to ensure the Integration of numerous Third Party products with the System(s);

(b) Notify DRS in writing in a Project Status Report if any Third Party’s performance (or failure to perform) has or may impact the project; and

(c) Work with the DRS Project Manager(s) to facilitate resolution of any Issues which develop relating to such Third Parties.

5.2 Implementation Services.

5.2.1 Statements of Work, Project Schedule and Joint Resource Plans. Each Project Agreement or Contract Supplement that involves Prime Vendor’s provision of implementation, development and/or other Services shall include the following documents, as further described below: A statement of work (“Statement of Work”), an integrated project schedule (“Project Schedule”), and joint resource plan (“Joint Resource Plan”), each of which shall be initially created jointly by the parties through an implementation planning study or other mutually agreed process and attached to the ap-
applicable Project Agreement or Contract Supplement. Thereafter, the Project Schedule and Joint Resource Plan shall be updated and maintained by Prime Vendor in accordance with the requirements in this Section and pursuant to applicable quality standards, and each updated Project Schedule and Joint Resource Plan shall be subject to written approval by DRS. Changes to the Statement of Work shall occur through an amendment to the applicable Project Agreement or Contract Supplement.

(a) Statement of Work. The Statement of Work shall include, as applicable:

(i) A general description of the project;

(ii) A complete description of the scope and responsibilities of each of the parties;

(iii) A complete description of any assumptions applicable to the scope of services; any assumptions not identified cannot be later claimed by Prime Vendor as an assumption in the project;

(iv) The Critical Milestones and entrance and exit (completion) criteria for determining whether a Critical Milestone has been successfully completed;

(v) Descriptions of Deliverables, including dependent Deliverables, in such detail as requested by DRS;

(vi) Payment milestones; and

(vii) Other mutually agreed terms.

(b) Project Schedule. The Project Schedule shall be integrated, meaning that the schedule must cover all aspects of the project and include all Prime Vendor and DRS (or its Third Party)-only activities and tasks. The project tool used to develop the Project Schedule will be agreed to by the parties prior to project initiation, and shall include, as applicable:

(i) Commencement and completion dates for the project;

(ii) All Critical Milestone and Deliverable events and Deliverable Due Dates and Critical Milestone Due Dates (with such Critical Milestones being identified by a different color and with the phrase "Critical Milestone" in the Project Schedule document so that users can search on such term);

(iii) All other milestones, activities, tasks and subtasks, along with their dependencies;

(iv) For each grouping or subgrouping of Solution components, identify the activities that are related to other groupings or subgrouping of
Solution components, including any activities that affect another grouping or subgrouping, e.g., design activities of one grouping of Solution components may need to be designed considering the implementation of another grouping or subgrouping, etc.;

(v) Sufficient description of all activities, tasks and subtasks (including DRS-only responsibilities) to be performed by Prime Vendor, DRS or Third Party responsible for, and the location of, such activities, tasks and subtasks; and

(vi) The dates, duration and locations of Project Status Meetings and contract compliance meetings.

The initial Project Schedule for a particular Project Agreement or Contract Supplement may be preliminary at the time such Project Agreement or Contract Supplement is developed, and accordingly, a more detailed Project Schedule may need to be developed by the parties as the implementation of the project proceeds. Any such final Project Schedule shall be subject to the terms of Section 3.2.

The status of any discussion regarding the change to a Deliverable Due Date or Critical Milestone Due Date shall be reflected in the next succeeding Project Status Report.

(c) Joint Resource Plan. The Joint Resource Plan shall identify the role, amount and timing of DRS and Prime Vendor (including approved subcontractors) personnel assigned to a project. Prime Vendor shall track and report to DRS personnel utilization and the variance between actual personnel utilization and the Joint Resource Plan. Prime Vendor shall manage and update the Joint Resource Plan as changes are made to such plan, and any updates to the plan must be submitted with the Project Status Report. Prime Vendor shall not reduce any non-Key Personnel resources set forth in the plan without DRS’ prior written consent, it being acknowledged by Prime Vendor that a reduction in personnel may jeopardize Prime Vendor's ability to meet Due Dates and/or the quality standards for the project, unless Prime Vendor can demonstrate, to DRS' satisfaction, that such impacts will not occur. Nothing contained herein shall prohibit Prime Vendor from supplementing its personnel at any time. The updates to the Joint Resource Plan shall set forth any agreed to reductions in personnel, any vacancies in personnel positions along with Prime Vendor's plan to fill such vacancies, any supplemental personnel being added by Prime Vendor, whether such personnel have been previously assigned or planned to be assigned.

5.2.2 Training and Education.

(a) General. Prime Vendor shall provide to DRS training and education for the applicable software pursuant to the terms set forth in the applicable Project Agreement or Contract Supplement. Each Project Agreement and Contract Supplement shall specifically name and detail the education and training courses to be provided by or through Prime Vendor and shall provide other relat-
ed information for such training and education courses, including the applicable class size, pricing and any restrictions and/or limitations in connection with such training and/or education. The timing and sequence of any training and education shall be incorporated into the Project Schedule at such point in time or times where the training and education is appropriate and relevant to project activities. At no additional cost to DRS, all training and education shall be provided at one or more locations designated by DRS, and Prime Vendor shall provide and install a training and education environment for the applicable software at each such location.

(b) Re-Performance of Training Classes. If a specific training course is not performed to DRS’ reasonable satisfaction, whether because the instructor for the training course did not perform to DRS’ reasonable satisfaction, the training materials supplied by Prime Vendor were not relevant to DRS’ environment and/or the training was otherwise not satisfactory to DRS, and DRS provides written notice to Prime Vendor of such dissatisfaction during the pendancy of the class or shortly after the class is concluded, then, at no additional tuition cost to DRS, Prime Vendor shall promptly re-perform the training class with a different instructor who is qualified to teach the subject matter and/or correct the deficiencies or lack of relevancy in the training materials. If Prime Vendor disagrees with DRS’ assessment, the matter shall be referred to the Executive Sponsors for resolution.

5.2.3 Addressing Inadequate Personnel Planning or Availability of Personnel. Inadequate personnel planning and/or availability of personnel can have a significant negative impact on the ability to meet Deliverable Due Dates and Critical Milestone Due Dates. Inadequate personnel planning can result from, among other things, Prime Vendor not accurately representing the types or number of personnel needed by DRS to complete its tasks and activities, DRS not hiring or having its personnel available when needed, and delays on the part of Prime Vendor that has the effect of requiring DRS to attempt to accomplish too many tasks in a compressed timeframe (e.g., in order to meet a Critical Milestone). If the lack of personnel needed to complete the tasks and activities for a given Critical Milestone is based on or linked to Prime Vendor delays such as not completing prior activities when required, providing Deliverables late or other delays, then Prime Vendor shall identify such Issue in a Project Status Report and work with DRS to determine whether: (a) DRS personnel can be effectively reallocated in a manner that will not jeopardize the ability to meet other timeframes or obligations in the project (current or future); (b) timeframes for any particular task or activity, such as completing Pre-Live Testing, can be accelerated; (c) if time frames can be accelerated, whether it is prudent or consistent with industry practices to do so (if it is not prudent or consistent with industry practices, then DRS shall be under no obligation to agree to any such acceleration); or (d) there is any other impact on the project. If it is determined that Prime Vendor was the cause of the delay (based on any of the above reasons or otherwise), then Prime Vendor shall be responsible for the additional costs and expenses involved in either hiring additional DRS-personnel, providing additional Prime Vendor personnel to accelerate performance, or both. If the reason for the need for additional DRS personnel is attributable to DRS, then DRS shall be responsible for such additional costs and expenses, and if the solution is additional Prime Vendor personnel, DRS shall only be obligated to the extent a Change Order is signed by DRS.
5.2.4 **Implementation Delays.** A Critical Milestone will be achieved successfully when DRS verifies in writing that the activities, events and/or Deliverables that comprise such Critical Milestone have met all applicable acceptance criteria and DRS has signed the applicable Deliverables Certification Form. Subject to the further terms of this Section, if DRS reasonably determines that Prime Vendor is likely to fail to meet a Critical Milestone Due Date or a Deliverable Due Date, or if Prime Vendor already has failed to meet a Critical Milestone Due Date or Deliverable Due Date, then:

**(a) Additional Personnel.** At DRS' option, Prime Vendor shall provide to DRS, at no additional cost, additional Prime Vendor personnel required or necessary to timely achieve the Deliverable Due Date and/or Critical Milestone Due Date, or, if Prime Vendor has already failed to meet one (1) or more Deliverable Due Dates and/or Critical Milestone Due Dates, complete the Critical Milestone(s) or Deliverable(s) as soon as practicable, provided that any adjustment of a Critical Milestone Due Date shall not operate to adjust any future Critical Milestone Due Date unless specifically agreed to in writing by DRS; and

**(b) Delay Credits and Earn Back Rights.** DRS shall be entitled to receive credits in the amounts and pursuant to the terms and conditions set forth in the applicable Project Agreement or Contract Supplement for each day that Prime Vendor fails to timely achieve a Critical Milestone Due Date on the original missed Critical Milestone Due Date ("**Delay Credits**"). The parties agree that the Delay Credits represent a lower net Services fee to Prime Vendor for not completing the implementation on time, and is not to be construed as a penalty or an exclusive remedy. If a Critical Milestone Due Date is reset pursuant to a mutually agreed Change Order, such reset Due Date shall not operate or be construed to automatically waive any Delay Credits unless DRS specifically agrees in writing in connection with such reset Due Date that DRS waives the applicable Delay Credits. Prime Vendor shall have the ability to earn back the Delay Credits associated with a Critical Milestone if the next succeeding Critical Milestone Due Date (on an unadjusted basis) is met. Delay Credits associated with Production Use and Project Completion cannot be earned back by Prime Vendor.

DRS' acceptance of additional personnel or Delay Credits as provided in Sections 5.2.3 or 5.2.4 shall not be construed or implied to limit or constitute a waiver of any of DRS' rights as provided in Article 10. Prime Vendor shall not be obligated to provide additional personnel at no additional cost or to provide Delay Credits to DRS to the extent Prime Vendor's failure to achieve any Critical Milestone is caused by DRS or its Third Party's delays or a Force Majeure Event that was not capable of being mitigated.

5.2.5 **Quality Standards.** In order to reduce the risk of project failure and to maximize the benefits of the BPMS Solution and ERA, Prime Vendor must provide quality personnel and produce quality, on-time Deliverables. In order to ensure quality, Prime Vendor agrees to propose only quality personnel for projects, and provide quality Deliverables in accordance with any additional quality standards that may be set forth in a Project Agreement or Contract Supplement. As part of meeting quality standards, Prime Vendor further agrees to the following:
5.2.5.1 Project Quality Reviews.

(a) By Prime Vendor. Prime Vendor through a separate, independent, internal audit group within Prime Vendor’s organization shall conduct an internal project review for all aspects of each DRS project, which shall, at a minimum, measure and assess Prime Vendor’s performance generally and against the quality standards set forth in the Project Agreement or Contract Supplement. Without limiting the foregoing, quality shall be assessed on the timeliness of the delivery of Prime Vendor’s project management, implementation, Extension development and training and education Services, the personnel Prime Vendor has assigned to the activities and tasks and their on-time delivery of such Services. Prime Vendor shall provide DRS with a full and complete copy of such review (i.e., not a summary) within five (5) business days after the end of each such review, or at such other times as DRS may request. If there are areas of improvement or deficiencies cited in an audit, within fifteen (15) business days following each such calendar quarter, Prime Vendor shall develop and implement an action plan acceptable to DRS to address such items. Prime Vendor shall report to DRS on its efforts to implement such action plan in the Project Status Reports.

(b) By DRS. A quality assurance assessment will be conducted monthly by an independent Third Party, as required by State policy, to ensure that project management standards, processes, and procedures are appropriate and correctly implemented to increase the probability of the project’s success. The quality assurance assessment is a systematic approach that monitors, evaluates, and provides interactive feedback about the project’s activities and ensures the project is properly managed. The Prime Vendor shall participate in the monthly quality reviews and cooperate with DRS and the independent Third Party, as applicable, to enable DRS to complete its assessment, including providing full and complete in-person access, at no additional cost to DRS, to all Prime Vendor personnel (both on-site and off-site personnel) and all relevant documentation. If there are areas of improvement or deficiencies cited in the monthly assessment, the parties shall meet to review and develop a plan to address the quality assurance recommendations.

5.3 Change Order Procedures.

5.3.1 General. Strict project management control processes and the documentation of changes to a Project Agreement or Contract Supplement and similar implementation items are all important components of project management discipline. Accordingly, with respect to any changes that will result in an out-of-scope activity, a change to a Deliverable Due Date or Critical Milestone Due Date, or a reduction in the scope of activities, a Change Order will be required pursuant to this Section and any additional change control processes as may be mutually agreed to by the parties. For purposes of the Agreement, an out-of-scope activity is an activity that is not identified or contemplated in
the applicable Statement of Work or Project Schedule, or otherwise addressed as part of the work to be performed in connection with a Project Agreement or Contract Supplement. Prime Vendor acknowledges that a reduction in the scope of work will result in a credit to be provided to DRS that is equal to the size of the reduction in scope of work, and that such credit may be held and retained by DRS for future out-of-scope Change Orders or as a set off as provided for herein.

5.3.2 Change Orders. Change Orders shall be initiated by a change request ("Change Request") and can be initiated by either party. DRS and Prime Vendor shall each bear their own costs in preparing and analyzing the Change Request and Change Response. The form of the Change Request is attached as Schedule 5.3.2.

(a) DRS-Generated Change Requests. Within three (3) business days following receipt of any DRS Change Request, Prime Vendor shall acknowledge that it has received the Change Request and that the appropriate Prime Vendor representative(s) are working on a response. Within ten (10) business days for a Change Request involving a request by DRS to change one (1) or more Deliverable Due Dates or Critical Milestone Due Dates and within seven (7) business days for all other Change Requests, following Prime Vendor’s receipt of such DRS Change Request, Prime Vendor shall update the Change Request form to include its response ("Change Response") describing in detail:

(i) Any additional Services to be performed and/or new components of the Solution and/or Equipment required as a result of the Change Request and/or Services, Equipment or components of the Solution that are no longer required as a result of the Change Request;

(ii) The effect, if any, that any such additional or deleted Services, component of the Solution and/or Equipment shall have on the Statement of Work and/or Project Schedule;

(iii) The cost or savings associated with such additional or deleted Services, component of the Solution and/or Equipment; and

(iv) Any other information relating to the Change Request that may reasonably be requested by DRS.

If DRS accepts a Change Response, the parties shall finalize the Change Response form and once signed shall constitute a "Change Order." If DRS rejects such Change Response, Prime Vendor shall proceed to fulfill its obligations as originally agreed under the Agreement and the applicable Project Agreement or Contract Supplement.

Compliance with the timeframes set forth herein are important to ensure that issues that need to be solved with a Change Order are processed on a timely basis. Accordingly, if Prime Vendor repeatedly fails to abide by the timeframes, or fails to process any Change Requests relating to Critical Milestone or Deliverable Due Dates in a manner that will or may cause significant delays, then DRS shall be entitled to withhold fifty percent (50%) of all payments due or that may be-
come due to Prime Vendor until Prime Vendor complies with the timeframes required herein.

(b) **Prime Vendor-Generated Change Requests.** For Prime Vendor-generated Change Requests, DRS shall review and evaluate such request and provide feedback to Prime Vendor during the Project Status Meetings. To the extent such Change Request identifies an out-of-scope Service, additional value-added Services or other similar items, DRS shall not be obligated to provide a written response to such request.

5.3.3 **Special Provisions Relating to Change Orders for Changes to Deliverable Due Dates and Critical Milestone Due Dates.** Deliverable Due Dates and Critical Milestone Due Dates shall not be changed at any time prior to Project Completion under the applicable Project Agreement or Contract Supplement without the prior written consent of DRS and pursuant to a Change Order.

(a) **Prime Vendor-Proposed Changes.** If Prime Vendor proposes a change in a Deliverable Due Date or Critical Milestone Due Date, it shall submit a Change Request along with a detailed explanation of the basis for the Change Request, an updated Project Schedule reflecting all adjusted dates, including the adjusted Deliverable Due Date and/or Critical Milestone Due Date and, if there is an impact on the scope of Services, a revised Statement of Work (or portion thereof), highlighting the proposed text change and, if there is a proposed change in the fee, an updated fee and payment schedule. If the Change Request is due to a delay on the part of DRS, any Third Party or a Force Majeure Event, Prime Vendor shall: (a) for a Force Majeure Event, identify the Force Majeure Event and explain what steps or measures Prime Vendor took to mitigate the effect of the Force Majeure Event; (b) for a delay on the part of DRS or any of its Third Parties, specify in detail the failure or inaction by DRS or its Third Party, provided, however, if the reason there is a DRS or Third Party delay is that predecessor responsibilities of Prime Vendor were not performed which resulted, in whole or in part, in the DRS or Third Party delay, Prime Vendor shall not be entitled to claim a delay on the part of DRS or the Third Party. A Change Request is not complete, and nor shall DRS be required to review a Change Request without the foregoing revised documents. In addition, any delay by Prime Vendor which results in a disruption to the allocation of personnel to be provided by DRS shall not be a basis for Prime Vendor to claim delays on the part of DRS, and any such disruption to DRS personnel shall be identified in the Project Status Report. If the DRS Project Director disagrees that such Change Request is warranted, the matter shall be escalated to the Prime Vendor Account Executive and to the DRS Executive Sponsors, and then to the DRS Agency Director if needed, for resolution.

(b) **DRS-Proposed Changes.** If DRS proposes a change in a Deliverable Due Date or Critical Milestone Due Date, the parties shall meet to discuss the proposed date changes and Prime Vendor shall prepare a Change Request along with the items referenced in subsection (a).
5.3.4 **Administration of Change Orders.** The Prime Vendor Project Manager and the DRS Project Manager shall be authorized to administer the Change Order process set forth in this Section; provided that all proposed Change Orders must be approved in writing by the DRS Project Director, or her or his designee, in order to be effective against DRS and must be signed by an authorized employee of Prime Vendor, in order to be effective against Prime Vendor.

5.4 **Personnel.**

5.4.1 **DRS Personnel.** DRS will appoint a project director ("**DRS Project Director**") who shall be responsible for the ERA Project, and will appoint one or more project managers ("**DRS Project Manager(s)**") who will be responsible for coordinating DRS' resources and personnel and have overall responsibility for ensuring DRS' performance of its responsibilities under the ERA Project Agreement. In connection with the ERA Project and for future projects, DRS will appoint such DRS Project Manager(s) and, if determined by DRS, a DRS Project Director, to fulfill such project management roles as appropriate for the project. The DRS Project Director and/or DRS Project Manager may designate other DRS personnel or agents as their designees.

5.4.2 **Prime Vendor Personnel.** Prime Vendor shall provide sufficient, qualified personnel to perform Prime Vendor’s obligations, including: (a) if necessary for the project given its size and/or complexity, a Project Director; (b) one or more Prime Vendor Project Managers; and (c) such other key personnel as may be designated in the applicable Project Agreement or Contract Supplement (collectively referred to as the "**Key Personnel**"). All Key Personnel shall be available at locations specified in the applicable Project Schedule and as otherwise reasonably requested by DRS. At DRS' request, Prime Vendor shall provide DRS with a list of Prime Vendor personnel, which list shall include professional qualifications for each person listed, specifying the persons qualified to be the Key Personnel. DRS shall have the opportunity to conduct telephone or in-person interviews of such Key Personnel candidates at no cost to DRS. DRS shall have the right to approve, in its sole discretion, all Key Personnel and other Prime Vendor personnel assigned to a project. If DRS does not provide such approval, then Prime Vendor shall not assign such personnel to provide Services to DRS, whether on-site or off-site.

5.4.3 **Experience of Prime Vendor Personnel.** Key Personnel and other personnel assigned by PrimeVendor to provide Services to DRS (other than administrative personnel) shall have the qualifications listed below. If Prime Vendor wants to assign personnel to DRS' account that do not meet all of the foregoing qualifications, such assignment shall require the prior written approval of DRS, which approval may be withheld in DRS' sole discretion. If DRS does not provide its prior written approval of such personnel, then Prime Vendor shall not assign such personnel to provide Services to DRS, whether on-site or off-site.

Qualifications of Prime Vendor personnel shall include:

(a) At least five (5) years' experience in project management for project directors and managers (certification as a project management professional (PMP) is preferred), three (3) years' experience in project management for mid-
level project personnel, and eighteen (18) months of experience for basic project personnel as an employee of Prime Vendor;

(b) Specific experience with other customers in the Implementation Methodologies to be used in the project;

(c) Substantial experience in the state government environment to the tasks assigned such personnel;

(d) Participation in on-time, on-budget, successful projects of similar size and scale in the same role and with the same responsibilities as such personnel has under the applicable Project Agreement or Contract Supplement;

(e) If applicable, certification in the technologies used in the project, including the specific release or version levels of software, to successfully complete the Services under the applicable Project Agreement or Contract Supplement;

(f) At least one (1) reference from a recent project of a similar size and scale stating that such personnel consistently met expectations and fulfilled their role and responsibilities effectively; and

(g) Eighteen (18) months experience in installing or with the component of the Solution in which such personnel is providing Services.

5.4.4 Removal of Prime Vendor Personnel by DRS. If DRS has concerns over Key Personnel or other Prime Vendor personnel assigned to a project and DRS believes that the problem is capable of being corrected, DRS shall bring such concerns to the attention of Prime Vendor. Prime Vendor shall have a period of seven (7) days following such disclosure to resolve any problems with respect to such person in a manner that is satisfactory to DRS. If Prime Vendor is unable to resolve the problem within such seven (7) day period to DRS’ satisfaction, then Prime Vendor shall remove such person and provide a replacement as soon as reasonably possible thereafter (not to exceed fourteen (14) days following the seven (7)-day correction period), taking into consideration such person’s duties and responsibilities. Nothing contained in this Section shall restrict DRS from immediately removing Prime Vendor’s personnel if Prime Vendor’s personnel is engaging in a manner that is unlawful, non-compliant with DRS Policies, or other exigent circumstances exist that require immediate removal.

5.4.5 Removal/Reassignment by Prime Vendor. Except upon DRS’ prior written consent, which consent may be withheld in DRS’ sole discretion, Prime Vendor shall not remove (other than upon termination of employment or a reason outside of Prime Vendor’s control) from a DRS project or temporarily reassign any Prime Vendor personnel to another account until such time as such personnel have completed all of their assigned responsibilities under the Project Agreement or Contract Supplement.

5.4.6 Transition. If Prime Vendor removes any Prime Vendor personnel from DRS’ account for any reason (including if such Prime Vendor personnel leaves the employment of Prime Vendor), if such Prime Vendor personnel is removed as provided in
Section 5.4.4, or if Prime Vendor wants to replace or reassign any personnel, and either DRS consents to such replacement or reassignment, or DRS’ consent to such replacement or reassignment is not required as provided in Section 5.4.5), then:

(a) Promptly (but in no event more than two (2) business days) following the date that Prime Vendor knows any Prime Vendor personnel will cease to be assigned to DRS’ account to provide Services, Prime Vendor shall provide written notice to DRS of the name and role of such Prime Vendor personnel and the date that such Prime Vendor personnel will cease to be assigned to DRS’ account and a transition plan in accordance with this Section describing the transition of replacement personnel to replace the replaced personnel;

(b) The terms of Section 5.4.2 with respect to DRS’ right to select replacement personnel shall apply;

(c) The terms of Section 5.4.3 shall apply; and

(d) The proposed replacement personnel shall possess comparable experience and training as the Prime Vendor personnel to be replaced.

To the extent the replaced personnel remains employed by Prime Vendor, the replacement personnel shall work with the replaced personnel during a mutually agreed transition period, the duration of which shall be determined based on the duties and responsibilities of the person actually to be replaced, and all costs and expenses associated with educating and training the replacement personnel shall be borne by Prime Vendor. Additionally, following the transition period, the replaced personnel shall continue to be available by telephone to answer any project-related questions.

5.4.7 Key Personnel Vacancies. If there is a Vacancy in a Key Personnel position, DRS shall have the right to withhold any amounts due to Prime Vendor under the Agreement until Prime Vendor provides a qualified replacement as defined in Section 5.4.6. In addition, a Vacancy in a Key Personnel position shall not be a basis for Prime Vendor to claim any excused failure to meet a Deliverable Due Date and/or Critical Milestone Due Date.

5.4.8 Prime Vendor Personnel Listing. Upon the commencement of any Project Agreement or Contract Supplement, Prime Vendor shall provide DRS with a comprehensive written listing of all Prime Vendor personnel providing Services (including employees, subcontractors, agents and management and upper management personnel in oversight roles) under such Project Agreement or Contract Supplement which shall include:

(a) An organizational chart and hierarchy diagram;

(b) Names of all such personnel;

(c) Titles of all such personnel;

(d) The roles and responsibilities of all such personnel;
(e) Contact information for all such personnel (e.g., address, e-mail, cell phone number, office phone number, etc.);

(f) Work location for all such personnel;

(g) Duration of assignment of such personnel (e.g., from and to dates, from and to milestones); and

(h) Percentage of allocation of all personnel (in the event that any Prime Vendor personnel are not full-time on DRS' account).

Prime Vendor shall maintain and update this listing as the information and/or personnel change during the course of an applicable Project Agreement or Contract Supplement.

5.4.9 Background Checks. For any personnel providing Services, Prime Vendor shall have conducted, and such personnel shall have passed, a background check. If there are any events or circumstances with an individual providing Services to DRS that would disqualify such person from passing Prime Vendor's background check procedures, then Prime Vendor shall alert DRS of such fact and remove such individual from DRS' account. DRS reserves the right to require Prime Vendor to augment its background check and screening procedures to comply with any DRS Policies adopted after the Effective Date and from time-to-time by DRS as applied to its contractors generally.

5.5 Facilities.

5.5.1 Identification Credentials. Each party shall have the right to require the other party's employees, agents, representatives and subcontractors to exhibit identification credentials issued by such party in order to access the other party's facilities.

5.5.2 Facility Rules. All Prime Vendor employees, agents, representatives and subcontractors shall, while on DRS' premises, comply with all DRS Policies, copies of which shall be made available to Prime Vendor upon request. Prime Vendor shall ensure that any of its personnel performing work on DRS' premises, or accessing DRS' computer systems do so with DRS' advance permission and according to all applicable security and workplace-related DRS Policies, including the Security Policies and Procedures. Prime Vendor shall not stop, delay or interfere with DRS' day-to-day operations without the prior written consent of an authorized DRS representative(s).

5.5.3 Damage to Buildings, Grounds or Other Furnishings. Prime Vendor shall be responsible for any damage or injury to the buildings, grounds, physical property or other furnishings of DRS by Prime Vendor's employees, representatives and/or agents. Prime Vendor shall report the occurrence of any such damages or injuries to the DRS building/facilities manager.

5.5.4 Collocation. Prime Vendor personnel, including permitted subcontractors, will co-locate with DRS personnel, and any DRS subcontractors, in DRS facilities as available, as required by DRS and as set forth in a Project Agreement or Contract
Supplement and, as reasonably determined by DRS after consultation with Prime Vendor, such personnel will be provided appropriate workspace, and connection to the Internet. To the extent Prime Vendor personnel use their own equipment (e.g., laptops, PDAs, etc.) such equipment shall be subject to and require signed DRS certification before connecting such equipment to the DRS network. Such equipment must comply with DRS Policies, including the Security Policies and Procedures. In the event that the equipment does not pass certification, DRS may choose to provide equipment for the use of the Prime Vendor.

ARTICLE 6
TESTING AND ACCEPTANCE

Implementation of a Solution may be accomplished on a component-by-component basis, a grouping of Solution components basis and/or in "Phases," as specified in a Project Agreement or Contract Supplement. The terms and conditions relating to Equipment testing is set forth in Section 4.4.

6.1 Project Agreements and Contract Supplements. Project Agreements and Contract Supplements may set forth testing processes and procedures that are in addition to the processes and procedures described herein.

6.2 Test Plans. Prime Vendor shall lead the work effort to develop a specific test plan ("Test Plan") for the Solution, as applicable. Prime Vendor will identify previously developed test materials in Prime Vendor's possession that may be useful in the testing of the Solution. Prime Vendor shall tailor those materials into DRS-specific test materials, including test plan models, test scripts, test scenarios and test databases (collectively, "Test Materials"). The Test Materials shall be subject to the certification process set forth in Section 3.2, and Prime Vendor shall ensure that the Test Materials are sufficiently comprehensive to confirm the operation of the Solution in accordance with the DRS Business and Technical Requirements. If DRS determines that the Test Materials are not sufficient, Prime Vendor shall revise the Test Materials and resubmit them to DRS for its review and comment. This process shall continue until the Test Materials are accepted by DRS.

As part of developing the Test Plan, Prime Vendor will develop the criteria for commencing and concluding ("entrance" and "exit" criteria) the various activities within Pre-Live Testing as described below, all as are required to test whether the System is operating according to the DRS Business and Technical Requirements and applicable Performance Standards. During the testing process, Prime Vendor and DRS will determine whether such entrance and exit criteria have been satisfied, and if the criteria are satisfied, the Pre-Live Testing may continue to succeeding activities. If the criteria are not satisfied, DRS can require Prime Vendor to address any issues with respect to such non-satisfaction of the criteria. DRS may modify or amend the scope, methodologies and procedures for executing System testing as may be necessary to adequately test the System. Prime Vendor shall provide to DRS copies of all test data results and analyses generated by Prime Vendor during its performance of any testing processes and procedures for the project. The Test Plan may include testing processes and procedures that are in addition to, but not inconsistent with, the testing processes and procedures set forth in this Article and, once finalized, shall be deemed to be a part of the applicable Project Agreement.
6.3 **Pre-Live Testing.** Pre-live testing for each Phase ("Pre-Live Testing") shall be performed by the parties in accordance with the responsibilities allocated to each party in the applicable Statement of Work, Project Schedule and/or Test Materials and shall commence on the date, and shall continue for the period of time, specified in the applicable Statement of Work, Project Schedule and/or Test Materials and, if no such period is specified, generally will be a period of sixty-five (65) days. DRS may elect, in its sole discretion, to reduce the number of days for Pre-Live Testing. Prime Vendor shall ensure that Extensions, Interfaces and all other software-based Deliverables required to be included in the applicable test are prepared in advance of the testing process. DRS shall have the right not to initiate a particular portion of the Pre-Live Testing for a component of the Solution, grouping of components of the Solution or Phase, as applicable, if the required software-based Deliverable is not prepared in time for such testing.

Pre-Live Testing shall test and validate, as against the DRS Business and Technical Requirements and the Performance Standards:

**(a)** The functional capabilities of the component of the Solution, as applicable, for each Phase (functional and unit testing);

**(b)** The accessibility capabilities of the Solution (accessibility testing);

**(c)** That Interfaces and information flows seamlessly as designed among the various components of the Solution; and the Solution, as designed, meets DRS’ enterprise data integration requirements (system integration and integration testing);

**(d)** The processing of high-volume data in a production-simulated environment in accordance with performance and scalability test plans developed by DRS to demonstrate acceptable performance of the System to DRS (stress testing);

**(e)** Regression testing incorporating, at DRS’ election, any or all previously-installed software, to ensure that the software being tested does not impact or impair the functioning of the previously-installed and/or tested software, and that such tested software Integrates seamlessly with the previously-installed software (regression testing);

**(f)** User acceptance testing, including achieving acceptable performance response times and availability of the Solution, as applicable (user acceptance testing);

**(g)** Security features and functionality and ethical hacking/penetration testing (security testing);

**(h)** Corrections to any Defects (including any required regression testing of such Defect corrections); and

**(i)** Any other criteria that may be specified in the applicable Project Agreement or Contract Supplement or as may be agreed to by the parties; all to verify and confirm that the Solution operates in accordance with the applicable DRS Business and Technical Requirements and the Performance Standards.
In addition to the foregoing, prior to completion of Pre-Live Testing for each applicable Phase of a project, Prime Vendor shall provide to DRS the Documentation, record layouts and other Documentation for all Interfaces, Extensions and reports. If DRS notifies Prime Vendor of any Defects discovered as a result of Pre-Live Testing, Prime Vendor promptly shall correct such Defects. When all failures to operate in accordance with the DRS Business and Technical Requirements and the Performance Standards identified during Pre-Live Testing for each Phase have been corrected by Prime Vendor, the Solution has operated without any Level 1 Defects or Level 2 Defects during Pre-Live Testing for at least fifteen (15) consecutive days and all Deliverables, including all Interfaces, Extensions, reports and Documentation, have been provided to DRS, Prime Vendor shall provide DRS with written certification that it has met all the criteria for Pre-Live Testing. If Prime Vendor issues a certificate indicating completion but DRS disagrees with the certification, DRS shall provide written notice to Prime Vendor and the parties shall meet to review the areas of non-compliance and any continued or unresolved disagreement shall referred to the Executive Sponsors for resolution. Once the parties agree that the criteria for Pre-Live Testing have been satisfied with respect to a component of the Solution, grouping of components of the Solution or a Phase, as applicable, such Solution shall be ready for Production Use in accordance with Section 6.4.

