

New Hampshire State Liquor Commission
Tokenization & Encryption Systems
NHSLC-RFP 2015-07



State of New Hampshire

State Liquor Commission
Tokenization and Encryption Systems
RFP 2015-07

RFP ISSUED	MARCH 2, 2015
RSVP RESPONSE	MARCH 5, 2015
VENDOR CONFERENCE	MARCH 6, 2015, 14:00hrs EST
AT:	50 Storrs Street, Concord, New Hampshire 03301 OR Teleconference
STATE POINT of CONTACT	Tina Demers RFP201507@liquor.state.nh.us (603) 230-7015
CONTRACT TYPE	FIRM FIXED PRICE
PROPOSALS DUE	MARCH 19, 2015 2:00 PM

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1 INTRODUCTION

The State of New Hampshire, State Liquor Commission (“NHSLC” or “Commission”) is releasing this Request for Proposal (RFP) to procure an independent Tokenization and Encryption Systems (TES) solution for credit cards, debit cards, e-checks and other electronic payments at its retail locations and other point of sale channels, including integration with its website payments pages. The tokenization and encryption system will replace the existing VeriFone Payware Transact middleware that is currently used in the following processing of credit debit and functional areas: sales, marketing, merchandising, distribution, warehousing, headquarters, store operations, administrative services, financial administration, enforcement, and licensing.

1.1 Contract Award

NHSLC plans to execute a Firm Fixed Price (FFP) Contract as a result of this RFP. The award will be based upon criteria, standards, and weighting identified in this RFP.

NHSLC reserves the right to award a contract for a product or service, group of products or services, or all products and services specified in the RFP and to reject any and all proposals in whole or in part. A contract award is contingent upon approval by the Governor and Executive Council.

If a Contract is awarded, the Vendor must obtain written consent from the State before any public announcement or news release is issued pertaining to any contract award. Such permission, at a minimum, may be dependent upon approval by Governor and Executive Council of the State of New Hampshire.

Awarded vendors will need to provide an attestation that their software is PCI PA-DSS v3.0 compliant by a certified payment application qualified security assessor (QSA).

1.1.1 Non-Exclusive Vendor

Any resulting Contract from this RFP will be a non-exclusive Contract. The NHSLC reserves the right, at its discretion, to retain other Vendors to provide any of the Services or Deliverables identified under this procurement or make an award by item, part or portion of an item, group of items, or total Proposal.

1.2 Contract Term

The Vendor shall be fully prepared to commence work ten (10) days, after full execution of the contract by the parties, and the receipt of required governmental approvals, and may include, but not limited to, Governor and Executive Council of the State of New Hampshire approval (“Effective Date”). All work must be completed no later than May 15 2015.

The Vendor’s initial term will begin on the Effective Date and extend five (5) years. The term may be extended up two (2) additional three (3) year terms (“Extended Term”) at the sole option of NHSLC, subject to the parties’ prior written agreement. If no applicable fees are provided for an extended term than the fees provided in the contract shall be deemed to be the extended term fees. The Vendor shall commence work upon issuance of a Notice to Proceed by NHSLC.

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The State does not require the Vendor to commence work prior to the Effective Date; however, if the Vendor commences work prior to the Effective Date and prior to a Notice to Proceed, such work shall be performed at the sole risk of the Vendor. In the event that the Contract does not become effective, the State shall be under no obligation to pay the Vendor for any costs incurred or Services performed; however, if the Contract becomes effective, all costs incurred prior to the Effective Date shall be paid under the terms of the Contract.

1.3 Overview of Project

The New Hampshire State Liquor Commission (NHSLC) regulates the sale of alcohol in the State of New Hampshire. New Hampshire is one of seventeen (17) control states in the nation where the government directly controls the distribution and regulation of alcoholic beverages, spirits, and wine. The NHSLC regulates all liquor and wine sold in the State, collects revenues, issues licenses, and enforces laws governing the sale and service of alcohol. The NHSLC is a business that employs over 1200 full and part time employees and is a vital source of revenue for the State.

The Tokenization and Encryption System (TES) will provide a tokenization solution and an encryption solution that will enhance the existing Point of Sale system.

The NHSLC has multiple applications and computer systems currently being utilized.

Among the systems that the non-retail environments use are:

- Enforcement uses one (1) FD130 Duo Terminal (standalone)
- Headquarters will use two (2) FD130 Duo Terminal (standalone)
- In the future Headquarters will use four (4) mobile payment smartcard readers (make TBD)
- Website will use a web based payment solution (e-commerce platform TBD)

Among the systems that the retail environment uses are:

1. ACR 5000 Point of Sale system being utilized at the 77 retail stores
2. MAPPER (Business Information Server) System that is a Unisys Corporation database and development system. MAPPER contains a number of home grown sub-systems such as:
 - Liquor Inventory Management Systems (LIDS);
 - Warehouse Inventory Management System (WIMS);
 - Internet Commerce Enabler (ICE);
 - Warehouse system, the inventory system at the privately owned warehouse, located in Bow, NH in addition to a second Warehouse located at 50 Storrs Street, Concord, NH;
3. VeriFone Payware Transact that is a payment switch used to send/receive authorization from the state's payment card acquirer
4. Inbound and Outbound Interfaces, API's or Gateways

Due to current manufacturer availability of equipment some in-store equipment may have been modified or upgraded from the previous minimum store equipment specifications. The retail store minimum equipment includes the following minimum specification:

Category	Description	Manufacturer
Manager Station		
1	19" LCD Monitor	Dell
1	Optiplex CPU	Dell
1	Pointing Device	Dell
1	Keyboard	Dell
1	OfficeJet Printer	Hewlett Packard (various models)

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1	Microsoft Office 2010	Microsoft
1	Windows 7 Operating System	Microsoft
Store Server		
1	Linux Operating System 5	Red Hat
1	HP	Hewlett Packard
1	Floor Standing Secure Server Cage*	Various
1	UPS 1500	APC
1	Hubbell Wall Mount Rack**	Hubbell
	ACR5000 Server Software	ACR
Standard Lane		
1	19" LCD Touchscreen Monitor	GVision
1	Keyboard with pointing device	Cherry
1	Cash Drawer Platform	MMF
1	Cash Drawer	MMF
1	Thermal Receipt Printer	Epson
1	MX870 Terminal or MX915 Terminal	VeriFone
1	UPS 1000	APC
1	ACR5000 POS Software	ACR
1	FS605 5 Port Switch	Netgear
Communications		
1	Cisco 1861 Router	Cisco
1	T1 (1.5Mbps)	Firstlight

**Applies to most stores*

*** Applies to 5 new stores only*

The NHSLC system architecture is primarily comprised of systems that were highly customized in-house; the core applications are 20-25 years old. This network of systems is geographically dispersed throughout three separate Concord-based facilities. Of the retail stores that comprise the NHSLC there are a total of 260 retail store check-out lanes with equipment installed. On average there are three check-out lanes at each of the retail store locations, although some stores have as few as 2 (two) lanes and others have as many as 10 (ten). NHSLC owns approximately 260 POS keyboards, touch screens, barcode scanners, credit card readers, receipt printers, and network switches.

The State is currently seeking bids on implementing a retail store tokenization and encryption solution for its POS payment systems. Vendor will be required to integrate its solution to work with both the current and any future POS systems. Therefore it is required that the tokenization and encryption solution provided be independent of any hardware or software with the exception of the approved and certified hardware or software by the State's acquirer.

This will be a firm fixed price contract and the Vendor will be responsible for all aspects of the Project, including, but not limited to:

Vendor Major Deliverables for this project shall include:

1. provide a detailed Project Plan of Vendor and State activities and provide the State with the Project Status Reports; and
2. document and monitor Project risks and issues, identify and recommend actions to remedy risks, and review risk mitigation issues; and
3. document the review and compliance approval process on all open Project Deliverables (including identifying and documenting Deliverable deficiencies and recommendations to remedy deficiencies); and

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4. review of any TES Project Joint Application Design (JAD) / Pilot (CRP) and design sessions; and
5. provide oversight for the Project pilot and user acceptance testing process; and
6. provide Pre/Post Production implementation services; and
7. provide training review, system assurance review, project exit meeting, post implementation performance audit, and Project Wrap-Up Report; and
8. provide ongoing maintenance and support; and
9. gather and complete any due diligence, requirements and gap analysis prior to implementation; and
10. complete a security audit to include a review of security provisions during the planning and systems implementation and conduct a security audit following each store implementation.

The State's preference is in seeking a software-as-a-service (SaaS) solution to reduce PCI scope. The State may at its option review alternative proposals that are hosted internally or externally to the State. The Solution must leverage any existing hardware and software at current and future retail store locations. The Vendor must deploy the solution using a phased approach after an approved pilot period. Pursuant to RSA 21-R:11, both proprietary and open source solutions will be considered.

Additional NHSLC project information is contained in Attachment 1: As-Is Business Process Narratives and System Architecture Overview.

1.4 Acceptable Proposal Combinations

Tokenization and Encryption for Point of Sale payment transactions are considered to be mandatory capabilities in the proposed Solution. Below is a list of the acceptable proposal alternatives for this procurement.

1. A turnkey Solution from a single Vendor to provide mandatory capabilities; or
2. A turnkey Solution from a single Vendor utilizing subcontractors to provide mandatory capabilities

1.4.1 Sub-Contractors

The Vendor shall identify any and all Sub-Contractors proposed to be utilized on this Project who will also be subject to the terms and conditions of this RFP, including but not limited to those described herein through Section 6: *General Vendor Requirements* and Appendix H: *State of New Hampshire Terms and Conditions* of this RFP. All Sub-Contractors proposed must be approved by the NHSLC.

The Vendor shall remain wholly responsible for performance of the entire contract and solution regardless of whether a Sub-Vendor is used. The State will consider the Vendor to be the sole point of contact with regard to all Vendor matters, including payment of any and all charges resulting from any Vendor.

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2 SCHEDULE OF EVENTS

The following table provides the Schedule of Events for this RFP through approval and Notice to Proceed.