If there are Level 1 Defects or Level 2 Defects at any stage of the Pre-Live Testing process and Prime Vendor will not be able to provide a correction on a timely basis such that important Due Dates may be missed, DRS shall have the right, in its sole discretion, to proceed to the next testing phase, including placing the applicable component of the Solution in Production, and if it chooses to do so, then: (j) DRS has not waived any rights to the requirement for Prime Vendor to correct such Defects; (k) the parties shall develop a plan to correct the Defect in an expeditious timeframe; (l) DRS shall have the right to withhold up to fifty percent (50%) of all payments due or that may become due to Prime Vendor, and such withheld amounts shall be released to Prime Vendor once such Defects have been corrected.

6.4 Production Use. Following successful completion of Pre-Live Testing for a component of the Solution, grouping of components of the Solution and/or Phase, as applicable, DRS will deploy the applicable component of the Solution in production as may be described in the Project Agreement or Contract Supplement ("Production" or "Production Use"). Once in Production, and subject to Section 6.6 below regarding quarter and year end processing, there shall be a stabilization period of not less than ninety (90) days ("Stabilization Period") in order to correct any residual and/or new Defects, and an optimization period subsequent to the Stabilization Period of at least ninety (90) days ("Optimization Period") (the Stabilization Period and the Optimization Period is collectively referred to as the "Production Use Period").

(a) Stabilization Period. During this time period, Prime Vendor shall correct any Defects that were present in the System at the time of Production or that have arisen after the System was placed into Production, all subject to the further terms and conditions below.

(b) Optimization Period. During the Optimization Period, Prime Vendor shall: (i) address any adoption Issues and negative user experiences that have occurred prior to the commencement of the Optimization Period; (ii) examine workflows and processes that were designed and configured into the Solution for purposes of determining whether such workflows and processes need to be changed or improved; (iii) and lead any changes or improvements to workflow and processes that are approved by DRS;
and (iv) ensure the transfer of Knowledge to DRS in accordance with the terms of the Agreement. The above time periods for the Stabilization Period and the Optimization Period may be changed by the parties in the Statement of Work.

(c) **Correcting Defects During the Stabilization Period.** If any Defects exist and are later discovered during the Stabilization Period, DRS shall report such Defects to Prime Vendor, and Prime Vendor shall promptly use its continuous efforts to correct such Defects. Subject to the terms of Sections 6.7 and 6.8, the process described in this Section shall repeat as often as necessary until all Level 1 Defects or Level 2 Defects have been corrected by Prime Vendor, and the Solution or System, as applicable, has operated in Production without any Level 1 Defects or Level 2 Defects for sixty (60) consecutive days. If the sixty (60) day period extends beyond the specified time allotted for the Stabilization Period, such Stabilization Period shall be extended to the extent necessary to demonstrate that the Solution or System, as applicable, has operated in Production without any Level 1 Defects or Level 2 Defects for the sixty (60) day period.

(d) **Certifying Completion of the Production Use Period.** If the requirements of this Section are satisfied, the DRS Project Director shall complete and provide the signed Certification Form to Prime Vendor within ten (10) business days after the date such conditions have been satisfied. If DRS has not provided the signed Certification Form within the time period and Prime Vendor believes it has satisfied the conditions set forth above, Prime Vendor shall provide written notice to DRS indicating that it believes the conditions have been satisfied. Prime Vendor shall not be permitted to provide the above written notice to DRS if there are any outstanding and unresolved Level 1 Defects or Level 2 Defects. DRS may reject Prime Vendor's written certification within ten (10) business days after receipt of Prime Vendor's written certification. If Prime Vendor disputes or disagrees with DRS' rejection, the matter shall be referred to the Executive Sponsors for resolution. Once the parties agree that the criteria for Production Use have been satisfied with respect to a Solution Module or Phase, such Solution shall be ready for Phase Certification in accordance with Section 6.7.

6.5 **Suspension of Testing.** Notwithstanding anything contained herein to the contrary, DRS shall have the right to suspend Pre-Live Testing and/or Production Use at any time, and the time periods for conducting such testing for a Phase shall be extended on a day-for-day basis to account for the period of suspension.

6.6 **Quarter, Year End and Other Periodic Processes.** Notwithstanding anything to the contrary in this Article, to the extent any component of the Solution contains quarterly, year-end or other periodic processes, the Production Use Period shall remain open until the Solution has operated such processes in Production Use without any Level 1 Defects or Level 2 Defects.

6.7 **Solution Component and Phase Certification.** The following conditions are required for a component of the Solution, grouping of components of the Solution or a Phase to achieve "Solution Component Certification" or "Phase Certification," as applicable: (a) the criteria specified in Section 6.4 have been satisfied with respect to the applicable component of the Solution or Phase; (b) Prime Vendor has provided to DRS all Documentation and other Deliverables relating to the components of the Solution (including all Interfaces and related Documentation pursuant to Section 6.3); and (c) the DRS Project Director has provided her or his
written confirmation that the conditions specified in subsections (a) and (b) have been satisfied. If the requirements of subsections (a) and (b) above are satisfied, the DRS Project Director shall promptly (but in no event longer than forty-five (45) days following Prime Vendor’s written certification that the requirements of subsections (a) and (b) are satisfied) provide her or his written confirmation required in subsection (c). Nothing else, including DRS’ use of the Solution, or any component thereof, in a live, production environment shall constitute Solution Component Certification or Phase Certification, affect any rights and remedies that may be available to DRS and/or constitute or result in "acceptance" under Law.

6.8 Project Completion. The following conditions are required for a project to achieve "Project Completion": (a) Solution Component Certification and/or Phase Certification has been achieved for the entire Solution or Phases, as applicable, included within the project; (b) Prime Vendor has provided to DRS all Documentation and other Deliverables relating to the Solution (including pursuant to Section 6.3); and (c) Prime Vendor has fulfilled its obligations relating to the transfer of Knowledge; and (d) the DRS Project Director has provided her or his written confirmation that the conditions specified in subsections (a) through (c) have been satisfied. Nothing else, including DRS’ use of the Solution or System, or any component thereof, in a live, production environment shall constitute acceptance or completion, or affect any rights and remedies that may be available to DRS under Law.

ARTICLE 7
SUPPORT AND MAINTENANCE

7.1 General. Prime Vendor’s obligations to support and maintain each System ("Support and Maintenance Services") are set forth in Schedule 7.1. Additionally, System-specific Support and Maintenance Services may be set forth in the applicable Project Agreement or Contract Supplement. Prime Vendor’s Support and Maintenance Services obligations with respect to the Solution shall commence on the date the applicable Contract Supplement or Project Agreement is signed and shall be made available to DRS for each component of the Solution for an initial period of the longer of: (a) fifteen (15) years following Production Use for such Solution; and (b) as long as Prime Vendor (or its subcontractors that manufacture the applicable Solution, if Prime Vendor is not the Solution manufacturer) makes support and maintenance services for such Solution available to its customers generally ("Minimum Available Support Term"). DRS shall have the option to purchase Support and Maintenance Services on a year-to-year basis. Subject to Prime Vendor’s obligation to make available Support and Maintenance Services to DRS for the Minimum Available Support Term, Prime Vendor shall have the right to discontinue Support and Maintenance Services by providing DRS with two (2) years prior written notice of such discontinuation, but only if Prime Vendor generally is discontinuing support and maintenance services for such Solution for substantially all of its customer base.

7.2 Technical User Satisfaction Surveys. Prior to Project Completion under the ERA Project Agreement and as part of Prime Vendor’s annual ongoing Support and Maintenance Services, Prime Vendor shall develop one (1) or more technical user surveys designed to elicit feedback from DRS’ technical support staff regarding their satisfaction with the Support and Maintenance Services provided by Prime Vendor. Such technical user surveys shall be subject to DRS’ prior review and approval.
ARTICLE 8
PRICING AND PAYMENT TERMS

8.1 Solution Fees.

8.1.1 Software License Fees. The Software license fees ("Software License Fees") and related payment terms for all Software licensed by DRS from Prime Vendor pursuant to the Agreement shall be set forth in the applicable Project Agreement or Contract Supplement.

8.1.2 Support and Maintenance Services Fees. Fees for Support and Maintenance Services shall be set forth in the applicable Project Agreement or Contract Supplement and shall be charged at a rate not greater than eighteen percent (18%) of the applicable discounted Software License Fees. Unless other terms are set forth in the applicable Project Agreement or Contract Supplement, fees for Support and Maintenance Services shall commence upon Project Completion with respect to the applicable System and shall be paid quarterly in arrears. Support and Maintenance Services Fees may be increased by Prime Vendor once annually commencing two (2) years following Project Completion with respect to the applicable System; provided, however, that such annual increases shall not exceed CPI, with a cap of three percent (3%), in each case of the then-current Support and Maintenance Services Fees. Annual increases shall not carry forward from one year to the next, meaning that if Prime Vendor elects not to increase the Support and Maintenance Services Fees in one year by the full amount allowed hereunder, Prime Vendor shall not have the right to carry forward such "unused" increase into subsequent years. DRS shall have the right to require Prime Vendor to provide documentation substantiating the fee increase. If Prime Vendor notifies DRS of a fee increase which exceeds the foregoing limits, then notwithstanding any prior payment by DRS of invoices presented by Prime Vendor, DRS shall be entitled to a refund or credit based on the actual increase that was permissible.

8.1.3 Discounts on Future Software License Fees. For any Software not included at no additional cost under Section 3.1.1, the Software License Fees for all future Software licensed by DRS from Prime Vendor pursuant to the Agreement for the seven (7) year period from the Effective Date shall be Prime Vendor’s then-current list price discounted _____ percent (___%) [DRAFTING NOTE: INSERT DISCOUNT % NOT LESS THAN ORIGINAL EXTENDED DISCOUNT AMOUNT], or for such greater discount amounts as shall be mutually agreed to by the parties. At DRS’ request, an officer of Prime Vendor shall certify in writing to DRS the list price for the applicable item(s) of Software.

8.2 Equipment Fees.

8.2.1 Equipment Purchase Price. The purchase price, maintenance terms and payment terms for each item of Equipment purchased by DRS from Prime Vendor pursuant to the Agreement shall be set forth in a Project Agreement or Contract Supplement.
8.2.2 **Equipment Maintenance Fees.** Fees for Equipment maintenance shall be set forth in the applicable Project Agreement or Contract Supplement and shall commence following expiration of the manufacturer’s warranty period for the applicable item of Equipment. Equipment maintenance fees may be increased by Prime Vendor once annually commencing one (1) year following the date on which such fees commenced to pass through any actual price increases from the applicable Equipment manufacturer and otherwise will not be increased by Prime Vendor. At DRS’ request, an officer of Prime Vendor shall certify in writing to DRS the amount of any price increase from the applicable Equipment manufacturer.

8.3 **Implementation Services Fees.**

8.3.1 **Services Fees.** Fees for project management and implementation Services to be acquired by DRS from Prime Vendor under the Agreement and the related payment terms for such Services shall be set forth in the applicable Project Agreement or Contract Supplement. Upon DRS’ request, Prime Vendor shall provide a Fixed Fee, not-to-exceed fee and/or time and materials estimate of the fees for the implementation Services to be provided under a Project Agreement or Contract Supplement.

8.3.2 **Service Rates.** For implementation Services provided on a Fixed Fee basis under a Project Agreement or Contract Supplement, the Service Rate used to develop any Fixed Fee arrangement and for Change Orders that increase or decrease fees shall be based on the services rates ("Service Rates") set forth in Schedule 8.3.2, and Prime Vendor shall be permitted to allocate a contingency component of such Fixed Fee provided Prime Vendor sets forth and separately identifies the contingency amount. Fees for all implementation Services provided on a time and materials or other billable basis shall be calculated using rates that do not exceed the Service Rates set forth in Schedule 8.3.2. The Service Rates may be increased by Prime Vendor once annually commencing on the first (1st) anniversary of the date of Project Completion for the ERA Project; provided, however, that such annual increases shall not exceed CPI, with a cap of three percent (3%), in each case of the then-current Service Rates. Annual increases shall not carry forward from one year to the next, meaning that if Prime Vendor elects not to increase the Services Rates in one year by the full amount allowed hereunder, Prime Vendor shall not have the right to carry forward such "unused" increase into subsequent years. DRS shall have the right to require Prime Vendor to provide documentation substantiating the fee increase. If Prime Vendor notifies DRS of a fee increase which exceeds the foregoing limits, then notwithstanding any prior payment by DRS of invoices presented by Prime Vendor, DRS shall be entitled to a refund or credit based on the actual increase that was permissible. In determining Service Rates for personnel, Prime Vendor shall not differentiate Service Rates within a single job or personnel classification, and if Prime Vendor’s business practices now or in the future nonetheless make this distinction, Prime Vendor shall use the lesser of the applicable rates. Prime Vendor shall not increase a particular person’s billing rate as a result of a promotion, change in job classification or otherwise without DRS’ prior written consent, it being the understanding of the parties that DRS does not expect any rate changes during the course of a particular project. Additionally, Prime Vendor shall bill DRS in increments of one-quarter (¼) hour for all implementation Services provided, and for travel time, shall bill at fifty percent (50%) of the personnel’s applicable Service Rate.
8.3.3 Adjustment of Services Fees Under Time and Material Arrangements. For each Project Agreement and Contract Supplement involving implementation Services to be provided under a time and materials basis, Prime Vendor shall provide DRS with an estimate of the total number of hours to complete the Services under that Project Agreement or Contract Supplement ("Original Estimated Hours"). If there is a change in scope under a Project Agreement or Contract Supplement, the parties shall utilize the Change Order procedures under Section 5.3, and the Original Estimated Hours shall be adjusted appropriately. Each month (or more frequently as requested by DRS), appropriate representatives of each party shall meet to discuss whether the Original Estimated Hours, as adjusted, is on target or is being exceeded (as reported in the most recent Project Status Report). If the actual number of implementation Services hours provided by Prime Vendor under a Project Agreement or Contract Supplement exceeds the Original Estimated Hours, then the following adjustments to the Service Rates shall be made for any hours exceeding one hundred ten percent (110%) of the Original Estimated Hours, as adjusted, as follows:

<table>
<thead>
<tr>
<th>Percentage of Overage Hours (Based on the Original Estimated Hours, as Adjusted)</th>
<th>Percentage Discount Off Service Rates for Hours in Percentage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10%</td>
<td>0%</td>
</tr>
<tr>
<td>&gt;10 + &lt;25%</td>
<td>10%</td>
</tr>
<tr>
<td>&gt;25 + &lt;40%</td>
<td>30%</td>
</tr>
<tr>
<td>≥ 40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

The discounts set forth above shall only correspond to the hours included in the applicable percentage range. By way of example, if the Original Estimated Hours is one hundred (100) hours and the actual number of hours is one hundred thirty (130), then: No discount shall apply for hours up to 110; a ten percent (10%) discount shall apply to hours 111 through 125; and thirty percent (30%) discount shall apply to hours 126 through 130.

8.4 Payment of Invoices.

8.4.1 General. Prime Vendor shall issue all invoices promptly following the occurrence of the invoicing events specified in the Agreement and/or in the applicable Project Agreement or Contract Supplement, and all such invoices shall be directed to DRS or its designee for payment. The initial form of invoice to be used by Prime Vendor is set forth in Schedule 8.4.1. All Prime Vendor invoices shall include a reasonably detailed description of the Services performed, including the date, hours worked and related expenses incurred, and a reasonably detailed description of the Services to which the invoice relates. With respect to invoices for milestone-based payments, Prime Vendor invoices shall include a copy of the applicable Certification Form signed by the DRS Project Director, or her or his designee. By submitting an invoice, Prime Vendor certifies that the amount billed is accurate with respect to the fees, charges and expenses set forth therein and that such fees, charges and expenses are allowed pursuant to the Agreement. All invoices shall be issued in U.S. Dollars, and payment shall be made by DRS in U.S. Dollars.
8.4.2 DRS Billing Practices and Payment Structures. Prime Vendor shall comply with DRS’ standard billing practices, including providing supporting documentation as may be reasonably required to substantiate invoice amounts and the other requirements of this Section 8.4. Except as may be otherwise set forth in a Project Agreement or Contract Supplement, and, as may be limited by applicable Law, DRS shall not make any payments to Prime Vendor in advance for any Services or Equipment. Project management and implementation Services shall be paid for by DRS in accordance with milestone payments, subject to holdback amounts to be paid upon Project Completion of the applicable project, all in amounts to be agreed between the parties and set forth in a Project Agreement, Contract Supplement, Change Order or other ordering document. Modifications to payment terms, including any adjustment to the payment of holdback amounts, shall require an amendment to the Project Agreement or Contract Supplement or a Change Order, as determined by DRS.

8.4.3 Timeliness and Accuracy of Invoices. Prime Vendor acknowledges that timeliness and accuracy of invoicing is a critical DRS business requirement, as Prime Vendor’s failure to do so may adversely impact DRS’ ability to encumber funds within the proper fiscal year. Accordingly, and without limiting the generality of the terms set forth in Sections 8.4.1 or 8.4.2, Prime Vendor shall issue each invoice hereunder within sixty (60) days after the date on which Prime Vendor was authorized by the terms of the Agreement and/or the applicable Project Agreement or Contract Supplement to issue such invoice to DRS (for each such invoice, the "Invoicing Deadline") and such invoice shall be accurate and correct. DRS shall notify Prime Vendor of any inaccurate invoice, and Prime Vendor shall re-submit an accurate invoice. DRS is not obligated to pay or partially pay any inaccurate invoices. If Prime Vendor fails to submit accurate invoices by an Invoicing Deadline, then the invoice amount (once determined to be accurate) shall be reduced by one and one half percent (1.5%) per month for each month (or partial month) that Prime Vendor fails to invoice DRS following the applicable Invoicing Deadline. Further, if any Prime Vendor invoice contains an overbilling error that requires a financial adjustment of an amount equal to or greater than five percent (5%) of the total amount invoiced on that invoice, in addition to promptly crediting the overbilled amount, Prime Vendor shall credit to DRS on the next invoice an amount equal to Five Thousand Dollars ($5,000) to cover the DRS expenses associated with reconciling such invoices.

8.4.4 Payment and Disputes. The parties agree that within thirty (30) days following its receipt of the applicable invoice, DRS shall pay the invoice, provided that: (a) it was accurately and timely issued as provided in Sections 8.4.1 and 8.4.2; and (b) such invoice is not disputed by DRS in accordance with the further terms of this Section. Prime Vendor shall accept electronic funds transfers as the form of payment. If an invoiced amount is disputed in good faith by DRS, then DRS promptly shall notify Prime Vendor of the dispute and, until resolution of the dispute occurs pursuant to Article 14, DRS shall have the right to withhold and suspend disputed payments. All of the parties’ obligations under the Agreement shall continue unabated during the duration of the dispute resolution. If DRS claims that it has been inappropriately billed but it has already paid the disputed amount, the parties shall work to resolve the matter within ninety (90) days from the date of DRS’ written notice of such overpayment, and each party shall provide the other with all relevant documentation in an effort to resolve the matter as quickly as possible. If Prime Vendor determines that DRS was billed improperly, it
promptly shall issue to DRS a credit memo that DRS can deduct on the next invoice billed.

8.4.5 Small Business, Minority and Women’s Business Enterprise (MWBE) and Veteran-Owned Business Participation. [DRAFTING NOTE: This Section will only apply if Prime Vendor indicated small business, minority, women’s, or veteran’s business participation in its RFP Response. If not, this Section will be deleted.] With each invoice for payment and within thirty (30) days of DRS’ request, Prime Vendor shall provide DRS an affidavit of amounts paid. The affidavit of amounts paid shall either state that Prime Vendor still meets the definition of small business vendor and/or maintains its MWBE and/or Veteran-Owned certification, or state that its Subcontractor(s) still meets the definition of small business and/or maintain(s) its/their MWBE and/or Veteran-Owned certification(s) and specify the amounts paid to each small business, certified MWBE or Veteran-Owned Subcontractor under the Agreement. Prime Vendor shall maintain records supporting the affidavit of amounts paid in accordance with Section 15.2.5.

8.5 Travel and Out-of-Pocket Expenses. Prime Vendor shall be reimbursed for reasonable staffing accommodation, living and travel expenses, in accordance with DRS Travel Policies as set forth in Schedule 8.5. Travel and out-of-pocket expenses, if agreed to, may be subject to a not-to-exceed or other agreed arrangement(s) as may be set forth in a Project Agreement or Contract Supplement. Travel and out-of-pocket expenses that are not submitted with receipts and other required substantiating documentation in accordance with the DRS Policies within sixty (60) days from the date chargeable to DRS shall be reduced by one and one half percent (1.5%) per month for each month (or partial amount) that Prime Vendor fails to invoice DRS following the applicable date such travel and out-of-pocket expenses were chargeable by Prime Vendor to DRS. Travel and out-of-pocket expenses that do not receive pre-approval by DRS, will not be eligible for reimbursement. If Prime Vendor’s expense reports contain errors that result in financial adjustments of five percent (5%) or more and such adjustments occur more than two (2) times over a twelve (12) month period, Prime Vendor will be required to reimburse DRS’ costs and expenses in reconciling Prime Vendor’s expense reports for each such report over the second of such occurrence during such 12 month period, up to Five Thousand Dollars ($5,000).

8.6 Set-Off Rights. Prime Vendor shall comply with DRS’ billing practices relating to the issuance of credit notes and/or memoranda relating to amounts due to DRS under this Agreement, including any Delay Credits, Support Credits, Performance Credits, unresolved disputed amounts as described in Section 8.4. If Prime Vendor fails to issue to DRS a credit note or memorandum on its next invoice to DRS for any amounts that become due to DRS in accordance with the above, then DRS shall have the right to set off such amounts against any amounts then due or that become due to Prime Vendor under the Agreement. If DRS cannot effectuate a complete set-off due to insufficient amounts owed by DRS to Prime Vendor, Prime Vendor promptly shall refund unrealized set off amounts to DRS no later than twenty (20) days following its receipt of written notice from DRS requiring it to do so.

8.7 Taxes. DRS shall pay all sales and use taxes required under applicable Law. Prime Vendor must pay all other taxes, including the Washington Business and Occupation Tax, other taxes based on Prime Vendor’s income or gross receipts, and personal property taxes levied or assessed on Prime Vendor’s personal property. Prime Vendor shall include on each in-
voice a separate line item specifying the tax for each component of Service or Solution. Prime Vendor shall work with DRS to ensure that Prime Vendor is properly determining the amount of taxes under applicable Law associated with each type of Service or Solution. DRS shall not be charged for any taxes levied or assessed on the income of Prime Vendor’s employees such as IRS compensatory taxes. Prime Vendor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under the Agreement. All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance, compensatory or other expenses for Prime Vendor or Prime Vendor’s personnel shall be Prime Vendor's sole responsibility. DRS reserves the right to require evidence of payment of such taxes prior to making any final payments due under a Project Agreement or Contract Supplement.

**ARTICLE 9**

**REPRESENTATIONS, WARRANTIES AND COVENANTS**

**9.1 Functionality and Performance Warranties.**

**9.1.1 Solution Functionality.** Prime Vendor represents and warrants to DRS that: (a) the Solution shall possess all of the functional capabilities described in: (i) the DRS Business and Technical Requirements; and (ii) the Documentation; and (iii) shall perform all such functions described in subsections (i) and (ii) without any Level 1 Defects or Level 2 Defects; (b) except as may be otherwise expressly set forth in a Product Agreement or Contract Supplement, the various components of the Solution: (i) are designed to and shall not require multiple user sign-ons and forced sign-offs within, across and among all product lines, including Solutions provided to DRS from and after the Effective Date; (ii) shall have the same "look and feel" within a product line; and (iii) either share a common database used across components of the Solution, or if there are multiple databases, the data among such databases is coordinated, synchronized or otherwise managed by the Solution without the need of a separate interface; and (c) to the extent the Solution has mobile features and/or using a mobile platform, the mobile component of the Solution complies with Mobile Standards. The terms of this Section are effective on the Effective Date and shall remain in effect with respect to particular Solution for as long as DRS is paying for Support and Maintenance Services.

**9.1.2 System Performance.** Prime Vendor represents and warrants to DRS that the System shall meet or exceed the Performance Standards set forth in the applicable Project Agreement or Contract Supplement when operating in the operating environment described in the applicable Project Agreement or Contract Supplement (the "Approved Equipment Configuration"). The representations and warranties set forth in this Section shall remain in effect for as long as the Approved Equipment Configuration is not exceeded, and for as long as DRS continues to purchase Support and Maintenance Services. If: (a) DRS' Approved Equipment Configuration has changed so that DRS is no longer operating the System within the Approved Equipment Configuration parameters; and (b) DRS wants to maintain the effectiveness of the Performance Standards with respect to the System, then Prime Vendor shall make recommendations that are reasonably necessary to ensure that the System continues to operate in accordance with the Performance Standards while operating within the re-established Approved Equipment Configuration, including that DRS purchase additional equipment and/or license additional software. If DRS implements such recommendations, the Per-
formance Standards shall remain in effect for as long as the re-established Approved Equipment Configuration is not exceeded, after which the process described in this Section shall be repeated at DRS’ request. Without limiting any other rights and remedies that may then be available to DRS, Prime Vendor shall correct any failure of the System to operate in accordance with the performance warranties set forth in this Section by providing additional equipment, software or services to DRS at no additional cost to DRS. The terms of this Section shall apply so long as DRS is paying for Support and Maintenance Services and DRS has not made modifications (but excluding any configurations permitted by or made in accordance with the Documentation) to the Software without the written consent of Prime Vendor.

9.1.3 Demonstrations. Prime Vendor represents and warrants to DRS that, for any Demonstrations provided to DRS in which a Solution was proposed, Prime Vendor used only generally available versions and releases of the Solution when it developed the Demonstrations, including the use of actual file structures, APIs, layouts and screens; (b) the test data populated actual files and file structures used in the Solution to show the movement of data native in the system and was not simulated in (i.e., splashed into) temporary excel or other files created to show features, functionality or information flows that are not present in the Solution; and did not use any tools, utilities, or other techniques to replicate or simulate any portion of the Solution. This representation and warranty shall survive the expiration or termination of the Agreement.

9.1.4 Certification of Third Party Equipment and Software.

(a) General. If DRS acquires any Third Party software and/or equipment to operate with the System that has been previously recommended by Prime Vendor or previously certified by Prime Vendor (whether for DRS or any other customer of Prime Vendor) then such software and/or equipment shall be deemed certified by Prime Vendor for DRS’ use and such use shall not affect the warranties set forth herein. If DRS acquires any Third Party software and/or equipment that has not been recommended by Prime Vendor in a written configuration or previously certified by Prime Vendor (whether for DRS or any other customer of Prime Vendor), then DRS may submit such Third Party software and/or equipment for certification by Prime Vendor in order to assure conformance with Prime Vendor’s reasonable specifications. Certification of Third Party software and/or equipment shall begin as soon as reasonably possible, but in no event later than ten (10) business days following DRS’ request. Fees for certification Services provided by Vendor shall be charged at the Service Rates and limited to the reasonable time, materials and out-of-pocket expenses associated with such certification. Upon certification by Prime Vendor, such Third Party software and/or equipment shall be deemed qualified to operate with the System without affecting the warranties set forth herein.

(b) Technical Alternatives. If Prime Vendor determines that the Third Party software and/or equipment cannot be certified, Vendor shall provide DRS with a written explanation detailing the technical reasons why the software or equipment cannot be certified. If the technical issues are addressable in a commercially reasonable manner (such as acquiring technical proficiency in the technology to enable certification to be achieved) and the parties can address such issues (or, in the case of DRS, DRS makes an offer to address the technical issue), then the certifi-
cation will proceed and the software or equipment will be certified upon addressing the technical issues. If the parties determine that the technical issues cannot be reasonably addressed then the parties shall work to develop a modified or alternative configuration or technology so that certification can proceed, and upon the adoption of such modification or alternative configuration or technology by DRS, Prime Vendor will provide its certification.

(c) Retrofitting Previously Certified Technology. If DRS migrates to a later release of a previously certified configuration or technology under this Section 9.1.4, at DRS' request, Prime Vendor will provide technical assistance to DRS and/or re-certify the configuration or technology, all at the Service Rates.

9.1.5 Solution Design Limitations. Each Project Agreement and Contract Supplement involving the implementation of a Solution shall provide a representation and warranty regarding the design limitations with respect to any Solution, including transaction volume throughput, field and record sizes, scalability and capacity limitations.

9.1.6 Disabling Codes. Prime Vendor represents and warrants that the Software and any Deliverable provided by Prime Vendor do not contain – and DRS shall not receive from any Prime Vendor data transmission (including any connection to any Prime Vendor web-site or bulletin board) – any virus, worm, trap door, back door, timer, clock, counter or other limiting routine, instruction or design that would erase data or programming or otherwise cause any System to become inoperable or incapable of being used in the full manner for which it was designed and created (a "Disabling Code"), including any limitations that are triggered by, as applicable: (a) any Solution being used or copied a certain number of times, or after the lapse of a certain period of time; (b) the Software being installed on or moved to a central processing unit or system that has a serial number, model number or other identification different from the central processing unit or equipment on which the Software originally was installed; or (c) the occurrence or lapse of any similar triggering factor or event. If Prime Vendor introduces a Disabling Code into the Solution, at its sole cost and expense, Prime Vendor shall, as applicable: (d) take all steps necessary to test for the presence of Disabling Codes; (e) furnish to DRS a new copy of the Solution without the presence of Disabling Codes; (f) install and implement such new copy of the Solution at DRS; (g) restore any and all data and programming lost by DRS as a result of such Disabling Code (such restoration shall include, if needed, on-site technical assistance to extract data from corrupted data files, restoration of backup media, data log analysis, and the like). This representation and warranty shall survive the expiration or termination of the Agreement.

9.1.7 Comprehensiveness of Project Agreements and Contract Supplements and Sufficiency of Due Diligence. In order to avoid out-of-scope changes to a project and work to be performed under a Project Agreement or Contract Supplement, Prime Vendor represents and warrants to DRS that, as of the effective date of the applicable Project Agreement or Contract Supplement: (a) Prime Vendor identified in the applicable Project Agreement or Contract Supplement all the software, services and other items required to: (i) implement the Solution and Equipment described therein; and (ii) achieve the DRS Business and Technical Requirements and other requirements as set forth in such Project Agreement or Contract Supplement, and the Performance Standards; (b) all such software, services and other items are included in the applicable Pro-
ject Agreement or Contract Supplement; and (c) there are no other products that are re-
quired to meet the DRS Business or Technical Requirements or Performance Stand-
ards. Prime Vendor further represents and warrants to DRS that, upon entering into a
Project Agreement or Contract Supplement, that it will have properly sized the amount of
personnel and other resources required to complete its obligations under a Project
Agreement or Contract Supplement for the Fixed Fee (if any stated therein); the Ser-
tices to be provided by Prime Vendor on a Fixed Fee basis under any Project Agree-
ment or Contract Supplement are the only services required to meet the DRS Business
and Technical Requirements; and there are no other services (i.e., optional or needed
additional services) that are omitted from the Project Agreement or Contract Supplement
but necessary to meet such requirements.