EVENT	DATE	TIME
RFP released to Vendors (on or about)	March 1, 2015	
Vendor Inquiry Period begins (on or about)	March 1, 2015	
RSVP to the State for (Optional) Vendor Conference Call	March 9, 2015	12:00 PM EST
(Optional) Vendor Conference	March 13, 2015	12:00 PM EST
Vendor Inquiry Period ends (final inquiries due)	March 16, 2015	12:00 PM EST
Final State responses to Vendor inquiries	March 19, 2015	
Final date for Proposal submission	March 26, 2015	12:00 PM EST
Invitations for Vendor presentations and interviews if necessary	March 30, 2015	
Vendor presentations/discussion sessions/interviews, if necessary	April 2, 2015	
Anticipated selection of successful Bidder	April 13, 2015	
Anticipated Contract Approval by State of NH	March 31, 2015	
Anticipated Notice to Proceed	April 15, 2015	

3 SERVICES, REQUIREMENTS AND DELIVERABLES

3.1 Software

NHSLC seeks to procure services from a TES Vendor. Each Proposal must present a Solution that can fully support the required functionality listed in Appendix C: *Requirements*.

3.2 Requirements

3.2.1 Appendix B: *Minimum standards for Proposal Consideration*, compliance with System requirements, use of proposed COTS Software, Vendor Implementation experience, and proposed Project Team.

3.2.2 Appendix C: *System Requirements and Deliverables*

3.2.3 Appendix D: *Topics for Mandatory Narrative Responses* for Software, technical, Services and Project Management topics.

3.2.4 Appendix E: *Standards for Describing Vendor Qualifications* including Vendor corporate qualifications, team organization and key staff, Project Manager, and other key staff candidates' qualifications.

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3.3 Deliverables

The State classifies Deliverables into three (3) categories:

1. Written Deliverables;
2. Software Deliverables;
3. Non-Software Deliverables.

Pricing and scheduling information requirements are provided in Appendix F: *Pricing Worksheets*.

A set of required Project Deliverables organized by category is detailed in Appendix C: *System Requirements and Deliverables*.

Appendix D: *Topics for Mandatory Narrative Responses* solicits responses, which will expound on the Vendors' understanding of the Implementation process, the manner of Service delivery and experience with similar Projects related to the Software, Technical Services, and Project Management topics.

4 INSTRUCTIONS

4.1 Proposal Submission, Deadline, and Location Instructions

Proposals submitted in response to this RFP must be received by NHSLC no later than the time and date specified in Section 2: *Schedule of Events*.

Proposals must be addressed to:

State of New Hampshire
Liquor Commission
c/o Tina Demers
50 Storrs Street, 2nd Floor
Concord, New Hampshire 03301

Cartons containing Proposals must be clearly marked as follows:

**STATE OF NEW HAMPSHIRE
New Hampshire State Liquor Commission
RESPONSE TO NHSLC RFP 2015-07
Tokenization & Encryption Solution**

Late submissions will not be accepted and will remain unopened. Any materials provided will not be returned. Delivery of the Proposals shall be at the Vendors' expense. The time of receipt shall be considered when a Proposal has been officially documented by the NHSLC, in accordance with its established policies, as having been received at the location designated above. NHSLC accepts no responsibility for mislabeled mail or other materials. Any damage that may occur due to shipping shall be the Vendor's responsibility.

Vendors are permitted to submit one (1) Proposal in response to this RFP.

All Proposals submitted in response to this RFP must consist of:

- a. One (1) original and Three (3) clearly identified copies of the Proposal, including all required

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- attachments;
- b. Three (3) clearly marked and sealed envelopes containing the cost portion of the proposal;
 - c. One (1) copy of the *Proposal Transmittal Form Letter* (described in Section 4.18.2: *Transmittal Form Letter*, herein) shall be signed by an official authorized to legally bind the Vendor and shall be marked "ORIGINAL."; and
 - d. One (1) electronic copy of the proposal on CD/DVD or USB drive in MS WORD and MS EXCEL format.

The original and all copies shall be bound separately, delivered in sealed containers, and permanently marked as indicated above. A Vendor's disclosure or distribution of its Proposal other than to NHSLC will be grounds for disqualification.

4.2 Proposal Inquiries

All inquiries concerning this RFP, including but not limited to, requests for clarifications, questions, and any changes to the RFP, shall be emailed, citing the RFP title, RFP number, page, section, and paragraph and submitted to the following RFP State Point of Contact:

Tina Demers
Bureau of Finance
State of New Hampshire
Liquor Commission
50 Storrs Street, 2nd Floor
Concord, New Hampshire, 03301

Telephone: (603) 230-7015

Email: RFP201507@liquor.state.nh.us

The RFP title (RFP 2015-07:) must be referenced in the first portion of the email's subject line. RSVP is required to ensure that Vendor will receive all communications. Please submit your RSVP to the contact above at RFP201507@liquor.state.nh.us no later than the date provided in Section 2: *Schedule of Events*.

Vendors are encouraged to submit questions via email; however, the NHSLC assumes no liability for assuring accurate/complete email transmission/receipt and is not responsible for acknowledgement of receipt.

Inquiries must be received by the RFP State Point of Contact (see above) no later than the conclusion of the Vendor Inquiry Period (see Section 2: *Schedule of Events*). Inquiries received later than the conclusion of the Vendor Inquiry Period shall not be considered properly submitted and will not be considered.