**9.1.8 Exclusions.** Prime Vendor shall not be responsible for a breach of the
representations and warranties set forth in Section 9.1 to the extent such breach is
caused by: (a) if applicable, DRS' failure to properly install and maintain the Solution,
but only if Prime Vendor has provided DRS with written notice of such failure; (b) any al-
terations of or additions to the Solution performed by a party other than Prime Vendor or
a Third Party not acting on Prime Vendor’s behalf, at its direction or with its approval; or
(c) use of the Solution in a configuration not set forth in the Documentation or an ap-
proved configuration.

**9.1.9 Correction of Failure to Meet Functionality and Performance Warran-
ties.** Upon any failure to comply with the representations, warranties and/or covenants
set forth in this Section, within the applicable time frames specified in Schedule 7.1, or
within five (5) days if such time frames are not applicable to the breach, in each case fol-
lowing receipt of written notice from DRS of such failure, Prime Vendor shall repair, re-
place or correct, at Prime Vendor's sole cost and expense, the applicable component(s)
of the System, including by providing any additional software, equipment and/or services
that may be necessary. The remedies set forth in this Section shall be in addition to any
Support Credits and/or any other rights and remedies that may be available to DRS.

**9.2 Services Warranty.** Prime Vendor represents and warrants to DRS that it shall
perform all Services in accordance with industry practices and standards generally applicable to
such Services; provided, however, that where the Agreement or a Project Agreement or Con-
tract Supplement specifies a particular standard or criteria for performance, this warranty is not
intended to and does not diminish that standard or criteria for performance.

**9.3 Open Systems Warranty and Covenants.** Prime Vendor represents and warr-
ants to DRS that, as of the Effective Date, the Solution (including Interfaces) is Compliant with
current versions of IEEE 802.11(g/n)(wireless), TCP/IP protocols, HTTP standards, the stand-
ards set forth in Schedule 7.1, and other standards that may be set forth in a Project Agree-
ment or Contract Supplement. Prime Vendor covenants that the Solution and future releases
and version of the Solution shall be Compliant with such standards, as such standards are up-
dated from time-to-time. For purposes of the Agreement, the term "Compliant" shall mean that
the Solution is compatible with the applicable standard and is able to utilize fully each and every
feature and functionality of that release level without workarounds or additional programming.
The representations and warranties set forth in this Section shall remain in effect for as long as
DRS is paying for Support and Maintenance Services.
9.4 Third Party and Mobile Warranties. Prime Vendor represents and warrants to DRS that it has tested or shall have tested at the time of installation all Third Party Software supplied by Prime Vendor to DRS and determined that such Third Party Software meets the representations and warranties set forth in the Agreement and/or the applicable Project Agreement or Contract Supplement. With respect to mobile and/or Third Party components of the Solution, Prime Vendor represents, warrants and covenants to DRS that DRS Confidential Information shall not be stored, collected, used in geolocation tracking services, or other uses inconsistent with DRS Policies, and that Third Party terms and conditions relating to the use of mobile devices are consistent with and do not violate any Laws, the Mobile Standards and/or DRS Policies. The representations and warranties set forth in this Section shall survive the expiration or termination of the Agreement.

9.5 Equipment Warranty. With respect to any Equipment furnished by Prime Vendor to DRS, Prime Vendor shall secure from the applicable manufacturer(s) such warranties and indemnities as may be available with respect to such Equipment at no additional cost to DRS, and assign and pass through to DRS such warranties and indemnities to the extent legally assignable. If such warranties and indemnities are not assignable to DRS, at DRS' request, Prime Vendor shall enforce such warranties and indemnities on DRS' behalf. This representation and warranty shall survive the expiration or termination of the Agreement.

9.6 Intellectual Property Warranty. Prime Vendor represents and warrants to DRS that, as of the Effective Date, and as of the effective date of each Project Agreement and Contract Supplement (except to the extent disclosed therein), the System and DRS' use of the System in accordance with the terms of the Agreement does not infringe upon any patent, trademark, copyright, trade secret or other intellectual property or proprietary right of any Third Party. Prime Vendor further represents and warrants to DRS that, as of the Effective Date, and as of the effective date of each Project Agreement and Contract Supplement (except to the extent disclosed therein), there is, and there shall be, no actual or threatened suit against Prime Vendor by any Third Party based on an alleged violation of any right specified in the preceding sentence. This representation and warranty shall survive the expiration or termination of the Agreement.

9.7 Warranty of Authority. Each party represents and warrants to the other that it has the right to enter into the Agreement and, in the case of Prime Vendor, as of the Effective Date and as of the effective date of each Project Agreement and Contract Supplement (except to the extent disclosed therein), there is not and there shall not be, any outstanding assignments, grants, licenses, encumbrances, obligations or agreements that relate to the System (whether written, oral or implied) that are inconsistent with the Agreement and the rights granted or transferred herein. This representation and warranty shall survive the expiration or termination of the Agreement.

9.8 Warranty of Title. Prime Vendor represents and warrants to DRS that it has the full authority to provide, license or sublicense all Solutions provided or licensed to DRS. Prime Vendor further represents and warrants that all Equipment shall be free and clear of all liens, claims, encumbrances and demands of Third Parties. This representation and warranty shall survive the expiration or termination of the Agreement.

9.9 Pending Litigation Warranty. Prime Vendor represents and warrants to DRS that, as of the Effective Date and as of the effective date of each Project Agreement and Con-
tract Supplement (except to the extent disclosed therein), there is (and there shall be at the time of a future Project Agreement and Contract Supplement), no action, suit, claim, investigation or proceeding pending, or the basis for any action, suit, investigation or proceeding, and to the best of Prime Vendor’s knowledge, there is no action, suit, claim, investigation or proceeding, or the basis for any action, suit, investigation or proceeding, threatened against, by or affecting Prime Vendor, its Affiliates or the System in any court, or by or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind that, if adversely determined, might affect Prime Vendor’s ability to enter into the Agreement and/or the applicable Project Agreement or Contract Supplement and perform all of its obligations herein.

9.10 Offshoring. Prime Vendor represents, warrants and covenants to DRS that Prime Vendor shall not: (a) except as may otherwise be set forth in a Project Agreement or Contract Supplement, perform any of its obligations under the Agreement from locations, or using employees, contractors and/or agents, situated outside the United States; or (b) directly or indirectly (including through the use of subcontractors) transmit any State Data outside the United States; or (c) allow any State Data to be accessed by Prime Vendor employees, contractors and/or agents from locations outside the United States or transmitted to locations outside the United States. Notwithstanding the foregoing, with respect to Hosting Services, Prime Vendor represents and warrants to DRS that the primary, backup, disaster recovery and other data center sites for the Hosting Services will be provided from locations in the United States. If a Project Agreement or Contract Supplement provides that Services may be provided offshore, to the extent any Law or regulation enacted after the Effective Date or any policy or circumstances exist or are created which have, or may have, an adverse impact on DRS with respect to legal compliance or its relationships with the State, its unions or otherwise, Prime Vendor acknowledges and agrees that, to the extent technically feasible and commercially reasonable, it shall change the delivery of any affected offshore Services in a manner which enables DRS to avoid such adverse impact; or if the foregoing objective cannot be met to the satisfaction of the parties, then the parties shall engage in good faith negotiations to arrive at a mutually agreeable reasonable alternative. To the extent that an Authorized Users is physically located outside of the United States and requests access to the Solution or Support and Maintenance Services from Prime Vendor, Prime Vendor's provision of access to the Solution or Support and Maintenance Services to such user physically located outside the United States shall not constitute a breach of this Section provided that Prime Vendor otherwise complies with the terms of this Section.

9.11 Conflicts of Interest. Prime Vendor represents and warrants to DRS that neither Prime Vendor, any of its Affiliates or authorized subcontractors, nor any employee of either, has, shall have, or shall:

(a) Acquire, any contractual, financial, business or other interest, direct or indirect, that would conflict in any manner or degree with Prime Vendor’s performance of its duties and responsibilities to DRS under the Agreement or otherwise create an appearance of impropriety with respect to the Agreement.

(b) Use the authority provided or to be provided under the Agreement to improperly obtain financial gain for Prime Vendor, any of its Affiliates, any of their employees, or any member of the immediate family of any such employee.
(c) Use any State Data acquired in connection with the Agreement to obtain financial gain for Prime Vendor, any of its Affiliates, any of their employees, or any member of the immediate family of any such employee.

(d) Accept anything of value based on an understanding that the actions of Prime Vendor, any such Affiliates or any such employees on behalf of DRS would be influenced thereby; and neither Prime Vendor nor any of its Affiliates shall attempt to influence any DRS employee by the direct or indirect offer of anything of value.

(e) Pay or agree to pay any person, other than bona fide employees working solely for Prime Vendor or such Affiliates or any of Prime Vendor’s subcontractors, any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or resulting from the award or execution of the Agreement.

9.12 Compliance with Federal and State Programs. With respect to Prime Vendor and Prime Vendor’s employees providing Services to DRS:

(a) Prime Vendor represents and warrants that neither Prime Vendor nor any of its employees is currently ineligible to participate in federal or state procurement or non-procurement programs because of being excluded, debarred, suspended or otherwise declared ineligible to participate.

(b) Prime Vendor shall immediately disclose to DRS if it or any of its employees is debarred, suspended, excluded or otherwise declared ineligible to participate in federal or state procurement or non-procurement programs.

(c) Prime Vendor shall immediately disclose to DRS if Prime Vendor or any of its employees is proposed for exclusion, debarment or suspension from participation in any federal or state procurement or non-procurement program.

(d) DRS has the right to immediately terminate the Agreement for cause and without further liability to DRS if Prime Vendor becomes ineligible to participate in federal or state procurement or non-procurement programs because of being excluded, debarred, suspended or otherwise declared ineligible to participate.

(e) If any of the occurrences described above, Prime Vendor shall provide written notice immediately to DRS in accordance with Section 15.1.

9.13 State Data. Prime Vendor represents and warrants to DRS that it shall not collect, use, store, display and/or transmit State Data (including in a summary, extracted, redacted or de-identified form) other than as necessary to fulfill its obligations under the Agreement.

9.14 Additional Warranties. Prime Vendor agrees that its performance under the Agreement shall include, in addition to the warranties set forth in this Article, all representations and warranties that may be set forth in a Project Agreement or Contract Supplement.

9.15 Material Misstatements or Omissions. No representation or warranty by a party that is contained in the Agreement or that may be contained in any Project Agreement, Contract Supplement, Schedule, Exhibit, Addendum or Attachment contains any untrue statement of
a material fact or omits to state a material fact necessary to make the statements and facts contained herein or therein not materially misleading.

9.16 Disclaimer of Warranties. THE WARRANTIES SET FORTH IN THE AGREEMENT AND IN ANY PROJECT AGREEMENT OR CONTRACT SUPPLEMENT, SCHEDULE, EXHIBIT, ADDENDUM OR ATTACHMENT CONSTITUTE THE ONLY WARRANTIES OF THE PARTIES AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 10
TERM AND TERMINATION

10.1 Term.

10.1.1 Term of Agreement. The Agreement shall commence on the Effective Date and remain in effect for the longer of: (a) a period twenty five (25) years; or (b) the date that no obligations remain under any Project Agreement, Contract Supplement, Change Order or other ordering document, and shall thereafter renew automatically on a five (5) year basis by mutual consent of the parties, unless: (c) the parties mutually agree in writing to terminate the Agreement; (d) DRS terminates the Agreement pursuant to Section 10.1.3; or (e) a party elects to terminate the Agreement following the occurrence for an Event of Default or under the circumstances described in Section 15.5.

10.1.2 Term of Project Agreements and Contract Supplements. Each Project Agreement and Contract Supplement shall commence on its effective date and remain in effect until: (a) with respect to a Project Agreement, Project Completion of such Project Agreement occurs, and with respect to a Contract Supplement, the obligations under the Contract Supplement have been fulfilled, provided that a Project Agreement or Contract Supplement may provide that certain terms and conditions may survive; (b) the parties mutually agree in writing to terminate the Project Agreement or Contract Supplement; (b) DRS terminates the Project Agreement or Contract Supplement pursuant to Section 10.1.3; or (c) a party elects to terminate the Project Agreement or Contract Supplement following the occurrence for an Event of Default or under the circumstances described in Section 15.5.

10.1.3 Termination for Convenience. DRS shall have the right to terminate the Agreement in whole or in part, any Project Agreement or Contract Supplement, involving the purchase of Services, and/or any line or category of Services being provided under a Project Agreement or Contract Supplement, without cause and for its convenience and without further liability (except as provided in this Section) upon ten (10) days prior written notice to Prime Vendor. Following any such termination, DRS will only be responsible for: (a) subject to the terms of Section 8.5, actual, documented reimbursable expenses incurred by Prime Vendor prior to receipt of the written notice of termination; (b) the value (at the applicable rates under the Agreement) of any Services provided by Prime Vendor prior to (and/or, if authorized as provided above in this Section, after) receipt of the written notice of termination; and (c) Software License Fees according to the following:
if DRS elects to retain any Solution Module or Modules, then DRS shall pay the remaining balance of such Software License Fees, and Sections 3.1.1, 3.5, 3.6, 9.1.6, 9.6, 9.7, 9.12 (to the extent applicable), 9.13, and Articles 11 through 15 shall remain in effect; or

(ii) if DRS elects not to retain any Solution Module or Modules, then DRS shall not be responsible to pay for such remaining balance of Software License Fees.

Upon Prime Vendor's receipt of written notice of termination pursuant to this Section 10.1.3, to the extent not previously delivered, Prime Vendor shall deliver to DRS all Deliverables developed by Prime Vendor, whether completed or in draft form, and the terms of Section 3.2.4 shall apply. In determining the fees owed under subsection (b) above with respect to partially completed Deliverables developed under a fixed fee arrangement, Prime Vendor shall disclose to DRS: (d) the number of hours already expended by Prime Vendor toward achieving the milestone or Deliverable ("E"); and (e) the number of hours still needed by Prime Vendor to complete the Deliverable or milestone ("N"). The percent complete for the Deliverable or milestone will be represented by the fraction of: E/(N+E) x 100. For example, if Prime Vendor has expended sixty (60) hours towards completing a Deliverable or milestone and Prime Vendor estimates that it will take ninety (90) additional hours to complete such Deliverable or milestone, the Deliverable or milestone will be calculated to be forty percent (40%) complete (i.e., (60/(60+90) x 100 = 40%). DRS shall then have the option of requiring Prime Vendor to complete the Deliverable or milestone for the applicable unpaid Deliverable or milestone fee, or pay Prime Vendor a pro rata amount of such Deliverable or milestone fee based on the percent complete as calculated above.

10.1.4 Termination Due to Insufficient Funding. If there is insufficient funding to complete a project, DRS and Prime Vendor shall meet and discuss adjusting the time frames for the delivery of the Solution, Services and/or Equipment, in a manner such that the Solution, Services and/or Equipment can be provided to DRS, but with different time frames based on the projected future funding. The parties will negotiate in good faith for a period of ninety (90) days (or longer by mutual agreement). If, at the end of such ninety (90) day period the parties have reached mutually acceptable terms, such terms will be memorialized in a written amendment to the Agreement. If the parties have not reached mutually agreeable terms, DRS may either elect to continue the Agreement or the applicable Project Agreement or Contract Supplement with respect to the applicable Solution, Services and/or Equipment, or, upon written notice to Prime Vendor, terminate the Agreement, and/or applicable Project Agreement or Contract Supplement without liability or penalty other than the items described in Section 10.1.3(a)-(d).

10.1.5 Survival. Any terms of the Agreement and/or any Project Agreements and Contract Supplements that would, by their nature or through the express terms of the Agreement or the applicable Project Agreement or Contract Supplement, survive the expiration or termination of the Agreement and/or the applicable Project Agreement or Contract Supplement shall so survive, including the terms of Sections 3.1.1, 3.1.3, 3.1.4, 3.2.4, 3.2.5, 3.2.6, 3.6.2, 8.4 through 8.7, 9.1.5, 9.1.6, 9.2, 9.3, and 9.6 through 9.14, and Articles 10 through 15.
10.2 **Events of Default.** The following events shall constitute "Events of Default," and the occurrence of any one (1) or more of such Events of Default shall constitute a material breach of the Agreement and/or the applicable Project Agreement or Contract Supplement that shall afford the non-breaching party the rights and remedies set forth in this Article:

(a) Prime Vendor’s failure to achieve any Critical Milestone by the applicable Critical Milestone Due Date, provided that such failure is not due to delays by DRS (but only to the extent thereto), which failure shall constitute a Prime Vendor Event of Default;

(b) A material breach of Prime Vendor’s representations, warranties and covenants set forth in Article 9, which breach shall constitute a Prime Vendor Event of Default, provided that: (i) such breach is not cured within the applicable time frames, if any, set forth in the Agreement, or if no time frame for curing such breach is specified, then within five (5) days following Prime Vendor’s receipt of written notice of such breach; or (ii) if the breach reasonably cannot be cured within the time frames specified in the foregoing subsection (i), Prime Vendor has failed to provide to DRS within five (5) days following its receipt of written notice of such breach a written plan to cure such breach that is acceptable to DRS in its sole discretion;

(c) A party’s material breach of any other representation, warranty or covenant set forth in the Agreement, which material breach shall constitute an Event of Default by the non-performing party, provided that: (i) such failure is not cured within the applicable time frames, if any, set forth in the Agreement, or if no time frame for curing such breach is specified, then within ten (10) days following the non-performing party’s receipt of written notice of such failure; or (ii) if the breach reasonably cannot be cured within the time frames specified in the foregoing subsection (i), the non-performing party has failed to provide to the other party within seven (7) days following its receipt of written notice of such failure a written plan to cure such failure that is acceptable to such other party in its sole discretion;

(d) Prime Vendor’s failure to maintain insurance coverage as specified in Sections 15.3, provided that such failure is not cured by Prime Vendor within thirty (30) days following receipt of written notice of such failure, which failure shall constitute a Prime Vendor Event of Default;

(e) Prime Vendor’s failure to make any Deposit(s) required under the Source Code Escrow Agreement in accordance with the terms set forth therein, provided that such failure is not cured within thirty (30) days following receipt of written notice of such failure, which shall constitute a Prime Vendor Event of Default;

(f) DRS’ failure to pay any undisputed invoice in accordance with the terms of Section 8.4.3, which failure shall constitute a DRS Event of Default;

(g) The institution of bankruptcy, receivership, insolvency, reorganization or other similar proceedings by or against Prime Vendor or any parent Affiliate of Prime Vendor under any law if such proceedings have not been dismissed or discharged within thirty (30) days after they are instituted; the insolvency or making of an assignment for the benefit of creditors or the admittance by Prime Vendor or any parent Affiliate of Prime Vendor of any involuntary debts as they mature; the institution of any reorganiza-
tion arrangement or other readjustment of debt plan of Prime Vendor or any parent Affiliate of Prime Vendor; or any corporate action taken by the Board of Directors of Prime Vendor or any parent Affiliate of Prime Vendor in furtherance of any of the above actions, which shall constitute a Prime Vendor Event of Default; or

(h) If Prime Vendor or any parent Affiliate of Prime Vendor makes an assignment of all or substantially all of its assets for the benefit of creditors, or Prime Vendor’s or any parent Affiliate of Prime Vendor’s Board of Directors takes any corporate action by in furtherance of the above action, which shall constitute a Prime Vendor Event of Default.

10.3 Rights and Remedies of Prime Vendor Upon Default of DRS. Upon the occurrence of a DRS Event of Default, Prime Vendor shall be entitled to all of the remedies described below in this Section. In addition, if one (1) or more events as described in Section 10.2 occur that would give rise to a DRS Event of Default but DRS has effected a cure within the applicable time frames set forth in Section 10.2, if any, or thereafter, then Prime Vendor nonetheless shall be entitled to the remedies set forth in subsections (b) and (c) below.

(a) Subject to DRS’ rights as set forth below, fully or partially terminate the Agreement and/or the affected Project Agreement(s) or Contract Supplement(s); and/or

(b) Subject to the terms of Section 10.6, recover damages from DRS; and/or

(c) Any other additional remedies that may be set forth in a Project Agreement or Contract Supplement.

Perpetual licenses granted to DRS shall be irrevocable unless DRS materially breaches the license restrictions or other obligations set forth in Sections 3.1 and fails to cure (or, in the case of incurable breaches, fails to exercise all commercially reasonable efforts to substantially cure) such material breach within thirty (30) days following DRS’ receipt of written notice from Prime Vendor requiring DRS to cure the breach. Notwithstanding anything contained herein to the contrary, Prime Vendor expressly waives and disclaims any right or remedy it may have under any existing or future Laws or otherwise to: (d) de-install, disable or terminate the use or access to the Solution or any portion thereof, interfere with DRS’ quiet enjoyment of the Solution or terminate any license granted hereunder, before Prime Vendor has received a final, non-appealable judicial order terminating DRS’ license or access and use rights; or (e) terminate, suspend or withhold Support and Maintenance Services prior to any termination of the entire Agreement and expiration of the Transition Period; or (f) exercise any other form of self-help remedy.

10.4 Rights and Remedies of DRS Upon Default of Prime Vendor. Upon the occurrence of a Prime Vendor Event of Default, DRS shall be entitled to all of the remedies described below in this Section. In addition, if one (1) or more events as described in Section 10.2 occur that would give rise to a Prime Vendor Event of Default but Prime Vendor has effected a cure within the applicable time frames set forth in Section 10.2, if any, or thereafter, then DRS nonetheless shall be entitled to recover damages from Prime Vendor, subject to the terms of Article 11.

(a) Fully or partially terminate the Agreement, the affected Project Agreement or Contract Supplement (or Schedule or Exhibit thereto), Statement of Work or other doc-
ument, or the affected line or category of Services being provided under a Project Agree-
ment or Contract Supplement; and/or

(b) Subject to the terms of Article 11, recover damages from Prime Vendor; and/or

(c) If a Disclosure Event has occurred, obtain the Deposits from escrow in ac-
cordance with the terms of the Source Code Escrow Agreement for use as provided in the
Agreement and in such event, obtain the transfer of Knowledge as described in Section
3.7; and/or

(d) For terminated Support and Maintenance Services, obtain a refund of any
pre-paid but unearned Support and Maintenance Services Fees; and/or

(e) Obtain from Prime Vendor transition Services in accordance with Section
10.5; and/or

(f) Any other additional remedies that may be set forth in a Project Agreement
or Contract Supplement.

10.5 Transition Services. Upon an expiration or a complete or partial termination of
the Agreement, one (1) or more Project Agreements, Contract Supplements or Exhibits, and/or
one or more lines or categories of Services for any reason, DRS shall have the right, at DRS'
option, for up to thirty six (36) months (the "Transition Period"), to all or any combination of the
following: (a) continue to receiv e from Prime Vendor all Support and Maintenance Services (at
the applicable rates under the Agreement); (b) if DRS will be transitio ng to a new system or
software solution (irrespective of whether DRS' license to use any Software has been terminat-
ed as provided in Section 10.3), receive from Prime Vendor all Services reasonably necessary
to effectuate an orderly transition to such new system or software solution, including providing
assistance in transferring data files to an industry-standard format designated by DRS; (c) if
DRS' license to use any Software has been terminated as provided in Section 10.3, continue to
use the applicable Software for the purposes set forth herein and subject to the restrictions set
forth herein; and (d) obtain from Prime Vendor the transfer of Knowledge described therein. All
Services (excluding Support and Maintenance Services, unless provided at DRS' option on a
time-and-materials basis) provided by Prime Vendor during the Transition Period shall be pro-
vided at the Service Rates or other applicable rates set forth in the Agreement. Notwithstanding
the foregoing, if the Agreement or any Project Agreement or Contract Supplement, or an affect-
ed line or category of Services being provided under a Project Agreement or Contract Supple-
ment is completely or partially terminated due to the occurrence of a Prime Vendor Event of De-
fault, Prime Vendor shall provide such transition Services at no cost to DRS.

ARTICLE 11
LIMITATION ON LIABILITY

11.1 Cap on Damages. EXCEPT AS SET FORTH IN SECTION 11.2:

(A) WITH RESPECT TO PRIME VENDOR'S LIABILITY TO DRS, PRIME
VENDOR'S CUMULATIVE LIABILITY TO DRS FOR ANY AND ALL CAUSES OF AC-
TION ARISING OUT OF OR RELATING TO THE AGREEMENT SHALL NOT EXCEED
TWO (2) TIMES THE FEES PAID OR TO BE PAID UNDER THE AGREEMENT (INCLUD-
SIVE OF ALL PROJECT AGREEMENTS, CONTRACT SUPPLEMENTS AND OTHER
ORDERING DOCUMENTS); AND

(B) WITH RESPECT TO DRS’ LIABILITY TO PRIME VENDOR, DRS SHALL
BE LIABLE TO PRIME VENDOR ONLY FOR UNPAID AND UNDISPUTED INVOICES
FOR SOFTWARE, SERVICES AND EXPENSES (INCLUDING ANY INVOICES FOR
SOFTWARE AND/OR SERVICES LATER DETERMINED TO BE VALID).

11.2 Exclusions from Limitations on Liability. Notwithstanding anything con-
tained herein to the contrary, the limitations on liability set forth in Section 11.1 shall not apply:
(a) to claims arising as a result of personal injury, including death, caused by a party or its em-
ployees, agents and/or subcontractors; (b) to claims arising as a result of damage to real prop-
erty or tangible personal property (including loss of data) caused by a party or its employees,
agents and/or subcontractors; (c) to Prime Vendor’s non-compliance with its obligations under
Section 1.3.7 and Articles 12 and 13; (d) to any amounts paid by Prime Vendor as Delay Cred-
its, Support Credits and/or Performance Credits; and (e) any negligence or willful misconduct on
the part of Prime Vendor.

11.3 Restoration of Liability Cap. If, at any time: (a) (i) the total aggregate liability of
Prime Vendor for claims asserted by DRS under or in connection with the Agreement exceeds
seventy percent (70%) of the limitation of liability amount in Section 11.1(A); and (ii) Prime
Vendor does not agree in writing to increase such amount by the amount required to restore the
full original value of the limitation of liability amount in Section 11.1(A) within thirty (30) days
following its receipt of a written request from DRS that it do so; or (b) the total aggregate liability
of Prime Bidder equals or exceeds the limitation of liability amount in Section 11.1(A), then
DRS shall have the right to terminate the Agreement and/or any Project Agreement or Contract
Supplement (in whole or in part) by delivering a written notice of termination to Prime Vendor.
Any termination pursuant to this Section shall not constitute a termination under any other provi-
sion of the Agreement.

11.4 Costs of Cure. To the extent a party elects to cure any failure by it to comply
with its obligations under the Agreement, all costs and expenses associated with such cure shall
be borne solely by the curing party and shall in no event count toward satisfaction of the cap on
damages described in Section 11.1.

ARTICLE 12
DATA RIGHTS, CONFIDENTIALITY AND DATA SECURITY

12.1 Ownership of Data. Each party is and shall remain the owner of all right, title
and interest in and to any data that it owned prior to the Effective Date, and in and to any data to
which it may hereafter acquire ownership. Without limiting the generality of the foregoing, DRS
shall own all right, title and interest in and to DRS Data. Except as otherwise provided in the
Agreement, no party shall be obligated to convey any right, title and/or interest in any data to the
other. Subject to the terms of the Agreement, including the license rights granted to DRS here-
derunder, each party, upon request of the other, promptly shall return to the other any data owned
by the other that may have been disclosed hereunder (including State Data).
12.2 Confidential Information. Each party acknowledges that it may acquire or be exposed to Confidential Information of the other party. Having acknowledged the foregoing, the party that has received Confidential Information ("Receiving Party") agrees: (a) to exercise the same degree of care and protection with respect to the Confidential Information of the party that has disclosed Confidential Information ("Disclosing Party") that it exercises with respect to its own Confidential Information, but in no event less than a reasonable degree of care; (b) not to use the Disclosing Party’s Confidential Information except as permitted or contemplated hereunder; and (c) not to directly or indirectly disclose, distribute, republish or allow any Third Party to have access to any Confidential Information of the Disclosing Party without such Third Party executing: (i) with respect to disclosure of Prime Vendor Confidential Information, the Third Party Confidentiality and Non-Disclosure Agreement set forth in Exhibit 4, provided that for Third Parties that have a signed confidentiality agreement with DRS as of the Effective Date, such Third Parties shall not be required to execute the Third Party Confidentiality and Non-Disclosure Agreement; and (ii) with respect to disclosure of State Data, a confidentiality and non-disclosure agreement with no less protective confidentiality provisions than those set forth in the Agreement. Notwithstanding the above, but subject to the further requirements of the Agreement, as applicable: (d) DRS may disclose Prime Vendor Confidential Information to DRS’ Authorized Users who have a need to know; (e) Prime Vendor may disclose State Data to its employees and authorized agents who have a need to know; and (f) a party may disclose Confidential Information if so required by Law (including court order or subpoena), provided that such disclosure is made in accordance with Section 12.4. With respect to Prime Vendor’s Confidential Information, such information shall not include information that is: (g) publicly available or later becomes available other than through a breach of the Agreement; (h) known to the Receiving Party or its employees, agents or representatives prior to disclosure by the Disclosing Party or is independently developed by the Receiving Party or its employees, agents or representatives subsequent to such disclosure; or (i) subsequently lawfully obtained by the Receiving Party or its employees, agents or representatives from a Third Party without obligations of confidentiality.

12.3 Public Records Disclosures. Notwithstanding anything contained in the Agreement to the contrary, including Section 12.2 or 12.4, Prime Vendor acknowledges that DRS is a public organization and that the terms and conditions of the Agreement (including all Project Agreements and Contract Supplements) and other Prime Vendor information including Prime Vendor Confidential Information, Documentation and Deliverables may be subject to disclosure under the applicable Law, including Washington State’s Public Records Act (RCW 42.56). If such a disclosure request is made of DRS, DRS shall within five (5) business days of receipt of the request send the Prime Vendor a notification letter allowing ten (10) business days for the Prime Vendor to seek judicial relief if it believes such information should not be released. Subject to a court of competent jurisdiction issuing an order prohibiting such release or the requesting party notifying DRS in writing prior to DRS’ planned release that is has rescinded its request for disclosure, DRS shall release and disclose all requested information without liability therefore.

12.4 Confidentiality of Prime Vendor Personnel. Prime Vendor shall cause all of its employees and any authorized subcontractor employees who have access to DRS’ Confidential Information to be bound by a confidentiality agreement with confidentiality provisions no less protective than the confidentiality terms contained herein.

12.5 Notification Obligation. If the Receiving Party becomes aware of any unauthorized use or disclosure of the Confidential Information of the Disclosing Party, the Receiving Par-
ty promptly and fully shall notify the Disclosing Party of all facts known to it concerning such un-
authorized use or disclosure. In addition, if the Receiving Party or any of its employees or
agents are requested or required (by oral questions, interrogatories, requests for information or
documents in legal proceedings, subpoena, civil investigative demand or other similar process)
to disclose any of the Confidential Information of the Disclosing Party, the Receiving Party shall
not disclose the Confidential Information without providing the Disclosing Party with reasonable
prior written notice of any such request or requirement so that the Disclosing Party may seek a
protective order or other appropriate remedy and/or waive compliance with the provisions of the
Agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by
the Disclosing Party, the Receiving Party or any of its employees are nonetheless, in the written
opinion of the Receiving Party’s counsel (a copy of which opinion shall be delivered to the Di-
sclosing Party), legally compelled to disclose Confidential Information to any tribunal or otherwise
stand liable for contempt or suffer other censure or penalty, the Receiving Party or its employ-
ees may, without liability hereunder, disclose to such tribunal only that portion of the Confiden-
tial Information that such counsel advises the Receiving Party that it is legally required to di-
slose. Notwithstanding the foregoing, the Receiving Party shall exercise its best efforts to pre-
serve the confidentiality of the Confidential Information, including by cooperating with the Di-
sclosing Party to obtain an appropriate protective order or other reliable assurance that confiden-
tial treatment shall be accorded the Confidential Information by such tribunal.

12.6 Information Sharing. As part of its mission, DRS intends to share information
with other states and governmental institutions to promote best practices using the Solution.
The types of information shared by DRS with other states and governmental institutions may
include design documents, functional specifications, technical specifications, reports and report
formats, workflow processes, policies and procedures, printed training and education materials,
computer-based training and education materials, Extensions, Interfaces, implementation strat-
egies, configuration strategies and recommendations, screen shots and queries and job de-
scriptions. Prime Vendor shall permit DRS to share the above types of Prime Vendor Confi-
dential Information relating to the Solution with other institutions that are customers of Prime Ven-
dor.

12.7 HIPAA. To the extent HIPAA compliance is required, (a) if Prime Vendor will, or will
likely, have access to protected health information (as defined in the Health Insurance Portabil-
ity and Accountability Act of 1996, as may be amended from time to time ("HIPAA")) of DRS,
Prime Vendor shall execute the then-current form of Business Associate Agreement of DRS;
and (b) if any subcontractor of Prime Vendor will, or will likely, have access to protected health
information (as defined in HIPAA, as may be amended from time to time) of DRS, Prime Vendor
and subcontractor shall execute a Business Associate Agreement acceptable to DRS.

12.8 Security.

12.8.1 Data Security Program. Prime Vendor shall maintain in effect at all
times a comprehensive data security program that includes reasonable and appropriate
administrative, technical and physical security measures designed to detect, prevent and
mitigate the risk of identity theft and protect against the destruction, loss, unauthorized
access, disclosure, use and/or alteration of data (whether or not encrypted), including
DRS Data, in Prime Vendor's possession or under Prime Vendor's control, and which
shall be no less rigorous than those measures that are required to be maintained by Prime Vendor or DRS to comply with applicable Laws.

12.8.2 Security Breaches. If Prime Vendor discovers or is notified of the destruction, loss and/or unauthorized access, disclosure, use and/or alteration of DRS Data or any attempt to access DRS Data that is reasonably likely to result in the destruction, loss and/or unauthorized access, disclosure, use and/or alteration of DRS Data (each such event, a "Security Event"), Prime Vendor shall without undue delay and unless prohibited by Law: (a) promptly notify DRS of the Security Event; (b) investigate the Security Event and provide reasonable cooperation with DRS’ investigation of the Security Event, including periodic updates with respect to Prime Vendor's investigation of the Security Event; (c) if the source of the Security Event is not within the control of Prime Vendor, provide reasonable cooperation with DRS’ development of a risk assessment, root cause analysis and corrective action plan, including DRS’ mitigation and remediation activities; and (d) provide reasonable cooperation with DRS in complying with the requirements of all applicable Laws, including Security Breach Notification Statutes. In addition, if the source of the Security Event is within the control of Prime Vendor, Prime Vendor shall: (e) promptly provide a written report to DRS that sets forth Prime Vendor's risk assessment, root cause analysis and corrective action plan, provided that Prime Vendor shall not be required to disclose information that Prime Vendor reasonably determines would compromise the security of Prime Vendor's technology or premises; (f) implement the corrective action plan and mitigate the effects of the Security Event as soon as practicable; and (g) provide DRS periodic updates with respect to Prime Vendor's mitigation and corrective action efforts. For purposes of this Section 12.8.2, a Security Event includes the detection of any "Red Flag," as defined in the federal Identity Theft Rules.

12.8.3 Security Breach Notification Statutes. Prime Vendor acknowledges that DRS Data may include Personal Information pertaining to residents in New York State and other states that have enacted Security Breach Notification Statutes. Having acknowledged the foregoing, in addition to its obligations set forth in Section 12.8.2, Prime Vendor shall comply with the requirements of all applicable Security Breach Notification Statutes. If and to the extent any unauthorized access, disclosure or use of DRS Data: (a) is attributable to a breach by Prime Vendor of its obligations under the Agreement, including the failure of Prime Vendor to comply with the Security Policies and Procedures; and (b) triggers notice or other requirements under a Security Breach Notification Statute, Prime Vendor shall bear the costs incurred by DRS and/or its Affiliates in complying with such legal obligations relating to such unauthorized access, disclosure or use of DRS Data, including the reasonable costs of providing notices, a toll-free call center / help desk, credit monitoring services and identity theft insurance to affected individuals. DRS shall be responsible for any direct correspondence or communication with the data subjects (e.g., making corrections to data requested by data subjects), subject to Prime Vendor's obligation to bear the costs described in the preceding sentence. Nothing contained herein shall be deemed to release Prime Vendor from its indemnification obligations as set forth in Article 8.

12.9 Survival. The terms of this Article 12 shall survive the expiration or termination of the Agreement.
ARTICLE 13
INDEMNIFICATION

13.1 General. Subject to the further terms of this Article, Prime Vendor (the "Indemnifying Party") shall assume all risk of and responsibility for, and shall indemnify, defend and hold harmless DRS, the State, and their respective officers, employees, contractors, officials, consultants, volunteers, representatives, agents, attorneys, successors and assigns (collectively, the "Indemnified Parties") from and against all claims, demands, suits, actions, recoveries, judgments and actual costs and expenses (including all attorneys', advisors and consultant fees and costs) in connection therewith on account of any Third Party claim arising out of or relating to: (a) bodily injury, including death, and real property and tangible personal property damage arising from or resulting directly or indirectly from Services or work and/or materials supplied under the Agreement and/or otherwise relating directly or indirectly from Prime Vendor's or its employees', agents' or representatives' acts or omissions; (b) Prime Vendor's or its employees', agents' or representatives' failure to comply with the terms of Article 12; (c) any failure by Prime Vendor to comply with its obligations under Section 15.16; (d) DRS' rights to indemnity under Section 15.4; (e) a breach of Prime Vendor's obligations which results in a fine or penalty to an Indemnified Party; or (f) Prime Vendor's negligence or willful misconduct in its performance under the Agreement. The indemnity provisions in this Section shall not be limited by reason of any insurance coverage required under the Agreement. Prime Vendor's indemnity obligations under this Section may be reduced to the extent DRS is found to have been contributorily negligent.

13.2 Infringement. Subject to the further terms of this Article, Prime Vendor shall indemnify, defend and hold harmless the Indemnified Parties from and against any claim asserted or any claim, suit or proceeding brought by a Third Party against the Indemnified Parties alleging that the Deliverables, Solution, or any part thereof, or DRS' use of the Deliverables or Solution constitutes a misappropriation of any proprietary or trade secret information or an infringement of any patent, copyright, trademark or other Intellectual Property Right. Prime Vendor shall pay all damages awarded or agreed to settlement payments, and any actual costs and expenses, including attorneys' fees, litigation costs (including the costs and expenses of any appellate bonds) arising from any such claim and incurred by the Indemnified Parties; provided, however, that the Indemnified Parties, after receiving notice thereof, promptly shall advise Prime Vendor of any such claim, suit or proceeding and, at Prime Vendor's expense, cooperate with Prime Vendor in the defense thereof. If Prime Vendor reasonably believes that any such claim, suit or proceeding may be successful, Prime Vendor shall, at no additional cost to the Indemnified Parties, either: (a) procure for the Indemnified Parties the right to continue using the portion of the Deliverables and/or Solution subject to such claim, suit or proceeding; or (b) replace or modify the Deliverables and/or Solution so that it no longer is subject to any such claim, suit or proceeding while maintaining equivalent or better functionality and performance capabilities.

No undertaking of Prime Vendor under this Section shall extend to any alleged infringement or violation to the extent that such infringement or violation arises from adherence to design modifications, specifications, drawings, or written instructions that Prime Vendor is specifically directed by DRS to follow, or relates to uses of the Deliverables and/or Solution in combination with other systems, furnished either by Prime Vendor or others, which combination was not recommended or otherwise approved by Prime Vendor, where the lack of the combination would not, in and of itself, be infringing.
13.3 **Industrial Insurance Immunity Waiver.** Prime Vendor waives its immunity under Title 51 RCW (Industrial Insurance) to the extent required to indemnify, defend and hold the Indemnified Parties harmless under this Agreement.

13.4 **Procedures for Indemnification.**

13.4.1 **General.** Promptly after becoming aware of same, the Indemnified Parties shall notify Prime Vendor of any Third Party claim covered under the terms of Sections 13.1 or 13.2, as applicable, for which the Indemnified Parties seeks indemnification.

13.4.2 **Defense.** The defense counsel selected by the Indemnifying Party shall be reasonably acceptable to the Indemnified Parties. Prime Vendor acknowledges that, as a state governmental entity, DRS is represented by the Attorney General’s Office of the state of Washington which must approve of and appoint the Indemnified Parties’ defense counsel as special assistant Attorneys General of the state of Washington.

13.4.3 **Settlement of Claims.** Prime Vendor shall not settle any claim, suit or action without the prior written consent of DRS and/or the office of the Attorney General of the state of Washington, as required.

13.5 **Survival; No Limitations on Liability.** The terms of this Article shall survive any expiration or termination of the Agreement. Notwithstanding anything contained in the Agreement to the contrary, the terms of any limitations on liability clauses contained in the Agreement shall not apply to Prime Vendor’s indemnification obligations under this Article.

**ARTICLE 14**

**DISPUTE RESOLUTION**

14.1 **Administrative-Level Performance Review.** If a dispute relating to the Agreement arises between the parties, the Prime Vendor Account Executive and the DRS Project Director may, but shall not be obligated to, meet and attempt to resolve the dispute. If the parties are unable to resolve the dispute within ten (10) days after the initial request for a meeting, or if the parties do not agree to invoke this level of dispute resolution, then the parties may seek to resolve the dispute through an executive-level performance review as provided in Section 14.2.

14.2 **Executive-Level Performance Review.** For disputes that are not resolved at the Prime Vendor Account Executive and DRS Project Director level, the Executive Sponsors may, but shall not be obligated to, meet and attempt to resolve the dispute. If such representatives are unable to resolve the dispute within five (5) business days after the parties have commenced negotiations, or ten (10) days have passed since the initial request for negotiations at this level, or if the parties do not agree to invoke this level if dispute resolution, then the parties may seek to resolve the dispute through mediation as hereinafter provided or, if the parties do not agree to submit the dispute to mediation, to seek any and all rights and remedies that may be available to them as provided in the Agreement.

14.3 **Voluntary, Non-Binding Mediation.** If the prior levels of dispute resolution are not invoked or are unsuccessful, the parties may, but shall not be obligated to, mutually agree in writing to submit the dispute to non-binding mediation. Mediation must occur within thirty (30)
days after the parties agree to submit the dispute to mediation. The parties mutually shall select an independent mediator experienced in information systems of the type in dispute, and each shall designate a representative(s) to meet with the mediator in good faith in an effort to resolve the dispute. The specific format for the mediation shall be left to the discretion of the mediator and the designated party representatives and may include the preparation of agreed-upon statements of fact or written statements of position furnished to the other party.

14.4 Redress in Court; Injunctive Relief. Informal dispute resolution under this Article shall not be a pre-condition to any action by a party to enforce its rights under the Agreement. In addition to other remedies available at law or in equity, either party may seek injunctive relief from a court of competent jurisdiction.

14.5 Continued Performance; No Tolling of Cure Periods. Except where clearly prevented by the area in dispute, the parties shall continue performing their obligations under the Agreement while the dispute is being resolved as provided in this Article, unless and until the dispute is resolved or until the Agreement and/or the applicable Project Agreement or Contract Supplement, as applicable, is terminated. The time frame for a party to cure any breach of the terms of the Agreement shall not be tolled by the pendency of any dispute resolution procedures.

ARTICLE 15
MISCELLANEOUS

15.1 Notices. Any written notice required or permitted to be delivered pursuant to the Agreement (other than project-related notices that may be sent by email) shall be in writing and shall be deemed delivered: (a) upon delivery if delivered in person; (b) three (3) business days after deposit in the United States mail, certified mail, return receipt requested, postage prepaid; (c) upon transmission if sent via e-mail or fax, with a confirmation copy sent via overnight mail; or (d) one (1) business day after deposit with a national overnight courier, in each case addressed to the following address:

If to DRS:
Department of Retirement Systems
PO Box 48380
6835 Capitol Boulevard
Olympia, WA 98501-8380
Attention: Legal/Legislative Manager
Fax: ____________________
E-mail: __________________

If to Prime Vendor:

With a copy to:
WA State Attorney General’s Office
PO Box 40108
7141 Cleanwater Ln SW
Olympia, WA 98504-0108
Attention: ____________________
Fax: ____________________
E-mail: ____________________

or to such other addresses as may be specified by a party upon notice given to the other.
15.2 Audits and Requests for Records.

15.2.1 Financial Audits. At any time up to and including six (6) years following the termination of the Agreement, DRS (itself or through its Independent Auditor) shall have the right upon reasonable advance written notice and on an annual basis to fully audit the books and records of Prime Vendor to the extent reasonably necessary to confirm the accuracy and appropriateness of all invoices issued under the Agreement, including all supporting details, and to verify compliance with applicable Laws. All such audits shall be conducted during normal business hours. If any audit demonstrates that Prime Vendor has overcharged or undercharged DRS, then either: (a) Prime Vendor promptly shall refund the overcharges to DRS; or (b) following receipt of Prime Vendor’s invoice, DRS shall pay the undercharge to Prime Vendor. Further, if any overcharge is in excess of five percent (5%) of the aggregate charges incurred during the period to which the audit relates, then Prime Vendor shall reimburse DRS for the reasonable costs and expenses (up to $75,000 in expenses) incurred by DRS to conduct such audit.

15.2.2 Solution Usage Confirmation. With respect to Software licensed to DRS, confirmation of DRS’ usage of such Software shall be accomplished through an attestation process as follows: If Prime Vendor believes that DRS is in violation of Section 3.1, at Prime Vendor’s written request, which request shall describe in detail the facts and circumstances giving rise to such belief and explain why Prime Vendor believes that such facts and circumstances constitute a violation of Section 3.1, an officer of DRS shall promptly provide a written attestation to Prime Vendor stating that DRS is in compliance with the terms of such section or stating the specific degree of non-compliance and DRS’ immediate efforts to establish compliance, provided, however, that such attestation shall not create a separate cause of action in connection with a claim of breach under the Agreement. If Prime Vendor disagrees with the attestation provided by DRS, the matter shall be referred to the Executive Sponsors for resolution. Based on the foregoing, Prime Vendor waives its right to conduct a review or audit of DRS’ usage of the Software.

15.2.3 Operational and Security Audits by DRS. Upon prior written notice to Prime Vendor, Prime Vendor shall make available to DRS and its auditors and inspectors (including internal and external personnel) for the purpose of performing such audits or inspections access at all reasonable times to: (a) the data and records relating to the Services and Prime Vendor’s other obligations under the Agreement; and (b) Prime Vendor’s internal controls and systems as may be reasonably necessary to examine Prime Vendor’s performance of the Services and compliance with its duties, responsibilities and obligations under the Agreement including the safeguarding of DRS Confidential Information. Prime Vendor shall provide to such auditors such assistance and support as they may reasonably request. If any audit reveals deficiencies, Prime Vendor shall review the findings with DRS. If DRS and Prime Vendor mutually agree that there are deficiencies to be corrected, Prime Vendor shall prepare and deliver to DRS a detailed plan that is reasonably acceptable to DRS for correcting all such deficiencies. If DRS and Prime Vendor do not agree that there are deficiencies to be corrected, the parties shall select an independent, nationally-recognized, reputable auditing firm ("Independent Auditor") to review the results of the DRS-prepared audit and determine whether the deficiencies in dispute exist. The cost of the Independent Auditor shall be shared
equally by the parties. If requested by such Independent Auditor, Prime Vendor shall permit such firm to conduct interviews of applicable Prime Vendor personnel and engage in such other due diligence activities to verify whether such deficiencies exist. The Independent Auditor shall be tasked by the parties to issue a written opinion on its findings and such written opinion shall be binding on the parties with respect to the deficiencies cited therein. If the written opinion of the Independent Auditor cites deficiencies in Prime Vendor's operations, Prime Vendor shall prepare and deliver to DRS a detailed plan that is reasonably acceptable to DRS for correcting all such deficiencies. Prime Vendor shall implement all such corrections within the time frame(s) set forth in the plan. Prime Vendor shall bear all costs and expenses associated with correcting all deficiencies. Any audits shall be conducted so as to be non-disruptive to Prime Vendor's operational systems. User-level access may be granted to DRS applications to support such audits, and if necessary, will be coordinated between the parties.

15.2.4 Washington State Audits. Any audits permitted by Law or permitted under Section 15.2 may be conducted by the state of Washington or a Third Party on its behalf. Prime Vendor shall provide to the state of Washington such assistance and support as reasonably requested. If any audit reveals deficiencies, Prime Vendor shall review the findings with the state of Washington and DRS. If the state of Washington, DRS and Prime Vendor agree that there are deficiencies to be corrected, Prime Vendor shall prepare and deliver to the state of Washington and DRS a detailed plan that is reasonably acceptable to correct all such deficiencies.

15.2.5 Maintenance of Records. Prime Vendor and its subcontractors shall maintain books, records, documents and other evidence relating to the Agreement, including Minority and Women's Business Enterprise participation, protection and use of DRS Confidential Information, and accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature invoiced in the performance of the Agreement. Prime Vendor shall retain all such records for six (6) years after the expiration or termination of this Agreement. Records involving matters in litigation related to this Agreement shall be kept for either one (1) year following the termination of litigation, including all appeals, or six (6) years from the date of expiration or termination of the Agreement, whichever is later. Prime Vendor shall incorporate in its subcontracts with any subcontractors the terms and conditions of this Section. It is agreed that books, records, documents, and other evidence of accounting procedures and practices related to Prime Vendor’s cost structure, including overhead, general and administrative expenses, and profit factors shall be excluded from DRS’ or its auditors’ review unless the cost or any other material issue under the Agreement is calculated or derived from these factors.

15.3 Insurance.

15.3.1 Required Coverages. At Prime Vendor’s sole cost and expense, Prime Vendor shall procure and maintain in effect from and after the Effective Date and for the duration of the Agreement the insurance coverages described in the attached Schedule 15.3.1. Insurance may be maintained with one or more carriers, each of which must: (a) be authorized to do business in the state of Washington or be eligible surplus lines insurers acceptable to DRS and having agents in Washington upon which service of process may be made; and (b) have a financial strength rating of A- or better and a financial
size category of A-XIII or better, each as reported in the most recent edition of Best's Insurance Reports (or any successor or replacement rating agency). Any insurance or self-insurance available to DRS shall be in excess of, and non-contributing with, any insurance that Prime Vendor is required to procure and maintain. Prime Vendor’s insurance policies shall apply on a primary basis. To the extent that claims are paid under any insurance coverage resulting in a reduction of the remaining coverage amounts, Prime Vendor shall procure additional insurance as needed to continually meet and maintain the coverage amounts set forth on Schedule 15.3.1.

15.3.2 Additional Insureds and Evidence of Coverage. By endorsement to all liability policies except for the Professional Liability/Errors & Omissions and Internet Policies insurance and Workers' Compensation insurance, DRS, its Affiliate and the state of Washington shall be named as additional insureds for all liability arising from the Agreement. On or before the Effective Date, thereafter upon each insurance policy renewal, and otherwise promptly following DRS’ request from time to time, Prime Vendor shall provide DRS with certificates of insurance, together with copies of all applicable endorsements, evidencing Prime Vendor's compliance with the requirements set forth in this Section 15.3. If at any time during the period when insurance is required by the Agreement, an insurer fails to comply with the requirements of the Agreement, as soon as Prime Vendor has knowledge of any such failure, Prime Vendor shall immediately notify DRS and immediately replace such insurance with insurance meeting the Agreement requirements set forth herein. Within ten (10) business days following Prime Vendor's receipt of DRS' written request, Prime Vendor shall provide (or cause to be provided) to DRS a certified copy of any insurance policies that are required under this Section 15.3.

15.3.3 Claims-Made Coverage. If and to the extent any insurance coverage required under this Agreement is purchased on a "claims-made" basis, such insurance must: (a) cover the acts or omissions of Prime Vendor and any subcontractors, as applicable, up through and including the date that the Agreement and all Contract Supplements and Project Agreements have terminated and any Transition Periods have expired; and (b) be continuously maintained by Prime Vendor, with full prior acts coverage, for at least six (6) years beyond the date that the Agreement and all Contract Supplements and Project Agreements have terminated and any Transition Periods have expired.

15.3.4 Notice of Cancellation. Prime Vendor shall procure (or cause to be procured) endorsement(s) to its insurance policies that identify DRS as a scheduled party to receive written notice thirty (30) days in advance of the cancellation of any insurance required hereunder.

15.3.5 Subcontractor Insurance. If Prime Vendor elects to have an approved subcontractor provide any Services to DRS, prior to providing any such Services, Prime Vendor must furnish to DRS a certified copy of the applicable insurance policy or policies reflecting coverages of the type and amount agreed upon by Prime Vendor and DRS pursuant to Section 15.4.

15.4 Approval of Service Subcontractors. Prime Vendor shall obtain DRS’ prior written consent, which DRS may withhold in its sole discretion, before entering into an agreement with any subcontractor who may be retained by Prime Vendor to provide implementation
Services, training or education Services or any other Services on-site at DRS. DRS may condition the approval of any subcontractor on the receipt of the proposed subcontract between Prime Vendor and the subcontractor, to ensure that the subcontracted Services or other items are adequately covered. If DRS determines, in its sole discretion, that any previously-approved Prime Vendor subcontractor is not satisfactorily performing its obligations, DRS reserves the right to require Prime Vendor to replace such subcontractor with another subcontractor or for Prime Vendor to directly perform such obligations. Prime Vendor shall ensure that all such subcontractor agreements include provisions naming DRS as a direct and intended third party beneficiary or otherwise granting DRS the right to directly enforce Prime Vendor’s rights against such subcontractor and provisions substantially the same as those set forth in Section 3.2 (where applicable) and Article 12 of the Agreement. DRS shall not be bound by the terms of such agreements entered into by Prime Vendor, and such agreements shall not contain any obligations with respect to DRS, including a guarantee of payments to such subcontractor. Any approval of Prime Vendor’s right to use a subcontractor shall be conditioned upon the following: (a) the agreement between Prime Vendor and subcontractor not imposing or seeking to impose any liabilities or obligations on DRS, including the pass throughs of any termination fees, damages or costs in the event Prime Vendor is required to replace the subcontractor; (b) DRS’ ability to obtain a full assignment of such agreement upon written notice by DRS to the subcontractor following any default by Prime Vendor under the Agreement and/or the applicable Project Agreement or Contract Supplement; (c) all employees of the subcontractor providing Services to DRS being subject to the terms and restrictions of Article 5; (d) Prime Vendor being responsible for managing all subcontractor relationships; (e) Prime Vendor being liable for the acts and omissions of any subcontractor under the Agreement or any Project Agreement or Contract Supplement; (f) DRS and Prime Vendor agreeing to the level and types of insurance to be obtained by subcontractor; (g) Prime Vendor and subcontractor incorporating the terms required by Section 15.2.5 into their agreement; and (h) subcontractor executing and delivering to DRS the Subcontractor Confidentiality and Non-Disclosure Agreement, the form of which is set forth in Exhibit 2. Prime Vendor agrees that assignment of any subcontractor agreement to DRS shall in no way diminish, reduce, modify or affect Prime Vendor’s obligations and liabilities to DRS hereunder, and Prime Vendor shall remain responsible for all such obligations and liabilities. Prime Vendor further agrees that it shall indemnify, defend and hold harmless the Indemnified Parties for the actions of its subcontractors.

15.5 Force Majeure. Except as provided below, each party may be excused from performing any of its obligations hereunder, in whole or in part, to the extent that the inability to perform is caused by an act of God, war, riot, civil commotion, explosion, fire, government action, court order, epidemic, DRS-related labor activities or other similar circumstance beyond its reasonable control (each, a "Force Majeure Event"). Prime Vendor’s labor and union-related activities, the non-performance of Prime Vendor or any Prime Vendor subcontractor, and the inability or failure of Prime Vendor to obtain permits, visas or other governmental authorizations for its personnel, regardless of cause, shall not constitute a Force Majeure Event. A failure of the Internet or telecommunications lines shall not be a Force Majeure Event if there is an alternative form of communication and/or diverse routing communications linkages available to Prime Vendor. If a Force Majeure Event prevents, hinders or delays performance of either party’s obligations hereunder for more than ten (10) days at any time during the term, the party not prevented from performing shall have the right to terminate the affected portion of the Agreement and/or applicable Project Agreements and Contract Supplements as of the date specified by such party in a written notice of termination to the other party; provided that during the pendency of such ten (10) day period the party whose performance is not prevented, hindered or
delayed shall have the right to take all commercially reasonable actions that may be necessary to mitigate the impact of the other party’s non-performance, and the party claiming a Force Majeure Event shall take all commercially reasonable actions that may be necessary to mitigate the impact of its non-performance.

15.6 Notice of Financial Impacts. Prime Vendor shall provide written notice to DRS within five (5) business days following the occurrence of any event that will or may be likely to have a material adverse impact upon Prime Vendor’s ability to perform its obligations hereunder, including Prime Vendor’s breach of any significant contract, default of any credit agreement, denial of significant funding requests and/or the filing of a significant lawsuit against Prime Vendor, and promptly (but in no event longer than ten (10) business days) thereafter shall meet with DRS to discuss Prime Vendor’s ability to continue to perform its obligations under the Agreement in light of such event.

15.7 Bankruptcy. The rights to the Solution licensed or provided by Prime Vendor to DRS under the Agreement constitutes "intellectual property" as defined in Section 101(35A) of the Bankruptcy Code, as amended, and the Agreement shall be governed by Section 365(n) of the Bankruptcy Code, as applicable, in the event Prime Vendor voluntarily or involuntarily becomes subject to the protection of the Bankruptcy Code and Prime Vendor or the trustee in bankruptcy rejects the Agreement. In the event Prime Vendor voluntarily or involuntarily becomes subject to the protection of the Bankruptcy Code and Prime Vendor or the trustee in bankruptcy rejects the Agreement under Section 365 of the Bankruptcy Code, DRS shall have the right to: (a) treat the Agreement as terminated; or (b) retain DRS’ rights under the Agreement, specifically including the right to exercise its rights granted herein to the Software (and to all work-in-progress relating thereto). Failure by DRS to assert its right to retain its benefits to the intellectual property embodied in the Software pursuant to Section 365(n)(1)(B) of the Bankruptcy Code with respect to an executory contract rejected by Prime Vendor or the trustee in bankruptcy shall not be construed by the courts as a termination of such contract by DRS under Section 365(n)(1)(A) of the Bankruptcy Code. Any attempted assignment of the Agreement by Prime Vendor or the trustee in bankruptcy to a Third Party shall be subject to such Third Party providing "adequate assurance of future performance" (as referenced in Section 365(f) of the Bankruptcy Code) to DRS. Among other requirements as may be reasonably imposed, "adequate assurance" shall include a Third Party’s express written agreement to assume all of Prime Vendor’s obligations under the Agreement.

15.8 Agency. No party shall make any representations or warranties or incur any liability on behalf of the other. No party is the agent, representative or partner of the other party. The parties agree that Prime Vendor is an independent contractor, that neither Prime Vendor nor its employees, subcontractors and/or agents are employees of DRS and that neither DRS nor its Affiliates shall, on their behalf: withhold income or other taxes; provide workers’ compensation insurance; participate in group insurance plans which may be available to employees of DRS; participate or contribute or any public employees retirement system; accumulate vacation leave or sick leave; or provide unemployment compensation coverage. Neither Prime Vendor nor its employees, subcontractors and/or agents are employees of DRS or its Affiliates, and accordingly, none of them are entitled to any of the compensation, benefits, rights, or privileges of employees of DRS or its Affiliates.

15.9 Severability. If any provision of the Agreement and/or any Project Agreement or Contract Supplement is determined by a court of competent jurisdiction to be invalid or unen-
forceable, such determination shall not affect the validity or enforceability of any other part or provision of the Agreement and/or such Project Agreement or Contract Supplement.

15.10 Waiver; Waiver of Non-Competition. No delay or omission by a party to exercise any right occurring upon any non-compliance or default by the other party with respect to any of the terms of the Agreement and/or any Project Agreement or Contract Supplement shall impair any such right or power or be construed to be a waiver thereof. A waiver by any of the parties of any of the covenants, conditions or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any covenant, condition or agreement herein contained. Additionally, Prime Vendor irrevocably waives any rights which it may have, by contract or otherwise, to require another person or entity to refrain from submitting a bid or proposal to, or providing products or services to, DRS or the state, and Prime Vendor further agrees that it will not in the future, directly or indirectly, induce or solicit any person or entity to refrain from submitting a bid or proposal to, or providing products or services to, DRS or the state.

15.11 Governing Law; Exclusive Jurisdiction. The Agreement, and all the rights and duties of the parties arising from or relating in any way to the subject matter of the Agreement or the transaction(s) contemplated by it, shall be governed by, construed and enforced only in accordance with the Laws of the state of Washington (excluding any conflict of laws provisions that would refer to and apply the substantive laws of another jurisdiction). Any claim against DRS shall be initiated by Prime Vendor within one (1) year after the claim arises, or be barred. Any suit or proceeding relating to the Agreement shall be brought only in the State courts located in Thurston County, Washington. THE PARTIES EACH CONSENT TO THE SOLE AND EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF THE STATE COURTS LOCATED IN THURSTON COUNTY, WASHINGTON.

15.12 Binding Nature and No Assignment. The Agreement or any of its provisions shall not be assigned, delegated or transferred, including a Change of Control which shall be deemed to be a transfer, in whole or in part, by either party without the prior written consent of the other party. The Agreement shall be binding on the parties and their successors and permitted assigns.

15.13 Counterparts. The Agreement and any Project Agreements and Contract Supplements may be executed in one (1) or more duplicate originals, all of which together shall be deemed one and the same instrument.

15.14 Public Announcements. Without the prior written consent of DRS, which consent may be withheld in DRS' sole discretion, Prime Vendor shall not make or publish, directly or indirectly, any statements, articles, public or private announcements (including any announcement made via e-mail or any posting on the Internet or any Prime Vendor website), media releases, press conferences, advertising or similar publicity in any form relating to the fact that the parties have entered into the Agreement, the name, image or logo of DRS or any Agency (or any variation or combination of such name, image or logo), as well as the name or image of any DRS employee or contractor of DRS. Without limiting the generality of the foregoing, Prime Vendor shall not, without DRS' prior written approval: (a) make any references to Third Parties that DRS is a customer of Prime Vendor; (b) include or make any reference to DRS or DRS' name in any proposals to Third Parties; or (c) provide DRS contact information to existing or prospective customers of Prime Vendor.
15.15 **DRS Policies.** Prime Vendor, its employees, agents and permitted subcontractors shall comply with all DRS policies, procedures, orders and directives (whether in final or "draft" form) that DRS provides in writing to Prime Vendor, including those set forth on Schedule 15.15 and all standards referenced therein and the State Travel Policy found in the Washington State Administrative and Accounting Manual (currently set forth in http://www.ofm.wa.gov/policy/10.htm) (collectively, the "DRS Policies"). Prime Vendor acknowledges and agrees that the DRS Policies and the list of DRS Policies set forth on Schedule 15.15 may change from time-to-time and that DRS may add, delete and/or change the DRS Policies and/or the list of DRS Policies set forth on Schedule 15.15, in its discretion.