The State intends to issue official responses to properly submitted inquiries on or before the date specified in Section 2: *Schedule of Events*; however, this date may be subject to change at NHSLC's discretion. NHSLC may consolidate and/or paraphrase questions for sufficiency and clarity. NHSLC may, at its discretion, amend this RFP on its own initiative or in response to issues raised by inquiries, as it deems appropriate. Oral statements, representations, clarifications, or modifications concerning the RFP shall not be binding upon NHSLC. Official responses will be made in writing.

4.2.1 Restriction of Contact with State Employees

From the date of release of this RFP until an award is made and announced regarding the selection of a

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Vendor, all communication with personnel employed by or under the Vendor with the State regarding this RFP is forbidden unless first approved by the RFP State Point of Contact listed in Section 4.2: *Proposal Inquiries*. State employees have been directed not to hold conferences and/or verbal or non-verbal discussions concerning this RFP with any Vendor during the selection process, unless otherwise authorized by the RFP State Point of Contact.

4.3 Vendor Conference

At the discretion of the NHSLC a non-mandatory Vendor Conference may be held as identified in Section 2: Schedule of Events.

Vendors are allowed to send a maximum number of two (2) representatives.

Dial-in information will be made available to those registering for the event if a teleconference shall be held.

Vendors will have an opportunity to ask questions about the RFP. NHSLC will make a reasonable attempt to answer appropriate question. Questions may include, without limitation, a request for clarification of the RFP; a request for changes to the RFP; suggestions or changes to the RFP that could improve the RFP competition or lower the offered price; and to review any applicable documentation.

Vendors are encouraged to email inquiries at least twenty-four (24) hours prior to the Vendor Conference. No responses will be given prior to the Vendor Conference. Oral answers will not be binding on the State. NHSLC's final response to Vendor inquiries raised during the Vendor Inquiry Period will be posted to the NHSLC website by the date specified as the final State responses to Vendor inquiries as specified in Section 2: *Schedule of Events*. Vendors are responsible for any costs associated with attending any Vendor Conference.

Vendor questions relating to this RFP and/or procurement may be submitted to the Point of Contact. Questions are to be submitted as a MS Word document using the format specified in the table below. See *Attachment 2; Vendor Questions* for the template.

Question #	RFP Page	RFP Section	Question
Q1			
A1			
Q2			
A2			

All written questions must include the name of the Vendor and the person submitting the questions. A compilation of all questions and answers, along with any RFP addenda, will be emailed to all respondents no later than the date specified in the Schedule of Events.

4.4 Alteration of RFP

The original RFP document is on file with the NHSLC. Vendors are provided an electronic version of the RFP. Any alteration to this RFP or any file associated with this RFP is prohibited. Any such changes may result in a Proposal being rejected.

4.5 RFP Addendum

NHSLC reserves the right to amend this RFP at its discretion, prior to the Proposal submission deadline. In the event of an Addendum to this RFP, NHSLC, at its sole discretion, may extend the Proposal submission deadline, as deemed appropriate.

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4.6 Non-Collusion

The Vendor's signature on a Proposal submitted in response to this RFP guarantees that the prices, terms and conditions, and Services quoted have been established without collusion with other Vendors and without effort to preclude NHSLC from obtaining the best possible competitive Proposal.

4.7 Validity of Proposal

Proposals must be valid for one hundred eighty (180) days following the deadline for submission of Proposals in Section 2: *Schedule of Events*, or until the Effective Date of any resulting Vendor.

4.8 Property of NHSLC

All material received in response to this RFP shall become the property of the NHSLC and will not be returned to the Vendor. Upon Vendor award, the State reserves the right to use any information presented in any Proposal.

4.9 Confidentiality of a Proposal

A Proposal must remain confidential until the Effective Date of any resulting Contract as a result of this RFP. A Vendor's disclosure or distribution of Proposals other than to the State will be grounds for disqualification.

4.10 Public Disclosure

Subject to applicable law or regulations, the content of each Vendor's Proposal shall become public information upon the Effective Date of any resulting Contract.

4.11 Security

The State must ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of its information technology resources, information, and services. State resources, information, and services must be available on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and safeguard State Networks, Systems and Data. The State will evaluate the degree to which the proposed System is designed and architected to ensure the confidentiality and integrity of its valued asset, Data.

4.12 Non-Commitment

Notwithstanding any other provision of this RFP, this RFP does not commit the NHSLC to award a Vendor. The State reserves the right, at its sole discretion, to reject any and all Proposals, or any portions thereof, at any time; to cancel this RFP; and to solicit new Proposals under a new procurement process.

4.13 Proposal Preparation Cost

By submitting a Proposal, a Vendor agrees that in no event shall the State be either responsible for or held liable for any costs incurred by a Vendor in the preparation of or in connection with the Proposal, or for work performed prior to the Effective Date of a resulting Contract.

4.14 Oral Presentations/Interviews and Discussion

The State reserves the right to require Vendors to make oral presentations of their Proposals and/or to make available for oral presentations/interviews the technical consultants proposed to implement the proposed Solution. All costs associated with oral presentations/interviews shall be borne entirely by the Vendor. Vendors will be requested to provide demonstrations of their proposed Systems as part of their presentations.