15.16 **Compliance with Laws.** With respect to its obligations under this Agreement, Prime Vendor shall at all times comply with all applicable Laws, including state of Washington data breach notice statutes, RCW 19.255.010 and RCW 42.56.590, federal and applicable state nondiscrimination Laws, including Title VII of the Civil Rights Act, 42 U.S.C. §12101 et seq., the Americans with Disabilities Act ("ADA") and Title 49.60 RCW, Washington Law Against Discrimination, the Gramm-Leach-Bliley Act ("GLB"), HIPAA, and all rules, regulations and policies promulgated thereunder, including the commitment to negotiate in good faith any sub-agreements that may be required to be entered into by the parties pursuant to such Laws, and any and all obligations to obtain similar protections in or institute safeguards with respect to any Third Party agreements and/or arrangements. Prime Vendor shall comply with all Laws governing the importation, exportation or transfer of technology across national boundaries, shall obtain all necessary permits and governmental authorizations and approvals necessary to the performance of the Agreement. Prime Vendor’s noncompliance, or refusal to comply, with any applicable Law shall constitute an Event of Default pursuant to Section 10.2(b) and DRS shall have the rights and remedies set forth in Section 10.4, additionally Prime Vendor may be declared ineligible for further contracts with DRS or the state of Washington.

15.17 **Waiver of UCITA.** The parties agree that the Uniform Computer Information Transactions Act or any substantially similar law is enacted as part of the law of the state of Washington or any other state ("UCITA"), shall not apply to the Agreement and, to the extent that UCITA is applicable, the parties agree to opt-out of the applicability of UCITA pursuant to the opt-out provision(s) contained therein, if any.

15.18 **Binding, Irrevocable Offer.** In consideration of DRS agreeing to continue evaluating Prime Vendor as its service provider, Prime Vendor agrees that the signed Agreement documents by Prime Vendor constitutes a binding, irrevocable offer to DRS on the terms and conditions set forth herein which shall remain in full force and effect through and including _____________, or such later date as may be agreed to in writing by the parties. The Agreement shall only become an effective and binding agreement upon DRS’ execution and delivery of a copy of the Agreement to Prime Vendor.

15.19 **No Construction Against Drafter.** The parties agree that any principle of construction or rule of law that provides that an agreement shall be construed against the drafter of the agreement in the event of any inconsistency or ambiguity in such agreement shall not apply to the terms and conditions of the Agreement.

15.20 **Attorneys’ Fees.** If either of Prime Vendor or DRS brings an action, suit or proceeding against the other arising out of or relating to the Agreement, or pertaining to a declara-
tion of rights under the Agreement, the trier of fact may, in the exercise of its discretion, award the party it finds to be the prevailing party in such action, suit or proceeding that portion or all of its fees, costs and expenses (including court costs and reasonable fees for attorneys and expert witnesses) that it deems to be appropriate under the facts and circumstances. The term "prevailing party" for purposes of this Section shall include a defendant who has by motion, judgment, verdict or dismissal by the court, successfully defended against any claim that has been asserted against it.

15.21 Entire Agreement; Modifications. The Agreement, together with all of its Schedules, Exhibits and Attachments, constitutes the final, complete and exclusive statement of the agreement of the parties relative to the subject matter hereof and supersedes all previous or contemporaneous oral or written proposals, negotiations, representations or understandings concerning such subject matter. The Agreement may be modified only pursuant to a writing executed by Prime Vendor and the DRS Project Director in order to be effective against DRS. The parties expressly disclaim the right to claim the enforceability or effectiveness of any oral modifications to the Agreement or any amendments based on course of dealing, waiver, reliance, estoppel or other similar legal theory.

IN WITNESS WHEREOF, authorized representatives of the parties have executed this Technology Agreement effective as of the date written above.

Approved
Washington State Department of Retirement Systems

Approved
[Prime Vendor]

__________________________________________
Project Director

Approved as to Form
State of Washington
Office of the Attorney General

[Name, Title]

[Prime Vendor] Information
[Prime Vendor] UBI Number:

Minority or Woman Owned Business Enterprise

Yes _____________ No ____
(Certification Number)
SCHEDULE 1.5

DEFINITIONS

Whenever used in the Agreement, including in any Schedules, Exhibits, Attachments, Addenda and other documents attached to the Agreement, the following terms shall have the meaning ascribed to them below. Other capitalized terms used in the Agreement are defined in the context in which they are used and shall have the meanings ascribed therein. The terms defined in this Schedule include the plural as well as the singular.

"Additional Programs" is defined in Section 2 of Attachment A to Exhibit 4.

“Affiliate(s)” means any person, firm, corporation (including service corporation and professional corporation), partnership (including general partnership, limited partnership and limited liability partnership), limited liability company, joint venture, association, business trust or other similar entity that, now or in the future, directly or indirectly, controls, is controlled with or by or under common control with Prime Vendor. For purposes of the foregoing, “control” shall mean the direct or indirect control of fifty percent (50%) or more of the voting power to elect directors thereof, or any other entity, the power to direct the management of such entity. Upon request, Prime Vendor shall provide DRS with a list of entities qualifying as Affiliates of Prime Vendor.

"Agency" means any agency, office, institution, board, commission or department of the State.

"Agreement" or "TA" is referenced in the preamble and means this Technology Agreement, entered into by and between DRS and Prime Vendor, effective as of the Effective Date, inclusive of all Schedules and Exhibits.

"API" means an application programming interface.

"Application Set" is defined in Section 1.1 of Exhibit 4.

"Approved Equipment Configuration(s)" is defined in Section 9.1.2.

"Authorized Users" means: (a) DRS and its respective employees, and any and all staff, volunteers, prospective employees, vendors, business partners and employees of other governmental organizations (e.g., the federal government) with whom DRS conducts business; (b) Third Party agents, consultants, system integrators, auditors and other independent contractors performing services for DRS and/or an Agency; (c) any persons and/or entities to whom or which DRS and/or an Agency provides business and/or enterprise services; (d) any governmental, accrediting or regulatory bodies lawfully requesting or requiring access to data; (e) a facility manager or outsourcing or hosting services provider; and (f) such other persons as the parties may mutually agree.

"BPMS Solution" means the Software and/or Equipment as specified in the ERA Project Agreement, including that which Prime Vendor is responsible for Integrating and/or implementing in connection with the ERA Project and including any Software or Equipment, or Integration and/or implementation responsibilities that are added by a Change Order.
"C" is defined in Section 1.1 of the ERA Statement of Work.

"Certification Criteria" is defined in Section 3.2.2.

"Certification Form" is attached to the Agreement as Schedule 3.2.3.

"Change of Control" means: (a) any transaction or combination of transactions as a result of which either a person, an entity or a group of persons and/or entities that customarily has acted in concert and that presently is in control of a party ceases to be in control of such party; or (b) the sale, transfer, exchange or other disposition (including disposition in full or partial dissolution) of fifty percent (50%) or more of the beneficial ownership (as defined in Rule 13(d) of the Securities Exchange Act of 1934) of the voting power of a party, or of the assets of such party that constitute a substantial or material business segment of such party; or (c) the divestiture, in whole or in part, of the business unit or division of Prime Vendor that has provided the Solution, Services and/or Equipment hereunder.

"Change Order", "Change Request" and "Change Response" are defined in Section 5.3.2.

"Commercially Available Third Party Software" is defined in Section 8 of Attachment A to Exhibit 4.

"Compliant" is defined in Section 9.3.

"Confidential Information" shall mean: (a) information concerning the other party's business affairs, property and methods of operation that is marked "confidential" and/or "proprietary"; (b) in the case of DRS, regardless of whether such information is marked confidential or proprietary: (i) State Data; (ii) any information and materials relating to Third Party vendors that have provided any part of DRS' and/or any Agencies' information or communications infrastructure; (iii) any information of DRS and/or any Agency that is maintained or stored by or through the Solution; and/or (iv) to the extent not covered above, names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, law enforcement records, agency source code or object code and agency security data, or other information identifiable to an individual that relates to any of the foregoing types of information; and (c) in the case of Prime Vendor, regardless of whether such information is marked confidential or proprietary, any Solution and associated Documentation.

"Confidential Information" is defined in Section 12.2.

"Contract Supplement" is defined in Section 2.1.

"CPI" means the annual increase in percentage points (or fraction thereof) of the official Consumer Price Index, All Urban Consumers, U.S. City Average, All Items, published by the Bureau of Labor Statistics, United States Department of Labor. The CPI data shall be determined by reference to the "Percent Dec-Dec" column of the Consumer Price Index History Table for the

"Critical Milestone" means those key Deliverables and key events, to be identified in the Project Agreement or Contract Supplement, as significant project-related milestones deliverables and events, and can include, for a particular component of the Solution, by way of example, finalization of design, complete configuration, commencement and/or completion of Pre-Live Testing, Production Use and Project Completion.

"CSC" is defined in Section 1.5 of Schedule 7.1.

"Data Breach(es)" means any use, disclosure, loss, or acquisition of, or access to, Confidential Data that is not in accordance with the terms of this Agreement.

"Data Protected by Law" refers to data regulated and/or protected by Law, and includes all Personal Information.

"Defect" is defined in Section 3.1 of Schedule 7.1.

"Deficiency Notice" is defined in Section 2.3 of Attachment E to Exhibit 4.

"Delay Credits" is defined in Section 5.2.4.

"Deliverables" means Extensions, Interfaces, custom-developed software, documentation, designs, diagrams, configurations, functional specifications, technical specifications, data transformations, data aggregations, schematics, architectural renderings, prototypes, screen layouts and other documents and materials developed or prepared by Prime Vendor, either alone or jointly with DRS and/or any of DRS' Affiliates.

"Demonstrations" means those features, functionality, workflows, etc., contained in the demonstrations presented to DRS. With respect to the ERA Project, the Demonstrations have been recorded and placed on a DVD, a copy of which is incorporated into the ERA Project Agreement.

"Deposits" and "Deposit Materials" are defined in Exhibit 4.

"Development Meetings" is defined in Section 3.8.4.

"Disabling Code" is defined in Section 9.1.6.

"Disaster Recovery and Business Continuity Plan" is defined in Section 5.4.2 of the ERA Statement of Work.

"Disclosing Party" is defined in Section 12.2.

"Disclosure Event" is defined in Article 3 of Exhibit 4.

"Divested Entity", "Divestiture Event" and "Divestiture Transition Period" are all defined in Section 1.8.1.
"Documentation" means, collectively, and shall be interpreted in the following order of precedence: (a) first, features or functionality and any special provision relating thereto, if any, as described in a Project Agreement or Contract Supplement; (b) second, the DRS Business and Technical Requirements; (c) third, Deliverables other than the DRS Business and Technical Requirements; (d) fourth, the Demonstrations; (e) fifth, the applicable RFP Response; (f) sixth, all of the written, printed, electronic or other format materials published or otherwise made available by Prime Vendor to DRS; and (g) seventh, any user, operations and similar manuals other that Prime Vendor or other software manufacturer makes generally available to its customers, that relate to the functional, operational and/or performance capabilities of the Solution or software, as applicable.

"DRS" is referenced in the Recitals and means the Washington State Department of Retirement Systems, and any successors and assigns.

"DRS Business and Technical Requirements" means the business and technical requirements and Performance Standards that may be attached to a Project Agreement or Contract Supplement. With respect to the ERA Project, the DRS Business and Technical Requirements are set forth in Section 5.5 of the ERA Project Agreement. For purposes of the software functionality warranty set forth in this Agreement, the DRS Business and Technical Requirements originally set forth in a Project Agreement or Contract Supplement shall be replaced by the specifications set forth in the Solution Design Document, and shall become the replacement DRS Business and Technical Requirements, but only to the extent the business and technical requirements are specifically addressed in the Solution Design Document.

"DRS Chief Information Officer" means the DRS Chief Information Officer, or her or his designee.

"DRS Data" means any and all data within DRS' possession, custody, or control, and any and all data that DRS has disclosed to Prime Vendor. For the purposes of the Agreement, DRS Data does not cease to be DRS Data solely because it is transferred or transmitted beyond DRS' immediate possession, custody, or control.

"DRS Executive Sponsor" is defined in Section 1.3.2.

"DRS Policies" is defined in Section 15.15.

"DRS Project Director" is defined in Section 5.4.1.

"DRS Project Manager(s)" is defined in Section 5.4.1.

"DRS Security Policies and Procedures" means DRS' security policies and procedures, currently located at http://ofm.wa.gov/ocio/policies/documents/141.10.pdf, as may be updated from time-to-time by DRS.

"DRS Travel Policy" is set forth in Schedule 8.5.

"Due Date" means the date by which a Deliverable or Critical Milestone must be completed.
"Effective Date" means the date, if any, on which the Agreement is counter-signed by DRS.

"Emerging Products" is defined in Section 3.8.3.

"Encryption Keys" is defined in Section 13 of Attachment A to Exhibit 4.

"Enhancement Defects" are defined in Section 1.2.2 of Schedule 7.1.

"Enhancements" means any releases, versions (including releases or versions that operate on a different or new platform or version of the operating system of the Equipment or any database or other equipment), improvements, modifications, upgrades, updates, fixes and additions to the Solution, no matter how designated, classified or marketed by Prime Vendor that Prime Vendor makes available pursuant to its obligations under this Agreement or that Prime Vendor or the applicable Third Party vendor markets or generally makes available to its customers as part of support and maintenance services from time-to-time to correct deficiencies and/or to improve or extend the capabilities of the Solution.

"Enterprise-Wide" is defined in Section 3.1.1.

"Entity" means any person, firm, corporation (including service corporation and professional corporation), partnership (including general partnership, limited partnership and limited liability partnership), limited liability company, joint venture, association, business trust or other similar legal entity.

"Equipment" means any and all equipment purchased by DRS from Prime Vendor pursuant to a Project Agreement or Contract Supplement.

"Equipment Configuration" is defined in Section 15 of Attachment A to Exhibit 4.

“ERA” or “Employer Reporting Application” means the application that will be built using the BPMS Solution to replace DRS’ existing Employer Information System (EIS).

"ERA Project" is referenced in the Recitals and is further described in the ERA Project Agreement.

"ERA Project Agreement" means the Project Agreement for the ERA Project, attached as Exhibit 1.

"ERA Project RFP Response" is defined in the Recitals, and is incorporated into and made a part of the Agreement.

"ERA Statement of Work" is the statement of work attached to the ERA Project Agreement.

"Escrow Agent" is defined in Exhibit 4.

"Escrow Agreement" is defined in Exhibit 4.

"Events of Default" is defined in Section 10.2.
"Executive Sponsor" is defined in Section 1.3.2.

"Extension" means a configuration or other programming, other than a change to the Source Code, residing in a Solution to effect a function or feature that is not part of the generally available Solution.

"Final Resolution" is defined in Section 3.1 of Schedule 7.1.

"Fit/Gap Document" is defined in Section 4.1.3 of the ERA Statement of Work.

"Fixed Fee" means the fixed fee as defined in a Project Agreement or Contract Supplement.

"Force Majeure Event" is defined in Section 15.5.

"FTEs" is defined in Section 8.4.2 of the ERA Statement of Work.

"GLB" is defined in Section 15.16.

"HIPAA" is defined in Section 12.7.

"HITECH Act" means Health Information Technology for Economic and Clinical Health Act and/or the American Recovery and Reinvestment Act of 2009, as amended.

"Holidays" means those days on which DRS observes a holiday in a particular calendar year as published from time-to-time by DRS.

"Incident" is defined in Section 3.1 of Schedule 7.1.

"Incident Report" and "Incident Resolution Report" are defined in Section 3.3 of Schedule 7.1.

"Incident Response" is defined in Section 3.1 of Schedule 7.1.

"Indemnified Parties" and "Indemnifying Party" are defined in Section 13.1.

"Independent Auditor" is defined in Section 15.2.3.

"Information Security Officer" is defined in Section 1.3.7.

"Initial Deposits" is defined in Section 1.1 of Exhibit 4.

"Integrate" or "Integration" means the process of functionally and technically linking together different computing systems and/or software applications so that the linked systems and/or applications Interoperate as a coordinated whole.

"Intellectual Property Rights" means any and all rights in and to all copyrights, inventions, patents, trademarks, trade secrets and any other proprietary rights in or to tangible or intangible property recognized in any jurisdiction in the world, whether or not registered or registerable.
"Interface" or "Interfaces" means the programming required to accomplish the coupling of one system, device or program with another system, device or program.

"Interim Resolution" is defined in Section 3.1 of Schedule 7.1.

"Interoperate" or "Interoperability" means that computer programs communicate, execute programs or transfer data seamlessly by and among the other computer programs in which they are intended to communicate, and, unless otherwise agreed by the parties in writing in connection with the ERA Project Agreement or otherwise.

"Invoicing Deadline" is defined in Section 8.4.3.

"ISO Security Standards" is defined in Section 1.3.7(c).

"Issue" means any of the following: (a) any presently identified event, circumstance or problem that adversely affects the ability to meet project requirements, or a Deliverable Due Date or Critical Milestone Due Date, whether by Prime Vendor, DRS or a Third Party; or (b) any event, problem, difficulty, circumstance or Defect which affects or may affect the System or the operation of the System by DRS, including the failure to meet the Performance Standards.

"ITIL" is defined in Section 1.9 of Schedule 7.1.

"Joint Resource Plan" is defined in Section 5.2.1.

"Key Personnel" is defined in Section 5.4.2.

"Knowledge" is defined in Section 3.7.

"Law" or "Laws" means all existing and future laws, statutes, regulations, rules, administrative codes, ordinances, executive orders, polices, judicial opinions and/or decrees and other decisions having the effect of law (and any amendments thereto) by any federal, state or local government, authority, department or agency in any location that DRS or an Agency conducts business.

"Level 1 Defect" and "Level 1 Incident" are defined in Section 3.1 of Schedule 7.1.

"Level 2 Defect" and "Level 2 Incident" are defined in Section 3.1 of Schedule 7.1.

"Level 3 Defect" and "Level 3 Incident" are defined in Section 3.1 of Schedule 7.1.

"Licensee" is defined in Exhibit 4.

"Licensee Verification" is defined in Section 2.1 of Attachment E to Exhibit 4.

"Load Instructions" is defined in Section 3 of Attachment A to Exhibit 4.

"Minimum Available Support Term" is defined in Section 7.1.
"Mobile Standards" means any Laws, guidance, recommendations, guidelines or reports published by the Federal Trade Commission (FTC), Federal Drug Administration (FDA), U.S. and state Attorney General Offices, and other regulatory or governmental bodies setting forth practices, policies and procedures to govern the use of mobile devices, including the following FTC Staff Report, issued February 1, 2013, and the State of California Attorney General report on Privacy on the Go, Recommendations for the Mobile Ecosystem, issued January 2013.

"Multi-Party Incident" is defined in the opening paragraph of Attachment A to Schedule 7.1.

"New Affiliate Agreement" is defined in Section 1.7.

"New Affiliate Agreement Products and Services" is defined in Section 1.7.

"Non-Commercially Available Third Party Software" is defined in Section 9 of Attachment A to Exhibit 4.

"Non-Commercially Available Third Party Support Tools" is defined in Section 6 of Attachment A to Exhibit 4.

"Non-Commercially Available Third Party Tools" is defined in Section 4 of Attachment A to Exhibit 4.

"Notice" is defined in Section 4.1 of Exhibit 4.

"OIMS" is defined in Section 1.5 of Schedule 7.1.

"Optimization Period" is defined in Section 6.4.

“Ordinary Course Changes” means changes that occur in the normal course of DRS business. Examples include, but are not limited to, legislative changes, legal changes, and administrative plan changes (such as implementing new actuarial factors).

"Original Estimated Hours" is defined in Section 8.3.3.

"Other Information" is defined in Section 16 of Attachment A to Exhibit 4.

"Owner" is defined in Exhibit 4.

"Owner Support Tools" is defined in Section 5 of Attachment A to Exhibit 4.

"Owner Verification Notice" is defined in Section 1 of Attachment E to Exhibit 4.

"Partnering Principles" is defined in Section 1.2.

"Payment Milestones" is defined in Section 4 of Exhibit 1.

"Performance Analysis Tools" is defined in Section 12 of Attachment A to Exhibit 4.
"Performance Credits" means the financial consequences, if any, associated with failure of a System or Service, as applicable, to conform to the applicable Performance Standards.

"Performance Standards" means the standards for performance of a particular System or Service, as applicable, and shall include: (a) the functionality and performance warranties set forth in Section 9.1; and (b) as may be specified in the applicable Project Agreement or Contract Supplement.

"Penetration Testing" means a method of evaluating computer and network security by simulating an attack on a computer system or network from external and internal threats. The process involves an active analysis of the system for any potential vulnerabilities that could result from poor or improper system configuration, both known and unknown hardware of software flaws, or operational weaknesses in process or technical countermeasures.

"Personal Information" means: (a) information, including State Data, from which a natural person can be identified by reference to an identification number, including an individual's Social security number, driver's license number or Washington identification card number, or an account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account; or (b) such other definition as may be set forth in Personal Information Laws.

"Personal Information Law(s)" mean any law that regulates the disclosure, handling and/or security of Personal Information, including Washington Revised Statutes Section 19.255.010 et seq. and 42.56.590 et seq., or any similar federal or state statute or regulation that exists as of the Effective Date or may be enacted in the future.

"Phase Certification" is defined in Section 6.7.

"Phases" is referenced in the opening paragraph of Section 6.

"Planned Features and Functionality" is defined in Section 3.8.4.

"PMP" is defined in Section 3.2.2 of the ERA Statement of Work.

"Pre-Existing Contracts" is defined in Section 1.6.

"Pre-Live Testing" is defined in Section 6.3.

"Prime Vendor" is used when referring to the Bidder’s responsibilities after a contract is awarded. There may be other non-prime vendors serving as Subcontractors on a proposal. means the contracting party.

"Prime Vendor Account Executive" is defined in Section 1.3.4.

"Prime Vendor Contract Manager" is defined in Section 1.3.6.

"Prime Vendor Enhancement Correction Team" is defined in Section 1.2.2 of Schedule 7.1.
"Prime Vendor Executive Sponsor" is defined in Section 1.3.2.

"Prime Vendor Implementation Methodologies" means the methodologies used by Prime Vendor to implement a product, Solution or Service, as may be further defined and described in a Project Agreement or Contract Supplement, and with respect to the ERA Project, is defined in Section 6.6 of Exhibit 1.

"Prime Vendor Project Director" and "Prime Vendor Project Manager(s)" are defined in Section 1.3.5.

"Prime Vendor Tools and Utilities" is defined in Section 3.5.

"Product Migration" and "Product Migration Credits" are defined in Section 1.2.7 of Schedule 7.1.

"Product Roadmap" is defined in Section 3.8.2.

"Production" and "Production Use" is defined in Section 6.4.

"Production Use Period" is defined in Section 6.4.

"Programmer List" is defined in Section 14 of Attachment A to Exhibit 4.

"Project Agreement" is defined in Section 2.1.

"Project Completion" is defined in Section 6.8.

"Project Schedule" is defined in Section 5.2.1.

"Project Status Meetings" is defined in Section 5.1.1.

"Project Status Report" means the report to be developed by Prime Vendor in accordance with the terms of Section 5.1.2.

"PV" is defined in Section 1.1 of the ERA Statement of Work.

"R" is defined in Section 1.1 of the ERA Statement of Work.

"RCA" is defined in Section 2 of Attachment A to Schedule 7.1.

"RCW" means the Revised Code of Washington.

"Receiving Party" is defined in Section 12.2.

"Review Period" is defined in Section 3.2.2.
"Risk" means any condition which, if realized will become an Issue.

"RFP" is referenced in the Recitals, and includes all updates and supplements to the originally-issued RFP, along with all clarifications and additional information provided by DRS.

"RFP Response" means Prime Vendor’s response to a DRS request for proposal, including any supplements and clarifications thereto. Without limiting the foregoing and with respect to the ERA Project, the RFP Response includes the following Prime Vendor submissions: __________ and __________ [DRAFTING NOTE: LIST EACH OF THE RFP SUPPLEMENTS AND RESPONSES].

"RTM" is defined in Section 1.5 of the ERA Statement of Work.

"Security Breach Notification Statutes" means laws regulating the disclosure and/or security of Personal Information such as laws requiring, among other things, that notice be given to affected individuals if a breach of security occurs in respect of Personal Information.

"Security Event" is defined in Section 12.8.2.

"Security Policies and Procedures" is defined in Section 1.3.7.

"Security Requirements" is defined in Section 10 of Attachment A to Exhibit 4.

"Service Rates" are defined in Section 8.3.2 and are set forth in Schedule 8.3.2.

"Services" means any and all services acquired by DRS from Prime Vendor, including any and all implementation services, Support and Maintenance Services, development services, data conversion or migration services, integration services, training and education services, consulting services and transition services.

"SIT," and "SIT Test1" are defined in Section 6.2.4.2 of the ERA Statement of Work.

"SME" means a subject matter expert, and for the ERA Project, is defined in Section 4.2.2 of the ERA Statement of Work.

"Software" means all software licensed or provided by Prime Vendor to DRS, including: (a) all Prime Vendor-proprietary software (including Interfaces owned by Prime Vendor); (b) all Extensions, Interfaces and other software-based Deliverables provided by Prime Vendor to DRS; (c) all Third Party Software, including all Interfaces, Extensions and custom developments provided by DRS and owned by the applicable Third Party; (d) all beta, pre-release or pre-generally available release versions of software; and (e) all Enhancements to the software described in the foregoing.

"Software License Fees" is defined in Section 8.1.1.

"Solution" means the Software or technology solution provided by Prime Vendor to DRS, as applicable and as the context so provides.
"Solution Component Certification" is defined in Section 6.7.

"Solution Design Document" means any functional design document(s) resulting from the completion of discovery, data gathering and design activities and that are agreed to in writing by the parties.

"Solution Module" means a component of the Solution.

"Source Code" is defined in Section 1 of Attachment A to Exhibit 4.


"Specifications" is defined in Section 7 of Attachment A to Exhibit 4.

"SSO" is defined in Section 5.5.2 of the ERA Statement of Work.

"Stabilization Period" is defined in Section 6.4.

"Standard Transactions" is defined in Section 5.6.3 of the Statement of Work.

"State" means the state of Washington.

"State Data" means any and all information provided by DRS or any Agency to Prime Vendor, including any Confidential Information and Data Protected by Law

"Statement of Work" is defined in Section 5.2.1.

"Storage Unit" is defined in Section 1.2(d) of Exhibit 4.

"Subcontract Agreement," "Subcontractor NDA Agreement" and "Subcontractor" are defined in Exhibit 2.

"Subcontractor Personnel" is defined in Section 4 of Schedule 2.2 of Exhibit 2.

"Supplemental Deposits" is defined in Section 1.1 of Exhibit 4.

"Support and Maintenance Services" is defined in Section 7.1.

"Support and Maintenance Services Fees" means the then-current fees DRS pays Prime Vendor to receive Support and Maintenance Services.

"System" means the combination of Software and Equipment provided by Prime Vendor to DRS.

"System Optimization Assessment" is defined in Section 1.8 of Schedule 7.1.
"TA" – See definition of Agreement.

"Test Materials" is defined in Section 6.2.

"Test Plan" is defined in Section 6.2.

"Third Party" or "Third Parties" means persons, corporations and entities other than Prime Vendor, DRS or any of their Affiliates.

"Third Party NDA Agreement" is defined in Exhibit 3.

"Third Party Software" means all Third Party software licensed, sublicensed or otherwise provided by Prime Vendor to DRS under the terms of the Agreement.

"Third Party Solution Provider" is defined in the opening paragraph of Attachment A to Schedule 7.1.

"Time-Intensive Transactions" is defined in Section 5.6.3 of the ERA Statement of Work.

"Traffic Management Methodologies" is defined in Section 11 of Attachment A to Exhibit 4.

"Transition Period" is defined in Section 10.5.

"UAT" is defined in Section 6.2.5.1 of the ERA Statement of Work.

"Underlying Agreement" is defined in the Recitals of Exhibit 4.

"Updated Project Documents" is defined in Section 1.7 of the ERA Statement of Work.

"Vacancy" means a circumstance in which Prime Vendor does not have a specific individual fully performing the responsibility of the applicable Key Personnel position. A Vacancy includes Prime Vendor’s failure to provide a replacement within the time frames specified in Section 5.4.4. Additionally, if Prime Vendor has a single person performing more than one (1) full-time position, a Vacancy will have occurred.

"Verification Location" is defined in Section 2.2 of Attachment E to Exhibit 4.

"Version" is defined in Section 1.2.1 of Schedule 7.1.

"Workbooks" is defined in Section 4.1.3 of the ERA Statement of Work.
SCHEDULE 3.2.3
CERTIFICATION FORM
CERTIFICATION OF DELIVERABLES AND CRITICAL MILESTONES

Deliverable Name: ______________________ : Deliverable Number: _____________

Critical Milestone Name: ______________ : Critical Milestone Number: ____________

Check One:

☐ DRS certifies that the Certification Criteria for the above referenced Deliverable or Critical Milestone have been fully met.

☐ DRS certifies that the Certification Criteria for the above referenced Deliverable or Critical Milestone have been partially met as follows, and the balance of the Certification Criteria shall be met according to the Compliance Plan, a copy of which is attached to this Certification Form.

Certification Criteria Met: _____________________________
____________________________
____________________________

Certification Criteria Not Met: __________________________
(Must Attach an Agreed to Compliance Plan)

To be effective against DRS, this form must be signed by the DRS Project Director (or her or his designee as communicated in writing by DRS to Prime Vendor).

Print Name: _________________, DRS Project Director
**SCHEDULE 5.3.2**

**CHANGE ORDER FORM**

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<thead>
<tr>
<th>Step 1: Change Request Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Change Order #:</td>
</tr>
<tr>
<td>Submitted By:</td>
</tr>
<tr>
<td>Phone # (Extension):</td>
</tr>
<tr>
<td>Date:</td>
</tr>
</tbody>
</table>

Describe the Nature of the Requested Change:

______________________________

______________________________

In-SCOPE vs. Out-of-SCOPE

Is this change within the Project Scope? Yes ___ No ___

If Yes, explain basis for determination: __________

<table>
<thead>
<tr>
<th>Step 2: Initiation Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written Response by Prime Vendor – Expected Date: __</td>
</tr>
<tr>
<td>DRS Signature: ___________________________ Date: ________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 3: Scope of Work, Impact Analysis and Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part I. Scope – Describe the Work to be Performed by Prime Vendor</td>
</tr>
<tr>
<td>(Attach Functional Specifications, As Applicable)</td>
</tr>
</tbody>
</table>

Describe the work to be performed by Prime Vendor:

______________________________

Will Prime Vendor develop and/or provide any Extensions, Interfaces or software-based Deliverables in performing its work? Yes ___ No ___
If Yes, Prime Vendor must propose a Support and Maintenance Services Fee, not to exceed 22% of the development fees, for Support and Maintenance Services, including the retrofitting and maintaining compatibility of such Extensions, Interfaces and Deliverables.

**Part II. Impact Analysis**

A. Impact on Critical Milestone Due Dates or Deliverable Due Dates? Yes __ No __

Comments/Explanation:

____________________________________

____________________________________

B. Impact on Other Milestone/Key Dates or Deliverables? Yes __ No __

Comments/Explanation:

____________________________________

____________________________________

C. Impact on DRS' Resources? Yes __ No __

Comments/Explanation:

____________________________________

____________________________________

D. Update to Project Agreement or Contract Supplements: If there are new or revised functional specifications applicable to this Change Order, or you answered "yes" to any of the above items, you will need to update and attach to this Change Order one (1) or more of the following documents (check which ones are applicable).

- [ ] Statement of Work
- [ ] Project Schedule
- [ ] Joint Resource Plan
- [ ] Payment Schedule
- [ ] DRS Business and Technical Requirements (New and Revised)
- [ ] Other (Please Specify) __________________________
### Part III. Fees and Payment Terms

**A. Fixed Fee Quote:** $ ____

Specify payments terms: ____________________________________________________________

**B. Time and Materials** – If a Fixed Fee quote is not reasonably possible, check here ____

**C. No Charges Applicable to this Change Order – Prime Vendor to Initial Here** ______

**D. Interfaces/Extensions – Ongoing Support and Maintenance Services Fees:**

$______/year (not to exceed 22% of the development costs)

### Part IV. Prime Vendor Signature

**Submitted by: Prime Vendor**

By: ______________________________ Date: ______________

Authorized Signature

Print Name: ______________________________

### Part V. Approval of Change Order by DRS

Selection of Fee Arrangement: (Check Appropriate Box)

- [ ] Fixed Fee
- [ ] Time and Materials
- [ ] No Charge Change Order (Work is Considered Within Scope)

**Agreed To: Washington Department of Retirement Systems**

By: ______________________________ Date: ______________

Authorized Signature

Print Name: ______________________________
# SCHEDULE 7.1
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**SCHEDULE 7.1**

**SUPPORT AND MAINTENANCE SERVICES**

Prime Vendor shall provide Support and Maintenance Services for each System in accordance with its general support offering to its customers and the terms set forth in this Schedule, provided that, in the event of a conflict between Prime Vendor’s general support offering and the terms and conditions set forth in this Schedule, the terms and conditions of this Schedule shall control. The Services referenced herein shall be included within the Support and Maintenance Services Fees paid by DRS to Prime Vendor, except as otherwise expressly set forth herein. The terms of this Schedule 7.1 shall only apply during the term of the Agreement while DRS is paying for Support and Maintenance Services. Without limiting the foregoing, Prime Vendor shall provide Support and Maintenance Services for the Third Party Software that Prime Vendor licenses to DRS in accordance with the terms of this Schedule, including the terms set forth in Section 1.4 of this Schedule 7.1.

1. **Scope of Services.** Prime Vendor shall provide to DRS the Support and Maintenance Services described in this Schedule to ensure that the Solution and Equipment functions in accordance with the applicable Performance Standards and to address Incidents as they may arise from time-to-time.

1.1 **Defect and Incident Identification and Resolution.**

1.1.1 **Prime Vendor Customer Service Center.** Trained System specialists within Prime Vendor's Support and Maintenance Services team shall diagnose and resolve Incidents and Defects and ensure that consistent, high-quality and knowledgeable Support and Maintenance Services are provided to DRS. Action plans shall be developed with DRS until Incidents and Defects have been resolved or until further escalation is warranted. Prime Vendor shall provide "continuous support," which shall mean twenty-four (24) hours per day, seven (7) days per week, for Level 1 Incidents. Prime Vendor shall also provide "Operational Support" from Monday through Friday, 7:00 a.m. to 11:00 p.m., Pacific Time, to: (a) respond to and address Level 2 Incidents and Level 3 Incidents; and (b) provide telephone support to DRS-designated individuals. Telephone support shall include: (c) clarification of functions and features of the Solution and Equipment; (d) clarification of the Documentation; (e) guidance in operation of the Solution and Equipment (i.e., tips, suggestions and workarounds), and the level of such telephone support shall be consistent with the parties’ past practices; and (f) additional Services that are outside of the scope of the Support and Maintenance Services described herein, provided DRS approves electronically any such Service request (or determines to perform the work itself and closes the service request), and any such Services shall be provided at the Service Rates.

1.1.2 **Upgrade Assistance.** At DRS’ request, and at the Service Rates, Prime Vendor shall provide on-site assistance to DRS to implement Enhancements.
1.2 **Solution Enhancements.**

1.2.1 **General.** Prime Vendor shall provide all Enhancements to DRS, and shall develop and provide to DRS all Enhancements necessary to: (a) maintain compatibility with all Third Party Software, including Enhancements to such Third Party Software; (b) maintain compatibility with current, generally available versions of Internet Explorer, Chrome, Firefox, Safari, and other browsers to which Prime Vendor then maintains compatibility (as described in the Documentation) or that are specified in the DRS Business and Technical Requirements to which Prime Vendor has agreed in a Project Agreement or Contract Supplement; and (c) maintain compatibility with changes to database, operating system and other software used by DRS in conjunction with the Solution (as described in the Documentation). To the extent technically feasible and functionally compatible, Prime Vendor shall maintain compatibility between the Solution and the latest releases of software of Third Party vendors, e.g., Prime Vendor shall maintain the Solution’s compatibility with then-current release level of applicable database products in DRS’ environment. Prime Vendor shall ensure that all Enhancements successfully complete the testing process set forth in Section 1.2.2 of this Schedule 7.1 prior to delivery to DRS and shall deliver such Enhancements to DRS on the earlier of: (d) when five percent (5%) of Prime Vendor’s customers receive such Enhancements; or (e) when at least five (5) of Prime Vendor’s other significant customers receive such Enhancements. Notwithstanding the foregoing, DRS shall have the right to remain on any Release of the Solution that is the later of: (f) one (1) Release behind the then-current release; or (g) twenty-four (24) months from the installation of the existing release. For purposes herein, Releases are classified by Prime Vendor as of the Effective Date in accordance with the following taxonomy: "X.Y", where "X" represents a new version (a "Version") and "Y" represents a new release (a "Release"). Releases currently are issued generally on an annual basis. If Prime Vendor changes the taxonomy of its Enhancements and/or the general time intervals in issuing Releases, then the parties shall apply the new taxonomy on a basis to align to the original taxonomy. For example, if Prime Vendor begins to issue Releases quarterly, then subsection (c) above will be deemed to read "8 Releases behind" to align with the annual cycle, i.e., 4 Releases/year x 2 years = 8 Releases. Subject to the right of DRS to remain on back Releases as provided above, DRS acknowledges that future Enhancements may require that DRS purchase additional equipment and/or Third Party software (and to have such items supported and maintained) and/or professional Services in order to continue to be eligible for Support and Maintenance Services and/or maintain the System Performance warranty.

1.2.2 **Quality Assurance Testing.** Prime Vendor shall create and maintain one (1) or more test environments as appropriate or advisable to adequately test the Solution provided under the ERA Project Agreement (and such other Solutions in the future as may be mutually agreed to by the parties and set forth in a Project Agreement or Contract Supplement) and any Enhancements. Prime Vendor shall test each Enhancement in the test environment prior to delivery to DRS in accordance with Prime Vendor’s quality assurance process which, at a minimum, shall test for: (a) vulnerabilities and compliance with security obligations, including running OWASP tests, which test results shall be provided to DRS; (b) operation and performance of the Enhancement in accordance with the applicable Performance Standards; (c) browser compatibility in accordance with Section 1.2.1(b) of this Schedule 7.1; (d) database and operating system compatibility in accordance
with Section 1.2.1(c) of this Schedule 7.1; and (e) any regression problems using existing DRS usage and test cases and test data. Prime Vendor shall correct any Defects and other non-conformities discovered during such testing and shall deliver each Enhancement to DRS only after such Enhancement has been approved by Prime Vendor’s quality assurance lead. Prime Vendor also shall deliver or make available to DRS contemporaneously with the delivery of each Enhancement detailed Documentation describing such Enhancement. With respect to any Enhancement labeled in writing by Prime Vendor as an emergency fix intended to correct a Level 1 Defect or Level 2 Defect, Prime Vendor shall exercise all commercially reasonable efforts to test such emergency fix in accordance with the requirements of this Section, and in all events shall conduct sufficient and adequate regression testing.

(i) Special Provisions Relating To Quality Assurance of Enhancements. If, after Prime Vendor delivers the Enhancement to DRS, DRS experiences Level 1 Defects or Level 2 Defects in an Enhancement ("Enhancement Defects") that have not been resolved in a reasonable time by Prime Vendor’s standard Support and Maintenance procedures, then Prime Vendor shall provide the following personnel and shall comply by the following terms, at no additional cost to DRS (including weekends) until the Enhancement Defects are fully debugged and corrected:

(A) Prime Vendor shall provide one (1) on-site appropriate technical representative from Prime Vendor’s development/engineering group on a continuous basis to assist DRS in debugging and correcting any Enhancement Defects.

(B) Prime Vendor will assign a Senior Project Director to oversee and assist the testing and debugging of any Enhancement Defects. The Senior Project Director and the appropriate additional technical personnel Prime Vendor assigns will be referred to as the "Prime Vendor Enhancement Correction Team."

(C) DRS and the Prime Vendor Enhancement Correction Team will have daily status update conference calls until the Enhancement Defects are resolved.

(D) If Enhancement Defects exist and cannot be resolved for a period of one (1) week or more, the matter shall be escalated via daily conference calls to Prime Vendor’s head of engineering, to facilitate closure of such items.

(E) If required to debug and correct the Enhancement Defects, Prime Vendor will provide additional on-site engineering and technical services.

(ii) Costs for Personnel. If the reported Enhancement Defect (through a root cause analysis or otherwise) is shown not to be a Defect in the Enhancement or Solution, then DRS shall reimburse Prime Vendor on a time and materials basis at the Service Rates for the personnel and
expenses incurred in providing the personnel set forth in subparagraph (i) above.

1.2.3 Process Improvement. At DRS' request, Prime Vendor shall provide to DRS a detailed description of Prime Vendor’s quality assurance process and/or a plan for improving or remediying any problems identified by DRS with respect to Prime Vendor’s quality assurance process.

1.2.4 Special Provisions Pertaining to Deliverables Including Interfaces. As part of Prime Vendor's Support and Maintenance Services and at no additional cost to DRS, Prime Vendor shall retrofit any then-existing Deliverables, including custom-developed Interfaces for which DRS is paying Support and Maintenance Services Fees, to ensure that such then-existing Deliverables will be compatible with any Enhancements provided by Prime Vendor, and continue to function and operate as originally designed. By way of example, if DRS has an Interface to Version 1.0 of a Prime Vendor product (not licensed by Prime Vendor to DRS), and Prime Vendor has made Version 2.0 available but DRS has not yet installed Version 2.0, then Prime Vendor must develop the new Enhancement to accommodate and meet the requirements of Version 1.0 and not Version 2.0. The requirement to code to Version 1.0 shall apply even though Prime Vendor may generally be developing the Enhancement for its other customers at the Version 2.0 level. If Prime Vendor is retrofitting the Enhancement at the Version 1.0 level only for DRS (i.e., all of Prime Vendor’s other customers are using Prime Vendor Version 2.0 and the Enhancement is not being used for any other customer at the Version 1.0 level), and DRS later wants to migrate to Version 2.0, then the cost of such migration (but not the cost of the Interface if Prime Vendor made Version 2.0 of the Interface available to Prime Vendor’s other customers without charge) shall be chargeable at the Service Rates and shall be authorized under a Project Agreement, Contract Supplement or other ordering document.

1.2.5 Obligation to Improve and Enhance the Solution. Subject to DRS obtaining Support and Maintenance Services Prime Vendor shall make general improvements and enhancements to the Solution from time-to-time to extend the capabilities, functionality and features of the System, provided that the nature, extent and timing of all such improvements and enhancements shall be in Prime Vendor’s sole discretion. If Prime Vendor discontinues improving and enhancing the Solution as required in the preceding sentence, then Prime Vendor shall provide to DRS and implement, at no additional Software License Fees to DRS, the successor or replacement product (whether or not such product is owned by Prime Vendor) that is substantially equivalent to the affected Solution in terms of functionality and performance capabilities and reasonably acceptable to DRS, and such replacement product shall be treated as an Enhancement under the terms of the Agreement.

1.2.6 Reductions in Functionality. If Prime Vendor removes, reduces or disables any feature or functionality of a Solution that is then being used by DRS and that existed prior to such Enhancement or modification, then at DRS' request and at no cost or expense to DRS, Prime Vendor shall either: (a) provide substantially equivalent replacement functionality to DRS that is reasonably acceptable to DRS; or (b) modify, adjust or customize such Solution for DRS' use, and continue to provide Support and Maintenance Services for such modi-
fied or customized Solution, so that the applicable feature or functionality remains available to DRS along with all of the other features and functionality of the enhanced or modified Solution, provided such replacement or modified or customized Solution shall be treated as an Enhancement under the terms of the Agreement. DRS acknowledges that Prime Vendor may introduce an Enhancement that changes how a feature or function is expressed or used in the Solution, and, provided that the feature or function is not removed, reduced or disabled, such Enhancement may require that DRS expend additional costs or expenses to implement such Enhancement.

1.2.7 Protection Against Product Obsolescence. If within fifteen (15) years following Project Completion for the affected Solution, Prime Vendor promotes and/or markets a replacement or successor product to the Solution or makes an infrastructure change, such as a change to the database, middleware, storage area networks and the like, the effect of which will require DRS to expend additional funds (each, a "Product Migration"), then Prime Vendor shall provide DRS: (a) at no additional cost a license to the replacement or successor Solution; and (b) credits ("Product Migration Credits") equal to the fees paid by DRS to Prime Vendor for Services paid under a Project Agreement or Contract Supplement in the following amounts:

<table>
<thead>
<tr>
<th>Elapsed Time from Project Completion</th>
<th>Product Migration Credit Based on Percentage of Fees Paid under the Project Agreement or Contract Supplement</th>
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</thead>
<tbody>
<tr>
<td>0 to 7 years</td>
<td>100%</td>
</tr>
<tr>
<td>&gt; 7 – 10 years</td>
<td>60%</td>
</tr>
<tr>
<td>&gt; 10 – 12 years</td>
<td>40%</td>
</tr>
<tr>
<td>&gt; 12 – 15 years</td>
<td>20%</td>
</tr>
</tbody>
</table>

Product Migration Credits shall not accrue when the Product Migration is the result of a discontinuation of a product line by or the ceasing of business operations of a Third Party. DRS shall have the right to apply the Product Migration Credits as a set off against any amounts due, or to become due to Prime Vendor under the Agreement, or, at DRS' option, DRS shall have the right to apply such Product Migration Credits toward the purchase of equipment, software and services from Prime Vendor.

1.2.8 Enhancement Documentation. Without limiting the other obligations set forth herein, all Documentation for the Enhancements shall comply with the terms set forth in Section 3.4 of the Agreement.

1.3 Third Party Software and Equipment.

1.3.1 General. Prime Vendor shall serve as the primary point of contact for, and shall provide the Defect Analysis for, any Support and Maintenance Services requests initiated by DRS that relate to Third Party Software and, if Equipment supplied by Prime Vendor to DRS is then covered under warranty or Equipment Maintenance, the Equipment. If Prime Vendor cannot resolve the De-
fect through its actions as an intermediary, Prime Vendor shall facilitate direct contact between the Third Party and DRS.

1.3.2 Registration. If registration of Prime Vendor customers is available by the Third Party product vendor, Prime Vendor shall register DRS with such Third Party product vendor. Upon request by DRS, Prime Vendor shall produce evidence of such registration.

1.4 Support and Maintenance Services History Tracking System. Prime Vendor shall maintain a DRS-specific Support and Maintenance Services history, including updated records of DRS' System configuration. Prime Vendor shall provide DRS and state of Washington auditors with online access to and the ability to extract all such data from Prime Vendor's online issue management system ("OIMS"), which shall provide, at a minimum, the following information: (a) the number of DRS calls received by Prime Vendor's customer support center ("CSC") during the reporting period; (b) the date, time and the subject matter of each call; (c) the severity and urgency of the reported Incident or request; and (d) the resolution of each matter, including date and time resolved. All data history and other data related to DRS, its Affiliates and their Authorized Users residing in Prime Vendor’s OIMS or other support tools or trouble ticketing systems shall be and constitute data owned by DRS.

1.5 Environments. Prime Vendor shall be obligated to provide Support and Maintenance Services at no additional cost to DRS for all of the equipment configurations specified in a Project Agreement or Contract Supplement or Prime Vendor’s Documentation.

1.6 Alternative Arrangement for Support and Maintenance Services. To the extent DRS elects not to renew the Support and Maintenance Services on an annual or other term basis due to a complete or partial termination of the Agreement, provided that DRS is then operating on a supported release of the Solution, Prime Vendor shall make its general support services available to DRS on a month-to-month basis at the then-current Support and Maintenance Services Fees, pro-rated on a monthly basis.

1.7 System Optimization Assessment. At DRS' request and at no additional cost to DRS, Prime Vendor and DRS jointly shall conduct an annual audit comprising approximately one (1) week of work effort (involving both on-site and off-site presence) of DRS' use of the System, the purpose of which shall be to identify opportunities for improving and maximizing DRS' utilization of the System ("System Optimization Assessment"). Upon the completion of such assessment, the Prime Vendor Executive Sponsor and Prime Vendor Account Executive and other appropriate Prime Vendor representatives shall present Prime Vendor’s findings to DRS at DRS' location.

1.8 Information Technology Infrastructure Library. Prime Vendor has and will continue to implement best practices standards in service management. Prime Vendor's current practices are based on the Information Technology Infrastructure Library ("ITIL"). The anticipated benefits from the ITIL approach include: (a) increased user and customer satisfaction with Services provided; (b) improved Service availability which leads directly to improved business performance; (c) financial savings from reduced rework and lost time, and improved personnel management and usage; (d) improved responsiveness to the market; and (d) improved decision making and optimized risk. At the request of DRS, Prime Vendor shall meet with DRS to evaluate Prime Vendor's im-
plementation of the ITILs so that further improvements can be made by Prime Vendor, including identifying any gaps in the Services as against the best practices. Prime Vendor shall implement programs and initiatives as may be agreed to by the parties.

1.9 Multi-Vendor Sourced Environment. Prime Vendor acknowledges that the Solution is being deployed as one of several components of DRS’ total technology environment. As such, Vendor shall cooperate with DRS and all Third Parties that have services and/or products in DRS’ technology environment, including as set forth in Attachment A to this Schedule 7.1, to minimize the disruptions, Incidents and Defects within DRS’ technology environment and interfaced Third Party systems.

2. DRS Responsibilities.

2.1 Designated Support Contacts. DRS shall designate one (1) or more system administrators to serve as the primary DRS contacts for Prime Vendor’s Support and Maintenance Services. DRS agrees to establish working procedures and be responsible for establishing a centralized support help desk, including training of appropriate personnel to provide end-user first-level support. Prime Vendor agrees to provide and be responsible for second- and third-level support of the Solution through the CSC and development organizations.

2.2 Backups and Procedures. For Solutions operated by DRS, DRS will be responsible for maintaining a testing environment and for performing all necessary backups, recovery and required System operating procedures. Support and Maintenance Services Fees do not include Incident or Defect resolution that are caused by DRS not following Prime Vendor’s recommended procedures as specified in the Documentation.

2.3 Remote Access. Subject to the further terms below, for Solutions operated by DRS, DRS shall provide Prime Vendor with both on-site and remote access to the System via the network configuration described in the DRS only section of the Prime Vendor website. DRS shall be responsible for all telecommunication services and remote programming support connections charges. When accessing DRS’ System, Prime Vendor shall, and shall cause any approved subcontractor to, comply with DRS Policies. DRS may disconnect such access and/or disable any userids issued to Prime Vendor for such access during any hours of operation and, thereafter, shall provide notice to Prime Vendor of such disconnection or disablement within a reasonable time frame. If DRS disconnects such access or disables Prime Vendor’s passwords, Prime Vendor shall remain responsible for maintaining and supporting the System, provided that DRS acknowledges that such disconnection or disablement may adversely affect the Defect resolution time frames set forth in Section 4 of this Schedule 7.1 and the ability of Prime Vendor to deliver technical services to address the Issues or problems.

2.4 DRS Assistance in Resolving Defects. DRS shall provide such assistance and cooperate with Prime Vendor in helping to identify and address Defects. With respect to Level 1 Defects, DRS acknowledges that such assistance and cooperation may involve the reversion to a prior copy or instance of Solution.

3. Incident Response.

3.1 Defined Terms Relating to Incidents and Defects. The following defined terms have the meanings referenced herein:
"Defect" means any non-conformance of the Solution to operate in accordance with the Documentation, or the System to operate in accordance with the Performance Standards.

"Final Resolution" means Prime Vendor delivers to DRS a correction or modification that permanently corrects the Defect, or non-Defect-based Incidents, a permanent solution that ensures the Incident will not be repeated.

"Incident" means any Level 1 Incident, Level 2 Incident or Level 3 Incident.

"Incident Response" means a fax, email, update to the OIMS or telephone call from Prime Vendor acknowledging that an Incident Report has been received and that appropriate technical personnel have been assigned to work on the Incident.

"Interim Resolution" means Prime Vendor: (a) reinitiates or restarts, as applicable, the System, if the reported Defect caused the System to be inoperative; (b) enables DRS to access the System or Solution, as applicable, if the reported Defect caused DRS to be unable to access the System or Solution; or (c) provides DRS with a workaround acceptable to DRS that solves or mitigates a reported Defect.

"Issue" means any event, problem, difficulty, circumstance or Defect which affects or may affect the System or the operation of the System by DRS.

"Level 1 Defect" means any Level 1 Incident that results from or is caused by a Defect.

"Level 2 Defect" means any Level 2 Incident that results from or is caused by a Defect.

"Level 3 Defect" means any Level 3 Incident that results from or is caused by a Defect.

"Level 1 Incident" means: (a) any failure of a System or any part thereof to conform to the Documentation or Performance Standards that directly or significantly impacts the ability to use the System, or materially exposes DRS or its Authorized Users to liability because of operational, financial or information deficiencies; or (b) a Service Request that is urgent.

"Level 2 Incident" means: (a) any failure of a System or any part thereof to conform to the Documentation or Performance Standards that adversely affects DRS' or its Authorized Users' use of the System; or (b) a Service Request that is of an important, but not urgent, nature.

"Level 3 Incident" means: (a) any failure of a System or any part thereof to conform to the Documentation or Performance Standards that causes minor problems to occur with the System that can be circumvented without difficulty or disruption to DRS' or its Authorized Users' operations; or (b) a Service Request that relates to a nominal matter that does not need prompt attention.
3.2 **Incident and Defect Levels.** DRS shall classify, or reclassify, as applicable, all Incidents and/or Defects as Level 1, Level 2 or Level 3 Incidents and/or Defects, as applicable. Prime Vendor shall honor DRS’ classification. If subsequently Prime Vendor disagrees on the classification of any Incident or Defect, such dispute shall be escalated for resolution in accordance with the procedures set forth in Article 13 of the Agreement.

3.3 **Reporting and Management of Incidents.** Reports of Incidents (an "Incident Report") shall be made by DRS to the CSC. DRS may access the CSC through either the OIMS, or, for Level 1 Incidents, by telephone 24 hours per day, 7 days per week to report such failures. The CSC shall log the reported Incident and provide DRS with an Incident tracking number to refer to when making follow-up inquiries. The Incident Report shall contain: (a) the date and time of the call; (b) the name of the product and the version or release number; (c) the name/type of affected Equipment; (d) the DRS contact name, e-mail address if available, telephone number and fax number; and (e) a description of the Incident and DRS' classification of the Incident. DRS shall provide Prime Vendor with as much information as possible to enable Prime Vendor to investigate and attempt to identify and verify the reported Issue. DRS shall work with Prime Vendor support personnel during the problem isolation process, as reasonably needed. Prime Vendor shall manage and maintain records with respect to the resolution of all reported Incidents ("Incident Resolution Report") and facilitate a status calls in accordance with current practices with DRS. Prime Vendor shall maintain the working history of Incident Reports and provide DRS with expected resolution dates, and, for Defects, a status of where the Defect correction is in the Prime Vendor correction and quality assurance process.

3.4 **Escalation Procedures.** Prime Vendor shall escalate Defects for which an Interim Resolution has not been provided through its Support and Maintenance Services organization in accordance with Prime Vendor’s standard escalation procedures.

4. **Support Standards and Support Credits.** Attachment B to this Schedule 7.1 sets forth the Support Standards and Support Credits that are applicable to the Support and Maintenance Services. The Support Credits are in addition to any other rights and remedies that may be available to DRS upon Prime Vendor’s failure to achieve the Support Standards set forth in Attachment B, including those set forth in Article 10 of the Agreement.
ATTACHMENT A TO SCHEDULE 7.1

MULTI-VENDOR SOURCING PROCEDURES

This Attachment describes the operational processes that will govern the interactions between Prime Vendor, DRS and Third Parties relating to the Interoperability of DRS’ systems ("Third Party Solution Provider"). Upon detecting an Incident, DRS will make an initial determination of whether the Incident relates to the BPMS Solution or a Third Party system. If DRS believes that the Incident relates to the BPMS Solution, DRS will notify Prime Vendor and Prime Vendor will respond and resolve the Incident as set forth in this Article. If DRS believes that the Incident relates to the BPMS Solution and a Third Party system ("Multi-Party Incident"), DRS will notify Prime Vendor of the applicable Third Party Solution Provider, and Prime Vendor and the Third Party Solution Provider will respond and facilitate closure of such Incident in accordance with the procedures set forth in this Attachment A.


(a) If DRS opens a ticket with Prime Vendor related to a Multi-Party Incident, Prime Vendor’s Help Desk will coordinate and cooperate with applicable Third Party Solution Provider as necessary to resolve the Incident or Defect. In order to resolve the Multi-Party Incident, Prime Vendor’s Help Desk shall proactively communicate with the Help Desks of the applicable Third Party Solution Provider, while notifying DRS in writing (including through e-mail) of the time and substance all such communications.

(b) Prime Vendor and the applicable Third Party Solution Provider will transfer and track calls sent to and from their respective Help Desks. All information needed by DRS to confirm the proper Help Desk pass offs from one desk to another will be made available to DRS at times and formats as mutually agreed upon by the parties.

2. Escalation Process. If a ticket related to a Multi-Party Incident is handed off by Prime Vendor to a Third Party Solution Provider and then returned by a Third Party Solution Provider to Prime Vendor, or a Third Party Solution Provider to Prime Vendor and then returned by Prime Vendor to a Third Party Solution Provider, the ticket will be escalated to DRS.

The following steps will be followed by both Prime Vendor and the Third Party Solution Provider to ensure cooperative and timely resolution of the ticket:

(a) A triage event will be scheduled to include representatives from Prime Vendor, the Third Party Solution Provider and DRS, if any Level 1 or Level 2 Incident is transferred (even once) back to the Help Desk that originally opened the ticket.

(b) If Prime Vendor and the applicable Third Party Solution Provider are unable to mutually determine the appropriate party responsible to resolve the ticket, DRS will have the right to assign it to either Prime Vendor the Third Party Solution Provider.
(c) If a Multi-Party Incident assigned to Prime Vendor for resolution by DRS is transferred to a Third Party Solution Provider and eventually determined through root cause analysis ("RCA") to be a Prime Vendor responsibility, for purposes of measuring Interim Resolution and Final Resolution times, the entire time the ticket was unresolved shall be used in the calculation (i.e., both the time that the ticket was with Prime Vendor and the Third Party Solution Provider). This will provide an incentive for all providers to resolve the ticket expeditiously.

(d) Without limiting the other terms of this Attachment, DRS may choose to have Prime Vendor conduct an RCA for any Multi-Party Incident.

3. Dispute Resolution and Alignment Process. In the process of monitoring and resolving Multi-Party Incidents the following dispute resolution or mutual alignment process will be invoked: Prime Vendor Account Executive, an DRS representative and the project executive for the applicable Third Party Solution Provider will meet as requested by DRS to resolve all issues. If they are unable to reach an agreement, the matter shall be referred to the Executive Sponsors for resolution.
ATTACHMENT B TO SCHEDULE 7.1

SUPPORT STANDARDS AND SUPPORT CREDITS

1. **Support Service Levels.** Set forth below are the Support and Maintenance Services service levels as well as personnel to be committed if Prime Vendor does not meet such service levels. A failure to meet such service levels or provide such personnel will entitle DRS to the Support Credits as described below.

2. **Incident Response Times.** The Support Standard categories and the related Support Standards set forth below shall apply to the CSC Incident Response obligations.

<table>
<thead>
<tr>
<th>Support Standard Category</th>
<th>Support Standard Description</th>
<th>Support Standards</th>
<th>Measurement Technique</th>
<th>Measurement Period</th>
<th>Support Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incident Response Level 1 Incidents</td>
<td>The time that lapses from when the Prime Vendor detects a potential Level 1 Incident, a DRS-designated interface leaves a voice mail message with the CSC, or from when the CSC receives a fax or an email from a DRS-designated interface, until a qualified technician from Prime Vendor has been assigned and is working the Level 1 Incident and a representative from Prime Vendor calls the DRS-designated representative to identify such individual.</td>
<td>100% of the time a qualified technician from Prime Vendor has been assigned and is working the Level 1 Incident within fifteen (15) minutes.</td>
<td>Call back response time will be determined with reference to DRS’ and the OIMS for the applicable month.</td>
<td>Each calendar day commencing on the Effective Date; reporting on a monthly basis.</td>
<td>If this Support Standard is not achieved during any given calendar month, then DRS shall receive Support Credits from Prime Vendor equal to a thirty percent (30%) reduction in the monthly Support and Maintenance Services Fees paid or payable by DRS for the applicable month.</td>
</tr>
<tr>
<td>Incident Response Level 2 Incidents</td>
<td>The time that lapses from when the Prime Vendor detects an Incident that qualifies as a Level 2 Incident, a DRS-designated interface leaves a voice mail message with the CSC, or from when the CSC receives a fax or an email from a DRS-designated interface, until a qualified technician from Prime Vendor has been assigned and is working the Level 2 Incident and a representative from Prime Vendor calls the DRS-designated representative to identify such.</td>
<td>100% of the time a qualified technician from Prime Vendor has been assigned and is working the Level 2 Incident within thirty (30) minutes.</td>
<td>Call back response time will be determined with reference to DRS’ and Prime Vendor’s support tracking applications and Support and Maintenance Services logs for the applicable month.</td>
<td>Each calendar day commencing on the Effective Date; reporting on a monthly basis.</td>
<td>If this Support Standard is not achieved during any given calendar month, then DRS shall receive Support Credits from Prime Vendor equal to a fifteen percent (15%) reduction in the monthly Support and Maintenance Services Fees paid or payable by DRS for the applicable month.</td>
</tr>
</tbody>
</table>
### Incident Response Level 3 Incidents

<table>
<thead>
<tr>
<th>Support Standard Category</th>
<th>Support Standard Description</th>
<th>Support Standards</th>
<th>Measurement Technique</th>
<th>Measurement Period</th>
<th>Support Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 3 Incidents</td>
<td>The time that lapses from when the Prime Vendor detects an Incident that qualifies as a Level 3 Incident, a DRS-designated interface leaves a voice mail message with the CSC, or when the CSC receives a fax or an email from a DRS-designated interface, until a qualified technician from Prime Vendor has been assigned and is working the Level 3 Incident and a representative from Prime Vendor calls the DRS-designated representative to identify such.</td>
<td>100% of the time a qualified technician from Prime Vendor has been assigned and is working the Level 3 Incident within twenty-four (24) hours.</td>
<td>Call back response time will be determined with reference to DRS’ and Prime Vendor’s support tracking applications and Support and Maintenance Services logs for the applicable month.</td>
<td>Each calendar day commencing on the Effective Date; reporting on a monthly basis.</td>
<td>If this Support Standard is not achieved during any given calendar month, then DRS shall receive Support Credits from Prime Vendor equal to a five percent (5%) reduction in the monthly Support and Maintenance Services Fees paid or payable by DRS for the applicable month.</td>
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</table>

#### 3. Defect Resolution

The Support Standard categories and the related Support Standards set forth below shall apply to Prime Vendor’s obligations to identify and resolve Defects reported to the CSC. In addition to the applicable Support Standards, Final Resolution Support Standards may require the commitment of on-site Prime Vendor personnel as further described below.