4.15 Required Vendor Terms and Conditions

By submitting a Proposal, the Vendor agrees that the State of New Hampshire terms and conditions, contained in Appendix H: *State of New Hampshire Terms and Conditions* and Section 6: *General Vendor Requirements*,

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herein, shall form the basis of any Contract resulting from this RFP. In the event of any conflict between State of New Hampshire's *Terms and Conditions* and any portion of the Vendor's Proposal, State of New Hampshire's *Terms and Conditions* shall take precedence and supersede any and all such conflicting terms and conditions contained in the Vendor's Proposal.

4.16 Proposal Format

Proposals must follow the following format:

- The Proposal must be provided in a three-ring binder.
- The Proposal must be printed on white paper with dimensions of 8.5 by 11 inches with right and left margins of one (1) inch.
- The Proposal must use Times New Roman font with a size no smaller than eleven (11).
- Each page of the Proposal must include a page number and the number of total pages and identification of the Vendor in the page footer.
- Tabs must separate each section of the Proposal.

Exceptions for paper and font sizes are permissible for: graphical exhibits, which may be printed on white paper with dimensions of 11 by 17 inches; and material in appendices.

4.17 Proposal Organization

Proposals must adhere to the following outline and must not include items not identified in the outline.

- Cover Page
- Transmittal Form Letter
- Table of Contents
- Section I: Executive Summary
- Section II: Glossary of Terms and Abbreviations
- Section III: Responses to Requirements
- Section IV: Corporate Qualifications
- Section V: Qualifications of Consultant Staff
- Section VI: Cost Proposal
- Section VII: Narrative Topics
- Section VIII: Copy of the RFP and any signed Addenda in the Original Proposal only

4.18 Proposal Content

4.18.1 Cover Page

The first page of the Vendor's Proposal must be a cover page containing the following text:

**State of New Hampshire
New Hampshire State Liquor Commission**

**RESPONSE TO:
NHSLC RFP 2015-07
New Hampshire State Liquor Commission
Tokenization & Encryption Systems**

New Hampshire State Liquor Commission
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The cover page must also include the Vendor's name, contact person, contact telephone number, address, city, state, zip code, fax number, and email address.

4.18.2 Transmittal Form Letter

The Vendor must submit signed Transmittal Form Letter with their response using the Transmittal Form Letter Template provided herewith. Any electronic alteration to this Transmittal Form Letter is prohibited. Any such changes may result in a Proposal being rejected.

Remainder of this page intentionally left blank.

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State of New Hampshire Proposal Transmittal Form Letter

Company Name _____

Address _____

To:

New Hampshire State Liquor Commission
Bureau of Finance
Tina Demers
50 Storrs Street
Concord, New Hampshire, 03301

RE: Proposal Invitation Name: New Hampshire Liquor Commission Tokenization & Encryption Services
Proposal Number: NHSLC 2015-07
Proposal Opening Date and Time: _____

Dear Sir:

Company Name: _____ hereby offers to sell to the State Liquor Commission the services indicated in NH State Liquor Commission RFP: 2015-07 at the price(s) quoted in Vendor Response Section VII: Cost Proposal, and Appendix F: Pricing Worksheets, in complete accordance with all conditions of this RFP and all Specifications set forth in the RFP and in the State of New Hampshire Terms and Conditions outlined in RFP Section 6: General Vendor Requirements and Appendix H: State of New Hampshire Terms and Conditions.

Company Signor: _____ is authorized to legally obligate

Company Name: _____

We attest to the fact that:

The company has reviewed and agreed to be bound by all RFP terms and conditions including but not limited to the *State of New Hampshire Terms and Conditions* in Appendix H and *General Vendor Requirements* in Section 6, which shall form the basis of any Contract resulting from this RFP; No new terms and conditions have been added and no existing terms and conditions have been deleted in this RFP Proposal.

The Proposal is effective for a period of 180 days or until the Effective Date of any resulting Contract.

That the prices quoted in the Proposal were established without collusion with other eligible Vendors and without effort to preclude the NHSLC from obtaining the best possible competitive price; and

The Vendor has read and included a copy of **RFP 2015-07** and any subsequent signed Addendum (a). Our official point of contact is:

Title: _____

Telephone: _____

Email: _____

Authorized Signature Printed: _____

Authorized Signature: _____

4.18.3 Table of Contents

The Vendor must provide a table of contents with corresponding page numbers relating to its Proposal. The table of contents must conform to the outline provided in Section 4.17: *Proposal Organization*, but should provide detail, e.g., numbering, level of detail.

4.18.4 Section I: Executive Summary

The executive summary must identify how the Vendor satisfies the minimum standards for consideration, which are described in Appendix B: *Minimum Standards for Proposal Consideration*, to this Request for Proposals. The executive summary will also provide an overview of the Vendor's proposed Solution and Services. Vendors are encouraged to highlight those factors that they believe distinguish their Proposal.

4.18.5 Section II: Glossary of Terms and Abbreviations

The Vendor must provide a glossary of all terms, acronyms, and abbreviations used in its Proposal.

4.18.6 Section III: Responses to System Requirements and Deliverables

System requirements are provided in Appendix C: *System Requirements and Deliverables*.

Using the response tables in Appendix C, the Vendor must document the ability to meet the Requirements and Deliverables of this RFP.