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<tbody>
<tr>
<td>Defect Resolution</td>
<td>One (1) hour</td>
<td>The time that lapses from when a Level 1 Defect is reported to the CSC or detected by the Prime Vendor until the Defect is resolved as an Interim Resolution or Final Resolution, as applicable.</td>
<td>100% of the time, an Interim Resolution (or, at Prime Vendor’s option, a Final Resolution), is provided within four (4) hours after being reported or detected.</td>
<td>100% of the time, a Final Resolution is provided within twenty-four (24) hours after being reported or detected. After twenty four (24) hours have passed, Final Resolution, Prime Vendor will send (at its expense) one (1) senior application expert and one (1) senior application programmer on-site at DRS on a seven (7) day a week basis until a Final Resolution is provided.</td>
<td>Defect resolution time frames will be determined with reference to DRS’ and the OIMS for the applicable month.</td>
<td>Each calendar day commencing on the Effective Date; reporting on a monthly basis.</td>
<td>If this Support Standard is not achieved during any given calendar month, then DRS shall receive Support Credits from Prime Vendor equal to a thirty percent (30%) reduction in the monthly Support and Maintenance Services Fees paid or payable by DRS for the applicable month.</td>
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<tr>
<td>Defect Resolution</td>
<td>Two (2) Hours</td>
<td>The time that lapses from when a Level 2 Defect is reported to the CSC or detected by the Prime Vendor until the Defect is resolved as an Interim Resolution or Final Resolution, as applicable.</td>
<td>100% of the time, an Interim Resolution (or, at Prime Vendor’s option, a Final Resolution), is provided within eight (8) hours after being reported or detected.</td>
<td>100% of the time, a Final Resolution is provided within sixty (60) days after being reported or detected. After sixty (60) days have passed without Final Resolution, Prime Vendor will send (at its expense) one (1) senior application expert and one (1) senior application programmer on-site at DRS on a five (5) day a week basis until a Final Resolution is provided.</td>
<td>Defect resolution time frames will be determined with reference to DRS’ and the OIMS for the applicable month.</td>
<td>Each calendar day commencing on the Effective Date; reporting on a monthly basis.</td>
<td>If this Support Standard is not achieved during any given calendar month, then DRS shall receive Support Credits from Prime Vendor equal to a fifteen percent (15%) reduction in the monthly Support and Maintenance Services Fees paid or payable by DRS for the applicable month.</td>
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<tr>
<td>Level 2 Defects</td>
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<tr>
<td>Defect Resolution</td>
<td>Twenty-four (24) Hours</td>
<td>The time that lapses from when a Level 3 Defect is reported to the CSC or detected by the Prime Vendor until the Defect is resolved as an Interim Resolution or Final Resolution, as applicable.</td>
<td>100% of the time, an Interim Resolution (or, at Prime Vendor’s option, a Final Resolution), is provided within forty-eight (48) hours after being reported or detected.</td>
<td>100% of the time, a Final Resolution is provided in the next Release.</td>
<td>Defect resolution time frames will be determined with reference to DRS’ and the OIMS for the applicable month.</td>
<td>Each calendar day commencing on the Effective Date; reporting on a monthly basis.</td>
<td>If this Support Standard is not achieved during any given calendar month, then DRS shall receive Support Credits from Prime Vendor equal to a five percent (5%) reduction in the monthly Support and Maintenance Services Fees paid or payable by DRS for the applicable month.</td>
</tr>
<tr>
<td>Level 3 Defects</td>
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</tbody>
</table>
**SCHEDULE 8.3.2**

**SERVICE RATES**

Service Rates as of the Effective Date:

<table>
<thead>
<tr>
<th>Category/Description</th>
<th>Prime Vendor List Hourly Rates</th>
<th>Hourly Services Rates DRS Discounted Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

There shall be no premium rates for overtime work.
SCHEDULE 8.4.1

FORM OF PRIME VENDOR INVOICE

(SEEN ATTACHED)
SCHEDULE 8.5

DRS TRAVEL POLICY

Air Travel - Air travel is limited to coach fare and a fourteen (14) day advance purchase unless otherwise approved in writing by DRS.

Car Rental – Auto rentals, not to exceed one full-size rental auto for every three (3) Prime Vendor personnel.

Transportation – Bus, train and taxi are reimbursed at cost. A personal car is reimbursed at the federal reimbursement allowance rates if the Prime Vendor personnel lives within two (2) hours of the site. If the drive is longer than two (2) hours, DRS will only reimburse up to the cost of the round-trip coach airfare.

Lodging – Single room accommodations, using DRS-preferred hotels, if available. For extended assignments, an apartment may be leased by Prime Vendor with prior written approval from DRS. Application fees and security deposits/cleaning fees are the responsibility of Prime Vendor. Reimbursement will not be granted for hotel reservation no shows. Prime Vendor is responsible for canceling hotel reservations.

Telephone – Business related telephone calls, only, will be reimbursed at cost. Personal calls are not reimbursable.

Food Allowance – A per diem rate for food is set forth in the Per Diem Rates section at http://www.ofm.wa.gov/resources/travel.asp.

Laundry – No laundry costs are reimbursable unless the trip is longer than five (5) or more consecutive nights.

Parking Fees/Tolls – Parking fees and tolls are reimbursed at cost if they are reasonable and documented. Rental cars are not to be stored at the airport long term paid parking facilities without prior approval of DRS.

Miscellaneous Business Expenses – Other expenses must be pre-approved in writing by DRS before they are considered for reimbursement.

Travel Locations – Travel to any location other than DRS must be approved in advance by DRS.

Other Travel Policy rules, limitations and restrictions are found at. In the event of a conflict or inconsistency between the terms in this Schedule and the policies found on the website, the terms of this Schedule shall control.
## SCHEDULE 15.3.1

### INSURANCE COVERAGES

<table>
<thead>
<tr>
<th>Type of Insurance Coverage</th>
<th>Minimum Policy Limits</th>
<th>Additional Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Occurrence/Claim</td>
<td>Annual Aggregate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>Per state law</td>
<td>Per state law</td>
</tr>
<tr>
<td></td>
<td>requirements</td>
<td>requirements</td>
</tr>
<tr>
<td>Employer's Liability</td>
<td>• Each Accident:</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td>$1,000,000</td>
<td>• Disease, Each Employee: $1,000,000</td>
</tr>
<tr>
<td></td>
<td>• Disease, Policy Limit: $1,000,000</td>
<td></td>
</tr>
<tr>
<td>Commercial General Liability</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Business Automobile Liability</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>Professional Liability/Errors &amp; Omissions and Internet Policies</td>
<td>$25,000,000</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>ID Theft and Cyber Extortion</td>
<td>$25,000,000</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Umbrella or Excess Liability</td>
<td>The greater of: (a) the fees due and to be due under the ERA Project Agreement; and (b) $50,000,000</td>
<td>The greater of: (a) the fees due and to be due under the ERA Project Agreement; and (b) $100,000,000</td>
</tr>
</tbody>
</table>
SCHEDULE 15.15

DRS POLICIES

(SEE THE CD INCLUDED IN THE CLOSING BOOK)
Appendix D.7 – Agency Policy

<table>
<thead>
<tr>
<th>DRS Policy Number</th>
<th>DRS Policy Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRS-ASD-OS-9</td>
<td>Lost or Stolen Property</td>
</tr>
<tr>
<td>DRS-GENL-4</td>
<td>Using Social Media For Agency Business</td>
</tr>
<tr>
<td>DRS-HR-1</td>
<td>Understanding Ethics in Public Service</td>
</tr>
<tr>
<td>DRS-HR-2</td>
<td>Preventing Workplace Harassment</td>
</tr>
<tr>
<td>DRS-HR-3</td>
<td>Reporting Improper Governmental Action (Whistleblower)</td>
</tr>
<tr>
<td>DRS-HR-4</td>
<td>Maintaining an Alcohol and Drug-Free Workplace</td>
</tr>
<tr>
<td>DRS-HR-6</td>
<td>Maintaining a Smoke-Free Environment</td>
</tr>
<tr>
<td>DRS-HR-OS-1</td>
<td>Controlling Keys at Point Plaza and Lambskin</td>
</tr>
<tr>
<td>DRS-HR-OS-7</td>
<td>Managing an Ergonomics Program</td>
</tr>
<tr>
<td>DRS-HR-S&amp;H-1</td>
<td>Preventing Violence in the Workplace</td>
</tr>
<tr>
<td>DRS-ISD-1</td>
<td>Using Electronic Communication Systems</td>
</tr>
<tr>
<td>DRS-ISD-2</td>
<td>Management of DRS E-Mail, Retention Period and Public Disclosure</td>
</tr>
<tr>
<td>DRS-ISD-3</td>
<td>Providing Information Technology Security</td>
</tr>
<tr>
<td>DRS-ISD-ITS-3</td>
<td>Using Wireless Communication Devices to Conduct DRS Business</td>
</tr>
<tr>
<td>DRS-ISD-ITS-5</td>
<td>Installing, Registering and Managing Software on Agency Owned Computers</td>
</tr>
<tr>
<td>DRS-ISD-ITS-7</td>
<td>Reporting Equipment, Software and System Problems</td>
</tr>
<tr>
<td>DRS-LEGAL-2</td>
<td>Protecting Customer Confidentiality</td>
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**DRS-ASD-OS-9 LOST OR STOLEN PROPERTY**

This policy is in accordance with the State Administrative & Accounting Manual, published by the Office of Financial Management (SAAM 30.40.80), and applies to all employees of the Department of Retirement Systems.

1. **Employees Are Responsible for All Equipment in Their Immediate Areas**

   Employees are responsible for immediately reporting lost or stolen state property.

2. **Employees Are Responsible for Completing a Property Disposal Request Form**

   When state property is determined to be lost or stolen, completion of a Property Disposal Request form is required.

**DRS-GENL-4 USING SOCIAL MEDIA FOR AGENCY BUSINESS**

This policy applies to all Department of Retirement Systems (DRS) Team Members.

**DEFINITION**

**Social Media** is an umbrella term encompassing various activities that integrate technology, social interaction and content creation. There are numerous forms of social media, such as blogs, wikis, photo and video sharing, podcasts, social networking, ideation, bookmarking, discussion boards, gamification, and virtual worlds. Examples of social media include, but are not limited to, Facebook, LinkedIn, Twitter, Blogger, YouTube, Flickr, Delicious, Wikipedia and IdeaScale.

1. **The Purpose of Policy is Defined**

   Social media tools are a powerful method of communication and are used by millions of individuals and groups to share information and connect with others. DRS will use social media tools and channels when appropriate to enhance communication and engagement with customers, partners, stakeholders, employers, team members and others to support its mission, key goals and core processes.

   This policy describes how the agency will use social media and gives DRS Team Members direction and guidelines for proper use of social media while at work and outside the workplace.

2. **Management of DRS Social Media Accounts is Described**

   The DRS Communications Team, at the direction of the Communications Director or designee(s), is responsible for establishing and supervising all social media accounts for the agency. These accounts are considered agency tools. Individual Team Members may not establish a DRS-sponsored social media account without approval from the Communications Director.
The DRS Communications Team, at the direction of the Communications Director or designee(s), is responsible for establishing, monitoring and administering policies for appropriate conduct, content, security, and records retention on all social media accounts for the agency.

The posting and maintenance of content on DRS-sponsored social media accounts is limited to Social Media Representatives designated by the Communications Director. Only Social Media Representatives are permitted to log on and/or contribute content to DRS-sponsored social media accounts. Social media account management shall take place during paid work hours using state equipment.

3. Team Member Access to Social Media is Defined

DRS Team Members may view (but not log on to) social media for professional use. Professional use is defined as furthering specific job responsibilities or promoting professional development. Reasonable use in this manner is permitted.

If a Team Member requires logon access to a social media site to accomplish a specific task related to agency business, the logon must be pre-approved by his or her Appointing Authority or by the Communications Director.

DRS Team Members may view the agency’s social media accounts for the purpose of staying informed of DRS external communications. Reasonable use in this manner is permitted.

In accordance with DRS Policies Understanding Ethics in Public Service and Using Electronic Communication Systems, no Team Member may use state resources, including but not limited to work time, computers, and software programs such as Internet and e-mail for the purposes of viewing, logging on or posting to non-work related social media. There is no de minimis personal use of social media allowed.

4. Team Member Obligations Regarding Personal Use of Social Media Are Outlined

DRS takes no position on Team Members’ personal use of social media outside the workplace (that is, using their own time and their own resources). It is the agency’s obligation, however, to inform all Team Members of their responsibilities regarding communications involving the agency, its employees and its customers on personal social media sites:

a. Team Members Cannot Represent DRS on Personal Social Media Sites

No Team Member may, or represent that they do, speak on behalf of the agency on a personal social media site except as authorized by the Communications Director and in the course of their official capacity as a DRS Team Member. Team Members who mention DRS as their employer on a personal media site should identify any views they express as theirs alone and not representative of the views of the agency.

b. Disclosure of Confidential Agency Information Is Prohibited

A DRS Team Member may not post confidential or private information about the agency, Team Members or DRS customers on any social media site. Team Members should avoid sharing any media which may include confidential or private information (for example, reports on desks or
computer screens in the background). The sharing of private or confidential information is subject to disciplinary action up to and including Dismissal.

c. Conduct of Agency Business on Personal Social Media Sites Is Prohibited

Agency business is to be performed during established work hours using agency resources. Team Members must not conduct agency business or discuss work-related issues on personal social media sites.

d. Use of DRS Name, Logo and Media is Strictly Limited

While a Team Member may list DRS as his or her employer on a personal social media site, use of the DRS logo is prohibited. Use of other agency media (for example, photos, images or video) is not appropriate without specific permission from the Communications Director. Use of the agency’s name and/or logo to promote personal causes, outside employment, personal political beliefs, etc., on a social media site is also prohibited.

5. Personal Legal Responsibility is Defined

DRS Team Members should be aware that an individual is legally responsible for anything he or she posts or writes on a personal social media site. A Team Member may be disciplined for commentary, content or images that are defamatory, proprietary, harassing or libelous to the agency or that create a hostile work environment as outlined in DRS Policy Preventing Workplace Harassment.

DRS Team Members should also be aware that they may be subject to personal legal action if an individual personally views the commentary, content or images as defamatory, harassing or libelous or as creating a hostile work environment.

6. Best Practices Are Recommended

Common sense and sound judgment are usually the best tools in avoiding problems. The following best practices are highly recommended for any DRS Team Member who utilizes social media for personal use:

- **Be respectful.** Individuals should be thoughtful in personal posts and respectful of how other people in your work and personal life may be affected or viewed by those who read your posts. When disagreeing with others’ opinions, keep it appropriate and polite.

- **Honor others’ privacy.** If you plan on posting photos you have taken of work-related events and activities, be courteous by checking first with co-workers who are in the picture. Not everyone wants their photo displayed on the Internet.

- **Strive for accuracy.** Make sure you have your facts straight before posting.

- **Correct errors quickly.** If you make a mistake, admit it. Be upfront and quickly provide the correct information. If appropriate, modify an earlier post to make it clear that you have corrected an error.

- **Be aware of your DRS association.** If you identify yourself as a DRS Team Member or have a public facing position for which your DRS association is known to the general public, ensure your profile and related content (even if it is
of a personal and not an official nature) is consistent with how you wish to present yourself as a DRS professional, appropriate with the public trust associated with your position.

- **Have no expectation of privacy.** It’s social media, after all. Remember that posts in the social media world are or can easily be made available to the public at-large. Keep in mind that what you publish will be widely accessible for some time and, in some cases, indefinitely.

### DRS-HR-1 UNDERSTANDING ETHICS IN PUBLIC SERVICE

This policy applies to all Department of Retirement Systems (DRS) employees.

#### DEFINITIONS

**Family member** – The employee’s spouse, registered domestic partner, child, stepchild, foster child, grandchild, parent, grandparent, sibling, aunt, uncle, niece, nephew, cousin, and relatives by marriage or former marriage.

**Honorarium** – Money or something of economic value that is offered to an employee for providing a speech, appearance, article or other similar item or activity in connection with his or her official duties.

**Hosted reception** – A social function involving a diverse group of people, some of whom are regulated and/or provide goods and services to the agency and others who are not, that does not involve a sit-down meal.

**Household members** – Persons who reside in the same home who have reciprocal duties to and do provide financial support for one another. Does not include persons sharing the same house when the living style is that of a dormitory or other type of shared dwelling.

**Person** – Any individual, partnership, association, corporation, firm, institution or other entity, whether or not operated for profit.

**Personal benefit or gain** – The use of a state resource, available to an individual only because he or she is a state employee, to benefit him or her personally or avoid a personal cost or expense. Examples include, but are not limited to:

- Using the state SCAN system to make a personal long-distance call;
- Using hotel/motel reward points earned during official travel for personal travel (if the employee participated in the selection of the hotel/motel used during official travel);
- Receiving a government rate for a hotel while not on official business; (unless the rate is offered to all government employees, whether or not they are on official business),
- Using a state computer to shop online; and/or
- Using state e-mail to send or receive information regarding personal interests (e.g., home remodel, car repairs, utility issues, etc.).
**Regulatory agency** – Any state board, commission, department or officer authorized by law to conduct adjudicative proceedings, issue permits or licenses, or to control or affect interests of identified persons.

**State resources** – Includes, but is not limited to: work time, computers, software programs (including e-mail and Internet), SCAN, telephones, employees, copiers, fax machines, office supplies, furniture, postage, vehicles, publications, and facilities.

1. **Purpose of Policy Is Defined**

As public employees, all DRS employees are expected to demonstrate the highest standard of fairness, honesty, and compliance with both the spirit and the letter of the law in the performance of their job duties. It is the responsibility of every DRS employee to understand their obligations regarding ethical behavior and to conduct themselves in a fair, impartial, and ethical manner.

2. **Specific Actions Are Restricted**

2a. **Conflicts of Interest** ([RCW 42.52.020](#))

A DRS employee may not use his or her job to gain special privileges, financial benefits or other advantages for themselves, their family members or their friends.

To eliminate even the perception of a conflict of interest, a DRS employee cannot provide service or perform any functions involving changing of data, processing of information, or conducting business transactions for family members, household members, or individuals with whom he or she has a significant personal relationship.

No DRS employee will perform any transaction involving his or her own personnel information (with the exception of updates allowed through a self-service option available to all state employees), agency record or retirement account, no matter how insignificant the transaction may seem.

2b. **Use of State Resources for Personal Benefit and/or Gain** ([RCW 42.52.160](#))

No employee may use state resources under his or her control, direction, or in his or her official custody for personal benefit or gain. The *de minimis* standard regarding the use of state resources does not apply when those resources are used to benefit an employee personally or avoid a personal cost or expense.

2c. **Acceptance of Gifts** ([RCW 42.52.140](#))

A DRS employee may not ask for, receive or agree to receive anything of value – either directly or indirectly – for doing his or her job or if it could be perceived to influence or reward his or her vote, judgment, action, or inaction. Additionally, an employee may not accept compensation from or participate in a business relationship with a person or vendor that is regulated by, has a contract with or is seeking to provide goods and services to the agency.
Food and Beverage (EEO Advisory Opinions 96-02 and 96-06)
A DRS employee is free to accept unsolicited token beverage items, such as water, coffee, tea or juice while performing official duties, provided the unsolicited items are generally made available by the business, free of charge, to its own employees, customers, and visitors.

At no time may a DRS employee accept gifts of food or beverage from persons or vendors who are engaged in regulatory or contractual matters with the agency or are seeking to provide goods and services to the agency.

In certain circumstances, a DRS employee may accept a gift of food and/or beverage. These circumstances are limited to:

- Food and/or beverage received as part of training paid for by the agency;
- Infrequent offers of food and/or beverage as part of the ordinary course of a meal where attendance is related to the performance of official duties (provided the donor is not engaged in regulatory or contractual matters with the agency); or
- Food and/or beverage provided as part of a hosted reception.

2d. Acceptance of Honoraria (RCW 42.52.130)

Unless specifically authorized by the Director or designee, an employee cannot accept an honorarium for a speech or article given in connection with his or her official DRS duties.

2e. Political Activities (RCW 42.52.180)

No employee may use state resources, either directly or indirectly, for the purpose of assisting a campaign for election of a person to an office, for the promotion of or opposition to a ballot proposition, or to view or discuss his or her own political beliefs. Any employee with the authority to direct, control, or influence the actions of other employees may not knowingly acquiesce to the use of state resources to carry out political activities.

2f. Transactions with the State (RCW 42.52.040)

Except in the course of official duties, a DRS employee may not assist another person, whether compensated or not, in a transaction with the state in which he or she participated.

No employee, even in his or her official DRS capacity, may participate in a transaction with a person or entity with which he or she is also an employee, member, or in which he or she owns a beneficial interest.

2g. Employment After Public Service (RCW 42.52.080)

No former DRS employee may accept an offer of employment or receive compensation from an employer if:

- He or she knows or has reason to believe that the offer was intended, completely or in part, directly or indirectly, to influence the performance of his or her job duties; or
• The circumstances would lead a reasonable person to believe the offer was made or compensation given for the purpose of influencing the performance or non-performance of his or her job duties during his or her state employment.

2.g.1 One-Year Restriction

A former DRS employee may not accept employment or compensation from an employer within one year of termination of state employment if all three of the following conditions are present:

• The DRS employee, during the two years immediately preceding termination of state employment, negotiated or administered contracts for the state and/or agency with that employer or was in a position to make discretionary decisions regarding the negotiation or administration of such contracts;
• The contract(s) had a total value in excess of $10,000; and
• The duties which the former DRS employee would be required to perform for the new employer would include fulfilling or implementing those same contracts.

2.g.2 Two-Year Restriction

For the two-year period following his or her termination of state employment, a former DRS employee cannot have a beneficial interest, either direct or indirect, in a contract which was expressly authorized or funded by specific legislative or executive branch action in which he or she participated.

DRS will not willingly or knowingly do business with a former state employee who is or has been in violation of this policy or if doing so would cause either of the parties to be in violation of Chapter 42.52 RCW.

3. Disclosure of Confidential Information Is Explained

No DRS employee may disclose confidential information to any person not entitled to or authorized to receive it or for his or her personal benefit or gain or to benefit another person.

An employee may not accept employment or engage in a business or professional activity that he or she reasonably expects would cause him or her to make an unauthorized disclosure of confidential information accessible to him or her due to employment with DRS.

A DRS employee may not intentionally conceal a record if he or she knew it was required to be released under Chapter 42.52 RCW, had a personal obligation to release it and failed to do so.

4. Issues Are Reported
If an employee becomes aware of a potential violation of any portion of this policy, he or she will promptly report it to his or her immediate supervisor or the Human Resources Manager or designee (see DRS-HR-1.1 Reporting Potential Policy Violations). All reports will be immediately investigated by the Human Resources Manager or designee and findings reported to the Director or designee.

An employee also has the right to file a complaint with the Executive Ethics Board (RCW 42.52.410).

5. Training Will Be Provided

All new employees will be made aware of this policy during New Employee Orientation. This policy and procedure will be available on the DRS intranet for employees, volunteers, and contractors. It will also be made available to the public upon request.

**DRS-HR-2 PREVENTING WORKPLACE HARASSMENT**

This policy applies to all Department of Retirement Systems (DRS) employees.

DRS is committed to providing all individuals with a working environment free from harassment, intimidation and discrimination. Harassment is considered misconduct, undermining the integrity of the employment or contract relationship and detrimental to the worker(s) to whom it occurs, debilitating morale, and interfering with the work productivity of its victim(s) and co-worker(s).

Harassment of any individual, as defined below, is prohibited and will not be tolerated in the workplace.

1. **Workplace Harassment Is Defined**

1.a. Harassment

Unlawful, unwelcome, or unprofessional conduct toward or about an individual based on their age, color, creed, disability, marital or familial status, national origin, political activity, race, religion, sex, sexual orientation, or genetic information constitutes harassment if it unreasonably interferes with an individual’s work performance or creates an intimidating, hostile or offensive work environment.

1. b. Sexual Harassment

Behavior that is sexual in nature, which is unwelcome and personally offensive to the recipient of the action. Sexual harassment is defined and prohibited by state and federal anti-discrimination laws where:

   a. Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual’s employment;

   b. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual (quid pro quo); or
c. Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive working environment.

2. Harassing Behavior Is Prohibited

Prohibited behavior includes, but is not limited to:

a. Unwelcome touching, including hugs, shoulder rubs, or repeatedly brushing against someone;
b. Blocking or impeding someone’s movement;
c. Dirty jokes, sexually suggestive comments, pictures, cartoons, diagrams or objects, obscene gestures or sexual innuendo;
d. Unwelcome staring, leering, winking or suggestive looks;
e. Excessive unwanted attention, such as flowers, personal letters and notes, or compliments;
f. Unwelcome and repeated requests for sexual favors or social contact, whistling and catcalls;
g. Rumors; and/or
h. Jokes, teasing, name-calling, pranks, or otherwise inappropriate behavior that reflects bias.

Individuals who believe they are being subjected to harassing behavior are encouraged to notify the person, either verbally or in writing, that their conduct is unwelcome.

3. Reporting Incidents of Workplace Harassment Is Required

Any individual who observes, becomes aware of, or who has been or is being subjected to workplace harassment must promptly report the behavior to their supervisor or the Human Resources Manager or designee immediately.

Individuals who believe they have been or are being subjected to harassment in the workplace also have the right to file a complaint with the Washington State Human Rights Commission or the federal Equal Employment Opportunity Commission.

4. Supervisors’ Responsibilities Are Defined

Every supervisor must take reasonable steps to prevent harassment from occurring in the workplace. This includes, but is not limited to:

- Promoting and encouraging a working environment that is free from harassment and discrimination;
- Modeling the behavior expected of staff;
- Ensuring his or her staff are aware of this policy and the procedure for reporting allegations of workplace harassment; and
- Take prompt action to stop inappropriate behavior.
Should a supervisor become aware of alleged workplace harassment, he or she must promptly notify the Human Resources Manager/designee.

5. **Investigations Are Conducted by the Human Resources Manager and/or Designee**

All reports of workplace harassment will be promptly investigated by the Human Resources Manager and/or designee. Prompt, remedial action will be taken to address unlawful behavior.

Investigative procedures may vary depending on the nature and extent of the reported behavior and the context in which the alleged behavior occurred.

6. **Employees Will Cooperate in All Phases of the Investigative Process**

In order to properly investigate a complaint of workplace harassment, DRS employees will cooperate with the Human Resources Manager and/or designee in all phases of the investigative process.

7. **Confidentiality Is Maintained to the Fullest Extent Possible**

Although a guarantee of confidentiality or anonymity cannot be made, discretion will be exercised in all aspects of the reporting and investigative process. Information about the complainant and respondent and the incidents giving rise to the complaint will be revealed only as investigatory and disciplinary processes require.

8. **Retaliation Against Individuals for Reporting Workplace Harassment Is Prohibited**

No individual will be discriminated or retaliated against for reporting workplace harassment or for providing information as part of an investigative process. The agency will take prompt, appropriate corrective or disciplinary action for acts of retaliation.

9. **Awareness Training Is Required**

All new employees will be made aware of this policy and the procedure for reporting allegations of workplace harassment during New Employee Orientation. Contractors and volunteers with DRS will be made aware of the policy and the requirement for compliance. This policy and procedure will be available on the DRS intranet and will also be made available to the public upon request.

DRS will provide training for all employees on workplace harassment awareness and prevention. New employees will complete training within the first six months of employment. Refresher training for staff and supervisors will be provided in accordance with state requirements.

**DRS-HR-3 REPORTING IMPROPER GOVERNMENTAL ACTION (WHISTLEBLOWER)**

This policy applies to all Department of Retirement Systems (DRS) employees.
DEFINITIONS

**Good faith** – A state government employee providing the information or report of improper governmental action has a reasonable basis in fact for reporting and providing the information, is not knowingly reporting malicious, false or frivolous information, is not providing information with a reckless disregard for the truth, is not knowingly omitting relevant information, and is acting in good faith.

**Gross mismanagement** – The exercise of management responsibilities in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.

**Gross waste of funds** – To spend, use funds, or to allow funds to be used without valuable result in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.

**Improper governmental action** – Any action by a state government employee undertaken in the performance of his or her official duties which:

1. Is a gross waste of public funds or resources;
2. Is in violation of federal or state law or rule, if the violation is not merely technical or of a minimum nature;
3. Is of substantial and specific danger to the public health or safety;
4. Is gross mismanagement; or
5. Prevents the dissemination of scientific opinion or alters technical findings without scientifically valid justification, unless state law or a common law privilege prohibits disclosure.

Improper governmental action does not include personnel actions for which other remedies exist, any action which may be taken under chapter 41.06 RCW, or other disciplinary action except as provided in chapter 42.40.030 RCW.

**Use of official authority or influence** – Includes threatening, taking, directing others to take, recommending, processing or approving any personnel action such as an appointment, promotion, transfer, assignment (including but not limited to duties and office location), reassignment, reinstatement, restoration, reemployment, performance evaluation, determining any material changes in pay, provision of training or benefits, tolerance of a hostile work environment, or any adverse action under chapter 41.06 RCW, or other disciplinary action.

**Public official** – The attorney general’s designee or designees; the director of DRS; the DRS human resources manager; or the executive ethics board.

**Whistleblower** – A state government employee who:

1. In good faith, reports an allegation of improper governmental action to the auditor or other public official, initiating an investigation; or
2. Is perceived by the employer, whether they did or did not, as reporting alleged improper governmental action to the auditor or other public official or providing information in connection with an investigation; or

3. In good faith identifies rules warranting review or provides information to the rules review committee, or is perceived to have done so but has not.

1. Allegations of Improper Governmental Action Are Reported

Any state government employee may report an assertion of improper governmental action through the Whistleblower Program or to a public official. The written report must be received within one year of the occurrence of the asserted action. A public official receiving an assertion of improper governmental action must report it to the State Auditor’s Office within 15 calendar days of receipt.

The written report should include:

- A detailed description of the improper governmental action(s);
- The name(s) of the employee(s) involved;
- The agency, division, date and location where the action(s) occurred;
- If known, the specific law or regulation that has been violated;
- Any other details, such as witnesses, documents and evidence, to assist the State Auditor in conducting an investigation; and
- The whistleblower’s name, home address, and phone number (optional).

State law requires the identity or identifying characteristics of the whistleblower be kept confidential at all times, unless the person consents to disclosure by written waiver or by acknowledging his or her identity as a witness who provides information in an investigation.

2. State Auditor’s Office Determines Scope of Investigation

3. Workplace Reprisal or Retaliatory Action Is Prohibited

Workplace reprisal or retaliatory action against an employee who, in good faith, reports or provides information during an investigation into an allegation of an improper governmental action is strictly prohibited.

No employee may use his or her official authority or influence to intimidate, threaten, coerce, command or influence the right of an individual to disclose allegations of an improper governmental action to the State Auditor.

4. Summary of Whistleblower Act Is Provided to Staff

Human Resources will provide every new DRS employee that is first entering public employment with a written summary of the Whistleblower Act and a copy of this policy. Notification of the procedures and protections of the Whistleblower Act will be provided to all DRS employees on an annual basis.
DRS-HR-4 MAINTAINING AN ALCOHOL AND DRUG-FREE WORKPLACE

This policy applies to all Department of Retirement Systems (DRS) employees.

1. DRS is Committed to Maintaining an Alcohol and Drug-Free Workplace

DRS is committed to providing employees with a safe and healthful work environment free from the presence, use and effects of alcohol and other drugs. DRS will not tolerate the unlawful use, possession, solicitation, purchase, delivery, dispensing, distribution, manufacture or sale of drugs or alcohol in state vehicles, on agency premises or while on official DRS business.

2. Employees Must Be Fit for Duty

All employees are required to report for work in a condition fit to perform their duties, unimpaired by alcohol and/or drugs. During working hours, employees shall not use, consume or be under the influence of alcohol and/or drugs that may impair their job performance.

A supervisor or manager who believes an employee is impaired by drugs and/or alcohol or has engaged in prohibited activities must immediately relieve the employee of his or her job duties and notify the Human Resources Manager and the appropriate chain-of-command. An employee who has reason to believe another employee is impaired by drugs and/or alcohol or has engaged in prohibited activities on the job must notify his or her supervisor or the Human Resources Manager immediately.