4.18.7 Section IV: Narrative Responses

Section IV solicits narrative responses describing the Software, Technical, Services and Project Management topics defined for this RFP Project. Appendix D: *Topics for Mandatory Narrative Responses* is organized into sections. Discussion of each topic must begin on a new page.

4.18.8 Section V: Corporate Qualifications

Section V should provide corporate qualifications of all firms proposed to participate in the Project. Specific information to be provided is described in Section E-1: *Required Information on Corporate Qualifications* of Appendix E: *Standards for Describing Vendor Qualifications*.

4.18.9 Section VI: Qualifications of Consultant Staff

To evaluate qualifications of key staff, the State shall consider the experience and qualifications of candidates proposed. Section V must be used to provide this required information. Specific information to be provided is described in Appendix E: Standards for Describing Vendor Qualifications, *Section E-2 Candidates for IT Consultant Staff Roles*

4.18.10 Section VII: Cost Proposal

All pricing information must be delivered in marked and sealed envelopes. The Cost Proposal must include the following:

- A *Proposed Activities/Deliverables Pricing Worksheet* prepared using the format provided in Table F-1 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;

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- A *Proposed Position – Initial Contract Term Vendor Rates Worksheet* prepared using the format in Table F-2 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;
- A *Proposed Vendor Staff Rates Worksheet* prepared using the format in Table F-3 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;
- A *Proposed Future Vendor Staff Rates Worksheet* prepared using the format in Table F-4 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;
- A *Proposed Licensing, Maintenance, Hosting and Support Pricing Worksheet* prepared using the format provided in Table F-5 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;
- A *Proposed State Staff and Resource Hours Worksheet* prepared using the format provided in Table F-6 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;
- A *Proposed All Other Costs Worksheet* prepared using the format provided in Table F-7 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided;

4.18.11 Licensing, Maintenance and Support Pricing Worksheet

The Worksheet must be prepared using the format provided in Table F-5 of Appendix F: *Pricing Worksheets* and any discussion necessary to ensure understanding of data provided. Section VIII: Copy of the RFP and any signed Addendum (a) – *required in original Proposal only*

4.18.12 Section VII: Narrative Topics

The Proposal must include a narrative response to the questions posed in this section.

4.18.13 Section VIII: Copy of the RFP and any signed Addendum (a) - required in original Proposal only

4.18.14 Section IX: Exceptions to Terms and Conditions

The Proposal must include Bidder Information and Declarations: Exceptions to Terms and Conditions Appendix I.

- Remainder of this page intentionally left blank. -

5 PROPOSAL EVALUATION PROCESS

5.1 Scoring Proposals

Each Proposal shall be evaluated and considered with regard to the Solution and Services proposed, qualifications and experience of the Vendor and any Sub-Contractors and cost.

NHSLC will issue Intent to Award Notice to a Vendor based on these evaluations. Should NHSLC be unable to reach agreement with the Vendor during Contract discussions, NHSLC may then undertake Vendor discussions with the Vendor receiving the second highest evaluation score. Such discussions may continue at the sole option of NHSLC, until an agreement is reached, or all Proposals are rejected.

NHSLC will select a Vendor based upon the criteria and standards contained in this RFP.

NHSLC will use a scoring scale of 100 points, which shall be applied to the Solution as a whole. Points will be distributed among four (4) factors:

- **55 points:** Proposed Technical Solution;
- **15 points:** Vendor's Company, Technical and Service Experience;
- **10 points:** Proposed Staffing Qualifications; and
- **20 points:** Solution Cost (Rates and Pricing).
- **100 points:** **Total Possible Score.**

a.) Scoring of the Proposed Software and Hardware Solution (55 Points)

The Vendor's Proposed Technical Solution will be allocated a maximum score of 55 points. These points will include, but not be limited to, the following sub-factors for the solution: Overall Fit including PCI Scope, Features, and Usability etc.

b.) Vendor's Company, Technical and Service Experience (15 Points)

The Vendor's technical and service experience will be allocated a maximum score of 15 points, which will include, but not be limited to, the following sub-factor narratives on: corporate qualifications, technical expertise and ability to provide Professional Services.

c.) Proposed Staffing Qualifications (10 Points)

The Vendor's proposed staffing and qualifications (including any Sub-Contractors) will be allocated a maximum score of 10 points which will include, but not be limited to, the following sub-factors: organization and size of the Vendor's proposed Project Team; qualifications of the proposed Project Manager; and qualifications of proposed Key Project Staff. (See Appendix E for requirements).

d.) Scoring the Software Solution Cost (20 Points)

The Vendor proposed Software Solution cost will be allocated a maximum score of 20 points. NHSLC will consider both Implementation and the subsequent five (5) years of license and maintenance costs, provided in Tables F-1: Activities/Deliverables/Milestones Pricing Worksheet, F-5: Software Licensing, Maintenance, and Support Pricing Worksheet and, if appropriate. Cost information required in a Proposal is

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intended to provide a sound basis for comparing costs. Vendor's Cost Score = (Lowest Proposed Cost / Vendor's Proposed Cost) times NUMBER OF Maximum points for Solution costs defined in Section 5.1: Scoring Proposals. For the purpose of this formula, the lowest proposed cost is defined as the lowest cost proposed by a Vendor who fulfills the minimum qualifications including meeting the mandatory requirements.

5.2 Rights of State in Evaluating Proposals

The State reserves the right to:

- At its sole discretion, reject any and all Proposals at any time; and
- At its sole discretion, open Vendor discussions with the second highest scoring Vendor, if NHSLC is unable to reach an agreement on Contract terms with the highest scoring Vendor.

5.3 Planned Evaluations

The State plans to use the following process:

- Initial screening;
- Preliminary scoring of the Proposals and reference and background checks;
- Oral interviews and product demonstrations;
- Best and Final Offer (BAFO), if appropriate; and
- Final evaluation of Proposals.

5.3.1 Initial Screening

The State will conduct an initial screening step to verify Vendor compliance with submission requirements and to confirm that the Proposal satisfies the following:

- The Proposal is date and time stamped before the deadline;
- The Vendor has sent the proper number of copies;
- The original version of the proposal is marked "ORIGINAL" and the copies marked "COPY";
- The original Proposal includes a signed Transmittal Letter accepting all terms and conditions of the RFP without exception; and
- The proposed Solution meets the requirements as specified in Appendix B of the RFP: Minimum Standards for Proposal Evaluation.

A Proposal that fails to satisfy either submission requirements or minimum standards may be rejected without further consideration.

5.3.2 Preliminary Scoring of Proposals and Reference and Background Checks

The State shall establish an evaluation team to initially score Proposals, and conduct reference checks. The evaluation team shall be made up of members from NHSLC, and the Department of Information Technology.

5.3.3 Oral Interviews and Product Demonstrations

Preliminary scores from the initial evaluation of the Proposals will be used to select Vendors to invite to oral interviews and product demonstrations.

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The purpose of oral interviews and product demonstrations is to clarify and expound upon information provided in the written Proposals. Vendors are prohibited from altering the basic substance of their Proposals during the oral interviews and product demonstrations.

For each invited Vendor, the oral interview and product demonstrations may be up to three (3) hours in length. A highly structured agenda will be used for oral interviews and product demonstrations to ensure standard coverage of each invited Vendor. Information gained from oral interviews and product demonstrations will be used to refine scores assigned from the initial review of the Proposals.

5.3.4 Best and Final Offer

The State may, at its sole option, either accept a Vendor's initial Proposal by award of a Vendor or enter into discussions with Vendors whose Proposals are deemed best qualified to be considered for an award. After discussions are concluded a Vendor may be allowed to submit a "Best and Final Offer" for consideration.

5.3.5 Final Evaluation

The State will conduct final evaluations as a culmination of the entire process of reviewing Vendor Proposals and information gathering.

6 GENERAL VENDOR REQUIREMENTS

6.1 State of NH Terms and Conditions and Vendor Requirements

The Contract requirements set forth in Section 6: General Contract Requirements, herein and the State of New Hampshire Terms and Conditions P-37 Agreement-General Provisions contained in Appendix H shall constitute the basis for any Contract resulting from this RFP.

6.2 Vendor Responsibilities

The Vendor shall be solely responsible for meeting all requirements, and terms and conditions specified in this RFP, its Proposal, and any resulting Vendor, regardless of whether or not it proposes to use any Sub-Contractor.

The Vendor may sub-contract Contract Services subject to the provisions of the RFP, including but not limited to, the terms and conditions in State of New Hampshire Terms and Conditions P-37 Agreement-General Provisions contained in Appendix H. The Vendor must submit with its Proposal all information and documentation relating to the Sub-Contractor necessary to fully respond to the RFP, which must include terms and conditions consistent with this RFP. The Vendor shall remain wholly responsible for performance of the entire Contract regardless of whether a Sub-Contractor is used. The State will consider the Vendor to be the sole point of contact with regard to all Contract matters, including payment of any and all charges resulting from any Contract.

6.3 Project Budget/Price Limitation

The State has funds budgeted for this Project, subject to Section 5: Contract Price/Price Limitation/Payment contained in Appendix H: State of New Hampshire Terms and Conditions P-37 and Contract Standard Language.

6.4 Vendor Staff

In the Proposal the Vendor shall assign and identify a Project Manager and key Vendor staff, in accordance with the Requirements and Deliverables of Appendix C: *System Requirements and Deliverables*.

The Vendor's selection of a Project Manager will be subject to the prior approval of NHSLC. NHSLC's approval process may include, without limitation, at NHSLC's discretion, review of the proposed Project Manager's resume, qualifications, references and background checks, and an interview. The Vendor Project Manager must be qualified to perform the obligations required of the position under the Contract, have full authority to make binding decisions, and shall function as the Vendor's representative for all administrative and management matters. The Project Manager must be available to promptly respond during Normal Working Hours within two (2) hours to inquiries from NHSLC, and be on-site as needed.

The Vendor shall not change Key Project Staff and Project Manager's commitments (collectively referred to as "Project Staff") unless such replacement is necessary due to sickness, death, termination of employment, or unpaid leave of absence. Any such changes to the Vendor's Project Staff shall require the prior written approval of NHSLC. Replacement Project Staff shall have comparable or greater skills with regard to performance of the Project as the staff being replaced and be subject to the provisions of this RFP and any resulting Contract.