3. Use of Medication May Require Supervisory Notification

An employee taking physician-prescribed or over-the-counter medication that has a likelihood of affecting job safety or performance must notify his or her supervisor that he or she is taking a medication and of its possible side effects.

4. Referral to Employee Assistance Program May Be Offered

Except in the case of drug delivery, solicitation or sale, an employee with a drug and/or alcohol problem will be referred to the Employee Assistance Program (EAP). A referral to the EAP will not impede the agency’s ability to take appropriate action against an employee who violates this policy.

DRS-HR-6 MAINTAINING A SMOKE-FREE ENVIRONMENT

This policy applies to all Department of Retirement Systems (DRS) employees.

DEFINITION

Smoking – The inhaling, exhaling, burning or carrying of any lighted, smoking equipment, including cigarettes, cigars or pipes.
1. Smoking Is Prohibited in All DRS Facilities

There is no smoking in any building owned, leased, rented or controlled by DRS.

2. Smoking Is Prohibited in All State Vehicles

3. Smoking Is Limited to Established Breaks and Lunch Periods in Designated Outside Areas

Smoking is not allowed in close proximity to any entryway, air intake, or other opening that may allow airflow directly into an office.

4. Reimbursement May Be Available to DRS Employees Who Participate in a Smoking Cessation Program

A DRS employee may receive reimbursement of up to $75 for costs associated with participation in a smoking cessation program. Reimbursement is limited to a one-time basis per employee. Proof of attendance or participation must be provided to receive reimbursement. Reimbursement is not available for persons working under a personal or purchased services contract or persons performing volunteer work for DRS.

**DRS-HR-OS-1 CONTROLLING KEYS AT POINT PLAZA AND LAMBSKIN**

This policy applies to all DRS employees who work in the Point Plaza and Lambskin buildings receiving exterior and interior door keys and card keys. The policy is to protect DRS staff and building contents.

1. **Deputy Director and Assistant Directors Determine Need for Assigning Keys to Staff Members**

Permanently assigned keys and the level of access for a card key will be assigned to appropriate staff, the janitorial service, the building owner, and the fire department after approval by the Assistant Director for Administrative Services and the Deputy Director.

2. **Office Services Administers Key Distribution and Maintains Records**

The Office Services Unit will issue exterior door and interior door keys and card keys to designated DRS staff.

The Office Services Manager or designee will record pertinent information on a "Key Log Sheet" or in the card key system before issuing a key to a staff member Controlling Point Plaza and Lambskin Exterior and Interior Door Keys and Building Key Check-Out Sheet).

The Key Log Sheet and card key system will be maintained by Office Services in the appropriate software application.

3. **Master Key and Spare Keys Are Kept by Office Services**
All pass/master key and spare keys are maintained by the Office Services Manager in a locked key box in a secure area.

4. Additional Keys May Be Ordered

If additional keys are required, the Manager, Administrator, or Section Supervisor must complete a "DRS Goods or Service Request" (DRS Form 108001). All requests for additional keys must be approved by the Deputy Director or the Assistant Director for Administrative Services using the criteria in section 1.

5. Keys Can Be Duplicated by Office Services Manager

The Office Services Manager or designee is the only person authorized to have additional keys made.

6. Lost or Stolen Keys Must Be Reported Immediately

All DRS staff members will immediately inform the Office Services Manager when they suspect or have knowledge that their exterior door or interior door key has been lost, misplaced, or stolen. Reporting Lost, Stolen, or Misplaced Keys). The Office Services Manager will notify DRS’s Internal Auditor and the Assistant Director for Administrative Services.

7. Staff May Be Charged for Lost or Stolen Keys

The security and safety of our employees and equipment is top priority. In recognition of the fact that lost/stolen keys may compromise our security/safety and that they result in increased administrative costs, employees may be charged the full replacement cost for any lost conventional key or for any lost card key. Additionally, disciplinary action may be taken after a second loss by the same employee.

8. Loaning of Permanently Assigned Keys Is Not Permitted

9. Staff Working Outside Normal Working Hours Should Take Precautions

Any staff member working outside of normal working hours should take the following precautions:

- Ensure that door closes and locks securely as you leave the building.
- Park and lock your vehicle as close to the entrances of the buildings as possible.
- If you don't know an individual wanting entrance into the building, don't let them in.
- If something makes you uneasy about your safety, call the Tumwater Police Department by dialing 9-911.

**DRS-HR-OS-7 MANAGING AN ERGONOMICS PROGRAM**

This policy applies to all Department of Retirement Systems (DRS) employees.
DEFINITION

**Ergonomics** – The science of fitting the work environment to the employee to reduce repetitive motion and other potential injuries in the workplace.

1. **Purpose of Program Is Defined**

Employee health and safety is important to DRS. The ergonomics program is designed to reduce risk factors in the workplace that may result in injury to employees.

2. **Ergonomic Assessments Are Requested Through Supervisor/Manager**

Any DRS employee may request an ergonomic assessment. The request must be made through the immediate supervisor/manager, who will contact Human Resources to schedule an assessment.

3. **Report Will Be Provided**

Upon completion of the assessment, Human Resources will provide a signed report to the immediate supervisor/manager that includes findings and recommendations for improvements, if any. A copy of the report will also be provided to the division's Assistant Director.

The immediate supervisor/manager is responsible for reviewing the report with the employee, implementing appropriate ergonomic recommendations, if any, and coordinating with Fiscal staff on the purchase of necessary equipment such as footrests, wrist rests, or document holders. All equipment purchase requests will be in accordance with DRS Policy.

4. **Medical Documentation May Be Required**

An employee may be required to provide documentation of medical necessity before equipment or furniture is purchased. Requests for standing workstations or ergonomic chairs will require documentation from a licensed health care practitioner certifying the request is due to medical necessity.

5. **Human Resources Will Coordinate Requests Due to Medical Necessity**

Equipment and furniture purchases or workstation adjustments due to documented medical necessity will be coordinated by the Human Resources Office.

6. **Follow-up Will Be Conducted**

Human Resources staff will conduct a follow-up with the employee after ergonomic recommendations have been implemented to evaluate the effectiveness of the changes for the employee.

7. **Human Resources Staff Will Be Trained**
All Human Resources staff involved in ergonomic assessments will receive training from the Department of Labor and Industries or other appropriate vendor.

**DRS-HR-S&H-1 PREVENTING VIOLENCE IN THE WORKPLACE**

This policy applies to all Department of Retirement Systems (DRS) employees.

**DEFINITION**

**Workplace** – State office, facility, work site, vehicle or location where an employee conducts state business.

1. **Purpose of Policy is Defined**

DRS is committed to providing a safe working environment that is free from violence, threats and/or intimidation. Violent behavior is unacceptable in the workplace and will not be tolerated.

Violent behavior includes, but is not limited to:

- Intentional actions that cause physical harm or injury to another person;
- Written or verbal comments or threats, whether direct or implied, that create a reasonable belief of an intent to inflict physical harm to a person or property;
- Harassment or the display of violent or threatening behavior that may result in physical or emotional injury; and/or
- Conduct that arouses fear, hostility, or intimidation.

DRS is also committed to providing support and assistance for any employee who is or who has a family member who is a victim of domestic violence, sexual assault, or stalking.

2. **Incidents of Violent Behavior Must Be Reported**

Any employee who observes or is subjected to violent behavior in the workplace must report the incident to his or her supervisor or the Human Resources Manager/designee immediately.

If an employee has a personal protection order in place against another individual that prohibits contact in the workplace, the employee must inform the Human Resources Manager/designee immediately. The protection order will be managed in a confidential manner and shared only with individuals who have a need to know (e.g., front desk reception, facilities, management).

An employee who is the victim of domestic violence, sexual assault or stalking is strongly encouraged to inform his or her supervisor or the Human Resources Manager/designee so security measures and a safety plan can be put in place.

3. **Reports of Workplace Violence Will be investigated**
All reports of workplace violence will be promptly investigated by the Human Resources Manager/designee. Prompt, remedial action will be taken to address unlawful behavior and/or to remove any threat of immediate danger.

Investigative procedures may vary depending on the nature and extent of the reported behavior and the context in which the alleged behavior occurred.

In order to properly investigate a complaint of workplace violence, DRS employees will cooperate with the Human Resources Manager/designee during all phases of the investigative process. No individual will be discriminated or retaliated against for reporting violent behavior or for providing information as part of an investigative process. The agency will take prompt, appropriate corrective or disciplinary action for acts of retaliation.

4. Support and Resources Will be Provided

The Human Resources Office will provide a list of available resources to victims and witnesses of workplace and/or domestic violence. Resources for employees who are perpetrators of domestic violence will also be provided.

DRS will ensure that reasonable efforts will be made, in accordance with applicable rules and statutes, for an employee who is, or who has a family member who is the victim of domestic violence, sexual assault or stalking, to make arrangements for obtaining medical treatment, counseling, legal assistance, to leave the area, or to create a safer situation for themselves and/or their family members. Efforts may include, but are not limited to, adjusting work schedules and/or granting the use of accrued paid leave or leave without pay. Verification may be required to support the use of leave.

5. Firearms Are Not Permitted on Agency Premises

Individuals are prohibited from carrying and/or possessing firearms or other dangerous weapons in any facility owned or leased by DRS. A facility is defined as the physical building and surrounding grounds, including the designated parking lot.

**DRS-ISD-1 USING ELECTRONIC COMMUNICATION SYSTEMS**

This policy applies to all Department of Retirement Systems (DRS) employees.

DRS employees are responsible for using agency electronic communication systems (ECS) resources in an ethical, lawful, responsible and non-discriminatory manner. As set forth in this policy, every DRS employee is responsible for communications generated, responded to, sent or posted under his or her network ID. Employees should have no expectation of privacy in the use of agency ECS.

**DEFINITIONS**

**Agency electronic communication systems (ECS)** – ECS include, but are not limited to, any electronic media that is used to generate, transmit, display, reproduce or store communications for business purposes. Such electronic media include, but are not limited to:
• personal computers;
• portable laptop computers;
• software;
• e-mail systems;
• telephones;
• voicemail systems;
• facsimile (fax) machines; and
• other electronic message systems which store and transmit communications, including
  the Internet and related resources.

_De minimis use_ – Five minutes or less and infrequent, not every day.

**Internet** – Internet means the connection to and use of interconnected networks in the public and private domains to access the World Wide Web, e-mail, file transfer protocols, and other state network resources.

1. **Permissible Use Is Outlined**

In accordance with [WAC 292-110-010](#), permissible use of ECS is defined as communications that are reasonably related to the conduct of official state business.

Permissible use of ECS is broken into three categories:

- Business;
- Agency-approved activities; and
- Authorized, _de minimis_ personal use.

A DRS employee may make _de minimis_ personal use of ECS resources if the subject matter is not related to activities listed as prohibited in this policy and such use:

- Results in little or no cost to the state;
- Does not interfere with the performance of official duties;
- Is brief in duration and frequency;
- Does not distract from the conduct of state business; and
- Does not compromise the security of state information or software.

2. **Prohibited Use Is Outlined**

The use of agency ECS is prohibited:

- For the purpose of conducting outside business, private employment or other activities conducted for private financial gain;
- To support or promote the interests of or solicit for any outside organization, charity, or group unless provided for by law and authorized by the agency Director or designee;
- To assist a campaign for election of a person to office or the promotion of or opposition to a ballot proposition;
• To participate in or assist in an effort to lobby the state legislature or a state agency head;
• To promote personal political beliefs or religious affiliations;
• To engage in personal online bill paying activities; or
• To engage in any conduct that is prohibited by federal or state law or agency policy.

3. Form Must Be Completed

Every DRS employee will complete and sign the Use of the DRS Internet Access Acknowledgement form, documenting his or her understanding of appropriate and authorized use of agency ECS as described in this policy. The supervisor will ensure the policy has been reviewed with the employee and all questions have been answered satisfactorily.

4. Employees Responsible to Maintain Security

DRS will attempt to provide ECS that are secure for business purposes. However, all users should be aware that ECS are vulnerable to interception and to security violations. In an attempt to maintain security of data created, received, stored, etc., on ECS, all DRS employees are responsible to:

• Establish and protect confidential passwords and/or access codes that are used to gain access to ECS (e.g., network ID, e-mail, voicemail, screensaver);
• Access only messages intended for their review; and
• Notify the appropriate supervisor if they believe their password or access code has been compromised and immediately change the password/code.

Supervisors are responsible to ensure proper employee use of ECS. Supervisors may access any communication system used by an employee to carry out business functions and may request a log of activity if necessary.

5. Take Appropriate Precautions When Using Electronic Communication Systems

Employees need to take appropriate precautions before requesting or transmitting privileged information and messages. Disclosure of privileged information may occur unintentionally or inadvertently if an unauthorized user gains access to agency ECS. Disclosure may also occur when messages are forwarded to unauthorized users, directed to the wrong recipient, or printed in a common area where others can read the messages.

Employees should be aware that it is possible for those outside state government to identify them as visitors to an Internet site. Employees should always exercise conservative judgment in selecting the sites they visit when accessing information on the Internet.

When using Internet services, employees should be aware that certain electronic documents, which potentially include e-mail messages composed or transmitted on the DRS network or the Internet, may constitute public records. Public records must be retained in accordance with RCW and WAC requirements and may be disclosed to requesters.
6. Downloading Software or Files via the Internet for Personal Use Is Prohibited

Downloading of business-related software or files must be arranged through the Help Desk.

7. Information Is Stored According to Established Standards

DRS will maintain information stored on ECS in accordance with retention schedules approved by the Office of the Secretary of State and the agency.

The ability to monitor employee use of ECS exists within the agency and at the Department of Information Services. Electronic access to an employee’s e-mail, computer hard drive, network files and/or Internet use may be authorized for Human Resources staff for investigatory purposes, as necessary. Additionally, the Internet is a public communications medium and can be monitored by anyone who chooses to monitor Internet traffic.

DRS may restrict use of, or limit access to, the Internet using gateways and proxy servers, by group, or on an individual by individual basis.

**DRS-ISD-2 MANAGEMENT OF DRS E-MAIL, RETENTION PERIOD AND PUBLIC DISCLOSURE**

This policy applies to all Department of Retirement Systems (DRS) employees. As set forth in this policy, each individual will take responsibility for the management of his/her own communications generated, responded to, sent, or posted within the DRS network or to the Internet.

**DEFINITIONS**

For purposes of this policy:

**Attachments:** Attachments include any file type that can be inserted directly into an e-mail message for distribution. (Examples: Word files, Excel files and Power Point presentations.)

**Electronic Communications:** ECs include any communication that has been generated, responded to, sent, or posted within the DRS network or to the Internet.

**Internet:** Internet means the connection to and use of interconnected networks in the public and private domains to access the World Wide Web, e-mail, file transfer protocols, and other state network resources.

**Computer Virus:** A program that disrupts the normal operation of a computer.

**Computer Hoax:** A warning message concerning a computer virus that does not exist, sent to generate a large volume of e-mail or cause users to delete needed files on their computers. (Examples: chain letters and fraudulent schemes.)
Junk Mail: This is electronic mail that is unsolicited and sent for the purpose of selling the recipient goods, services, or properties. These can also include get-rich quick schemes, questionable products or pornography.

1. E-mail Ethics for the Agency Are Defined

E-mail communications to and from all parties will be in compliance with policy. Using Electronic Communication Systems, and established in accordance with WAC 292-110-010, Use of State Resources.

DRS employees shall not transmit or store messages that contain or promote any of the following:

- Discrimination on the basis of age, race, color, gender, creed, marital status, national origin, disability, or sexual orientation.
- Harassment.
- Copyright infringement.
- An employee's personal political beliefs or personal business interests.
- Any activity that is prohibited by federal, state or local law, or department policy.

2. E-mail Received From Customers Shall be Handled in Accordance With Correspondence Guidelines

- Logged in as correspondence.
- Responded to within the time limits for general correspondence.
- File under the same guidelines as correspondence.

3. Employees Are Advised of Unprotected Messages

Employees are advised that messages sent:

- Cannot be protected from unauthorized access caused by:
  - Employee failure to maintain password/code security Activation and User of Agency Passwords).
  - Devices (on site or off site) logged onto the system but left unattended by employee.
- May be forwarded to others by a recipient.
- May be printed in a location where individuals other than the intended recipient may view the messages.
- May be directed to the wrong recipient.
- May be subject to Public Disclosure.

4. Others Viewing E-mail
Computer equipment and contents are property of DRS, not the employee, and may be accessed with management approval for business purposes, such as:

- Carry out required business functions.
- Investigation.
- Responding to requests for information under public disclosure laws, discovery rules or other pertinent laws.

DRS employees may grant voluntary privileges to others to view electronic messages, calendars, schedules or tasks lists.

5. E-mail Distribution Guidelines Are Established

Global Messages (mass distributions) - E-mail is a resource for global distribution of messages of significance, when appropriate - use discretion. Do not use "Reply All" for responding to global messages. Do not use e-mail distribution lists for personal use.

Attachments - Sending or receiving large files through the e-mail system can slow down routing and distribution. Discretion should be used when sending large (e.g. 1Megabytes) files through the e-mail system.

Computer Viruses and Hoaxes - It is not permissible to distribute or re-route mail of this kind.

Junk Mail - It is not permissible to distribute or re-route mail of this kind.

Under the Washington State Executive Ethics Board Web site [www.ethics.wa.gov](http://www.ethics.wa.gov), de minimus use examples are provided to clarify what is permissible and what is prohibited.

6. E-mail Disk Space Guidelines Are Established

Employees are responsible for deleting e-mail messages in a timely manner. In order to maintain system integrity, these guidelines should be followed:

- Conduct e-mail cleanup routinely.
- Unnecessary and unwanted e-mail messages should be deleted from these reserved folders as soon as possible:
  - Inbox
  - Deleted Items folder
  - Sent Items folder

The Information Technology Services (ITS) is responsible for taking proactive measures for permissible storage procedures. The ITS unit will do the following to promote effective e-mail management:

- Send out e-mail cleanup reminders periodically.
- Set e-mail disk storage space limits based on predetermined business needs. The following limits would apply:
  - Average user limit: 20Megabytes
Supervisors and Managers: 40Megabytes
Exceptional cases with approval: 100Megabytes

For each occurrence when an e-mail limit is exceeded, initially, an electronic warning is given and e-mail continues to function normally. After the first warning, if the size of the mailbox exceeds an additional 10Megabytes, then the individual's ability to send messages halts. Recovering e-mail disk space by removing messages or deleting other Outlook items, such as past calendar appointments, restores the ability to send e-mail messages.

In all cases the ability to receive e-mail messages will continue to function normally.

It is the employee's responsibility to maintain their e-mail to within the approved limits. Allocating e-mail storage space above the designated limit requires written authorization.

7. Guidelines for Archiving E-mail Are Established

DRS employees have two optional locations for saving e-mail that do not impact the size of their e-mail disk space:

1. Drives on the DRS network (backed-up nightly)
2. Outlook System Archives (no data backup support provided)

For long-term retention of business critical e-mail, messages should be saved to the network so they will be included in the tape backup process that is executed after close of business on each working day.

The Outlook System archives are located on the individual's PC. Since PCs are not included in the tape backup process, archived messages are at risk of being lost due to equipment failure at the desktop.

Employees should contact the Help Desk for archiving instructions and procedures.

8. E-mail Records Retention Requirements Are Defined

Electronic messages are Official Records

Certain electronic mail messages constitute public records which must be retained and preserved, and which may be publicly disclosed upon formal request.

8a. Records created through the use of the DRS systems are the property of the state of Washington.

8b. The content of all electronic messages sent by or received by DRS employees could be subject to public disclosure unless the content is specifically exempted by confidentiality statutes. The content of all electronic messages could also be disclosable under discovery rules during litigation or other pertinent laws.
8c. The content of some electronic messages sent by or received by DRS employees is subject to public record retention requirements.

8d. Electronic messages are under the primary control of the transmitter(s) and receiver(s) of the message.

8e. It is the responsibility of the user to retain and preserve any e-mail or attachment that may have a defined retention period in a location outside the e-mail system.

E-mail System Backup Cycles

DRS follows the Information Services, GS 14011 System and Database Backup Files General Records Retention Schedule GS 14.

The DRS backup cycle is nightly. Retention period for e-mail backup copies is two weeks. DRS is not required to retain tape backups beyond this legal requirement.

9. Requirements for Public Disclosure Requests Are Defined

E-mail may be subject to Public Disclosure requests, regardless of where the e-mail is saved. In the event of a Public Disclosure request, the agency is legally required to respond (RCW 42.17.250-348 and Chapter 415-06 WAC).

- All requests must be in writing.
- All requests that are not routine and operational in nature are processed through the DRS Legal Office.
- Coordination of retrieving e-mail messages in response to a request will occur under the direction of executive management.

DRS-ISD-3 PROVIDING INFORMATION TECHNOLOGY SECURITY

This policy applies to all Department of Retirement Systems (DRS) employees, persons working under a personal or purchased services contract (“contractors”) and persons performing volunteer work for DRS (“volunteer staff”).

The purpose of this policy is to outline how DRS adheres to the security standards required by the Information Services Board (ISB). The ISB policies for the Washington State Digital Government Framework are specified in ISB IT Security Policy. To comply with policy, DRS will maintain an Information Technology (IT) Security Program that will:

- Establish security standards for selecting appropriate assurance levels for specific business applications or data access, and implement the protections and controls specified;
- Support the state's standard authentication methodology for external parties needing access to sensitive information and applications, when granted;
- Comply with standards established for securing servers and data;
• Comply with standards established for creating secure sessions for application access; and
• Develop and maintain policies and procedures for DRS employees, contractors and volunteer staff who have access to agency IT resources.

1. Information Technology Security Program Is Established

The agency will maintain an IT Security Program in accordance with ISB IT Security Standards. The IT Security Program is a framework of policies, procedures and standards supporting the maintenance of a statewide shared, trusted environment. DRS employees will follow the framework to protect agency resources and to avoid improper access to agency data.

2. Internet-based Application Security Designs Will Be Approved By the Department of Information Services (DIS)

Prior to implementation, DRS will review all applications using Internet transactions with DIS to ensure adherence with ISB policies and standards. The proposed designs of Internet-based applications will document, at a minimum, the following IT security related information:

- Application description
- Application services
- Authentication requirements
- Certificate Authority integration (if applicable)
- Application access control mechanisms
- Encryption requirements
- Development tools
- Web server platform

3. Security Awareness Training Is Provided

The Information Services Division (ISD) will develop and review the agency’s Security Awareness training. All DRS employees are required to attend security awareness training as part of their new employee orientation and at least annually thereafter. ISD is responsible for presenting this security awareness training. The Human Resources Office is responsible for scheduling security awareness training as part of new employee orientation. The ISD Assistant Director is responsible for ensuring that security awareness training for all staff occurs on an annual basis.

4. The IT Security Program Will Have An Annual Review

The ISD Assistant Director is responsible for ensuring that the IT Security Program is reviewed annually.

5. A Compliance Audit Will Be Conducted

The agency is responsible for ensuring that an ISB IT Security Policy and ISB IT Standards compliance audit is performed every 3 years.
A knowledgeable party independent of ISD will conduct the audit. The audit will follow the State Auditor's published standards. The ISD Assistant Director is responsible for ensuring the creation and completion of the plans for corrections of deficiencies.

The Internal Auditor is responsible for maintaining documentation of the audit results and the plans for correction of deficiencies.

6. Annual Verification of Compliance Will Be Submitted

The Director will confirm annually in writing that DRS is in compliance with the ISB IT Security Policy. The certification includes the schedule of security projects and the planned dates of implementation.

The security certification letter will be submitted to the ISB annually as required by the ISB IT Security Policy. A copy of the certification letter will be included in the DRS IT Portfolio.

7. Compliance to Security Standards is Established

Non-compliance with this policy can lead to but is not limited to:

- Mandatory re-training
- Temporary suspension of access to misused resources until re-training is completed or
- Disciplinary action according to agency policy

8. Policy and Procedure Change Requests and Exceptions Will Be Handled Through the IT Security Program Administrator

**DRS-ISD-ITS-3 USING WIRELESS COMMUNICATION DEVICES TO CONDUCT DRS BUSINESS**

This policy applies to all Department of Retirement Systems (DRS) employees.

**DEFINITIONS**

**Appointing Authority** – An individual authorized to appoint, transfer, layoff, reduce, dismiss, suspend or demote employees.

**Wireless Communication Device (WCD)** – a device that transmits voice and/or data via a wireless network or cellular carrier network and supports access to those services necessary to support the documented business need (e.g., hosted Shared Services E-Mail service). Examples of these devices include, but are not limited to, cell phones, smartphones, mobile broadband modems and tablet computers.

**Stipend** – for the purpose of this policy, a regular monthly payment to an employee towards defraying the cost of using a personally-owned WCD for business-related purposes.
1. Purpose of Policy Is Defined

DRS may authorize the use of WCDs by employees when the job duties of a position warrant their use. The agency may provide a WCD or pay an employee a stipend for the business use of a personally-owned WCD, based on business-related needs as outlined in this policy.

2. Use of Agency-Owned Or Personal WCD For Business Reasons Must Be Authorized

Justification of business need and authorization by the employee’s appointing authority must be documented for an employee to:

A. Use an agency-owned WCD; or

B. Receive a stipend for business use of a personal WCD

Authorization will be granted on a case-by-case basis.

An overtime-eligible employee who is authorized to use a WCD for business-related purposes must ensure he or she uses it only during his or her regularly scheduled work hours.

3. Stipend Program is Established

If an employee is authorized to use his or her personal WCD to conduct state business, he or she will receive one of the following stipends:

A. $10.00 per month for use of a voice service only; or

B. $20.00 per month for use of a data service only; or

C. $40.00 per month for use of combination voice and data service

The employee’s appointing authority will determine the appropriate stipend amount based on the authorized use. See the Wireless Communication Stipend Request Form. Only one stipend amount will be paid to an employee regardless of the number of personally-owned WCDs he or she uses to conduct the authorized state business.

DRS reserves the right to adjust or terminate the stipend program at any time. DRS is not responsible for any costs incurred by the employee for his or her voice and/or data plan as a result of conducting state business.

4. Use of WCDs While Driving Is Strongly Discouraged

For employee safety, any use of a WCD while driving is strongly discouraged. Any employee who uses a WCD for business-related purposes while operating a motor vehicle must do so only in accordance with state law (RCW 46.61.667 and RCW 46.61.668).

5. Privacy Is Not Expected
Employees using an agency-owned WCD should not have an expectation of privacy in anything they create, store, send or receive via the WCD. All records contained within the WCD; including, but not limited to, phone calls, text messages, e-mails and internet access, are subject to public records request.

As with agency-owned WCDs, employees using a personally-owned WCD to conduct state business should not have an expectation of privacy for such activity on their device.

DRS has the right to monitor any and all aspects of this activity.

**DRS-ISD-ITS-5 INSTALLING, Registering, Licensing AND MANAGING SOFTWARE ON AGENCY OWNED COMPUTERS**

This policy applies to all Department of Retirement Systems (DRS) employees. It covers software standards, installation and registration on all DRS owned computers, as well as unauthorized duplication of copyrighted materials owned by DRS.

1. **ITS Installs or Authorizes Installation of All Software on DRS Computers**

Information Technology Services (ITS) staff (and at times additional ISD AD approved IT staff) are responsible for the installation or authorization of all software on DRS computers, including Internet software. This includes compatibility testing, and ensuring compliance with DRS standards, installation, management and the inventory control of that software. Agency staff are prohibited from downloading and/or installing software on DRS agency computers without proper authorization.

Non-standard software used on DRS equipment is only allowed with executive management approval as necessary to perform the duties as reflected in the position's CQ. To confirm authorization, contact the Help Desk.

Downloading or copying music or music CD's to DRS computers is prohibited.

ITS is responsible for providing secure storage for original vendor software media and maintaining licenses and warranty agreements.

2. **All Software Purchased by DRS Is Legally Registered**

The ITS unit is responsible for registering all software licenses purchased by DRS for use in a stand-alone or network environment. ITS staff will be responsible for the following:

- Leading and conducting semi-annual reviews of the agency software standards and updating accordingly.
- Ordering all software products to be used in the DRS PC/Network computing environment.
• Receiving all software products utilized in the DRS PC/Network computing environment.
• Registering, upon receipt, all licenses relating to software products purchased for utilization in the DRS PC/Network computing environment.
• Mailing registrations back to vendor.
• Adding licenses to DRS software database.
• Ensuring security of all original software disks.
• Following General Administration (GA) procedures for proper disposal of software media when obsolete or replaced.
• Conducting semi-annual automatic software inventory audits at the desktop level and balance and reconcile with new purchases and number of licenses.

3. All Software Licenses Are Registered With Standard Information

The standard information for registering all software licenses includes:

• Company name shall be: State of Washington
• Owner name shall be: DRS

4. Unauthorized Duplication of Copyright Materials Owned by DRS is Prohibited

DRS specifically prohibit the unauthorized copying of any materials currently owned or leased by DRS, and employees.

When technical staff become aware of unauthorized copies of copyright-protected materials on a DRS-owned computer, they are responsible for notifying the employee’s executive manager via memorandum, prior to removal of the software.

**DRS-ISD-ITS-7 REPORTING EQUIPMENT, SOFTWARE AND SYSTEM PROBLEMS**

This policy applies to all DRS employees using DRS-owned computer and telecommunications equipment, software and systems.

1. Problems Will Be Reported Through The Help Desk

DRS staff are responsible to immediately notify the Help Desk of any problems in using DRS-owned computer and telecommunications equipment, software and systems (See procedures:

• Notification of Equipment, Hardware, Software or System Problems
• Notification of WBET System Problem
• Notification of Data Changes

The Help Desk staff are responsible to log all reported problems into the Track-It! system.

2. Information Technology Services Will Resolve Problems With DRS-Owned Computer and Telecommunications Equipment
Information Technology Services (ITS) staff are responsible for resolving all problems related to DRS-owned computer and telecommunications equipment.

Non-ITS staff will not attempt to resolve problems related to DRS-owned computer and telecommunications equipment.

**DRS-LEGAL-2  PROTECTING CUSTOMER CONFIDENTIALITY**

This policy provides DRS staff with guidance on what information should and should not be revealed about a member or participant, either verbally or through a written public disclosure request. This policy applies to requests from any person, including the individual’s current employer or past employers.

1. **DRS May Disclose Most Public Records Upon Request**

DRS may disclose most agency-held public records when any person makes an appropriate public disclosure request. (see procedure Chapter 42.17 RCW)

2. **DRS Exempts Certain Information From Public Disclosure**

2a. DRS has the authority to exempt from public disclosure information that is of a highly personal nature. Information that is highly personal includes, but is not limited to, the following:

- Home address and telephone numbers
- Social Security numbers
- Union dues
- Charitable contributions
- Medical records or documents containing medical information concerning disabilities, illness, or medical conditions that may be considered sensitive (such as sexually-transmitted diseases, mental illness, or sex-change operations)
- Mother’s maiden name
- Information that is not of legitimate concern to the public

2b. DRS will not release any information for commercial purposes. (Chapter 42.17 RCW)

3. **DRS May Disclose Public Information to Employers Without Public Disclosure Request**

DRS may disclose agency records to an employer without requiring a public disclosure request. DRS may disclose to an employer the retirement status of a person who has begun accruing a retirement allowance.

4. **DRS Staff Direct Confidentiality Questions to Legal and Legislative Services Unit**

DRS staff should seek advice from their plan administrator, business tactical team representative, management team representative, or from the Legal and Legislative Services manager regarding information requests from any source, including employers, that may reveal highly personal information.
5. Unauthorized Disclosure of Personal Customer Information Is Not Permitted

DRS staff must not access customer accounts or files except in the course of their regular business duties. DRS staff are prohibited from disclosing personal customer information except in the performance of their regular business duties or as provided for in agency policy.