The State, at its sole expense, may conduct reference and background checks on the Vendor's Project Staff. The State shall maintain the confidentiality of reference and background screening results. NHSLC reserves the right to reject the Vendor's Project Staff as a result of such reference and background checks. NHSLC also reserves the right to require removal or reassignment of the Vendor's key Project Staff found unacceptable to

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NHSLC.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Vendor, at its discretion, if it is dissatisfied with the Vendor's replacement Project Staff.

6.5 Subcontractors

The Vendor may employ Subcontractors to deliver required services subject to the terms and conditions of this RFP, including but not limited to, in Section 6: General Contract Requirements herein and Appendix H: State of New Hampshire Terms and Conditions – P-37 and Contract Standard Language of this RFP. The Vendor shall remain wholly responsible for performance of the entire Contract regardless of whether a Subcontractor is used. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from any Contract.

6.7 Change Orders

The NHSLC may make changes or revisions at any time by written Change Order. Within five (5) business days of a Vendor's receipt of a Change Order, the Vendor shall advise NHSLC, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or the Work Plan.

A Vendor may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, or the Work Plan. NHSLC shall attempt to respond to a Vendor's requested Change Order within five (5) business days. NHSLC, which includes the requesting Agency and the Department of Information Technology must approve all change orders in writing. NHSLC shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

All Change Order requests from a Vendor to NHSLC and NHSLC acceptance of a Vendor's estimate for a State requested change, will be acknowledged and responded to, either acceptance or rejection, in writing. If accepted, the Change Order(s) shall be subject to the Contract amendment process, as determined to apply by NHSLC.

6.8 Deliverables

The Vendor shall provide NHSLC with the Deliverables and Services in accordance with the time frames in the Work Plan. All Deliverables shall be subject to NHSLC's Acceptance as set forth in Section 6.10: *Testing and Acceptance* herein.

Upon its submission of a Deliverable, the Vendor represents that it has performed its obligations under the Contract associated with the Deliverable.

Prior to Final Acceptance, NHSLC reserves the right to reject any and all Deliverables in the event NHSLC detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

For each denial of Acceptance, the Acceptance Period may be extended, at the option of NHSLC, by the corresponding time required to correct the Deficiency, retest or Review.

6.8.1 Written Deliverables Review

NHSLC will Review the Written Deliverables for an Acceptance Period of fourteen (14) business days after

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receiving written Certification from the Vendor that the Written Deliverable is final, complete, and ready for Review. NHSLC will notify the Vendor in writing of its Acceptance or Non-Acceptance of a Deliverable by the end of the ten (10) day Review Period. If any Deficiencies exist, NHSLC will notify the Vendor in writing of the Deficiency and the Vendor must correct the Deficiency within five (5) business days of receiving notice from NHSLC at no charge to NHSLC. Upon receipt of the corrected Deliverable, NHSLC will have five (5) business days to Review the corrected Written Deliverable and notify the Vendor in writing of its Acceptance or rejection thereof.

- The Vendor must provide Implementation Plans within 15 days of Vendor award.
- The Vendor must provide User and Administrator Training Plans within 15 days of Vendor award.

6.8.2 Software Deliverables Review

Described in Section 6.10: *Testing and Acceptance*.

6.8.3 Non-Software Deliverables Review

NHSLC will Review Non-Software Deliverables to determine whether any Deficiency exists and notify the Vendor in writing of its Acceptance or non-acceptance of the Non-Software Deliverable. The Vendor must correct the Deficiencies within five (5) business days, or within the period identified in the Work Plan, as applicable. Following correction of the Deficiency, NHSLC will notify the Vendor in writing of its Acceptance or rejection of the Deliverable.

- The Vendor must facilitate in an on-site Kick-off Meeting to be held within five (5) days of Vendor award.
- The Vendor must attend Status Meetings to be held weekly during the set-up and deployment phase of the Project and monthly during the support and maintenance phase of the Project. The Vendor shall prepare the meeting agenda and shall distribute minutes of the meetings within 48 hours.

6.9 Licenses

NHSLC has defined the Software license grant rights.

6.9.1. Proprietary Software

This section 6.9.1 Proprietary Software shall apply to non-SaaS Systems or Solutions only.

The Software license shall grant NHSLC a worldwide, perpetual, irrevocable, non-exclusive, non-transferable, limited license to use the Software and its associated Documentation, subject to the terms of the Contract.

NHSLC may allow its agents and Vendors to access and use the Software, and in such event, NHSLC shall first obtain written agreement from such agents and Vendors that each shall abide by the terms and conditions set forth herein.

6.9.2 Open Source Software

Open Source Software shall conform to the definition specified in NH RSA 21-R. Open Source Software must allow unrestricted use of the software for any purpose; unrestricted access to the respective source

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code; exhaustive inspection of the working mechanisms of the software; use of the internal mechanisms and arbitrary portions of the software, to adapt them to the needs of the user; freedom to make and distribute copies of the software; and modification of the software and freedom to distribute modifications of the new resulting software, under the same license as the original software.

6.9.3 Software and Documentation Copies

The Vendor shall provide NHSLC with a sufficient number of hard copy versions of the Software's associated Documentation and one (1) electronic version in Microsoft WORD and Adobe PDF format. NHSLC shall have the right to copy the Software and its associated Documentation for its internal business needs. NHSLC agrees to include copyright and proprietary notices provided to NHSLC by the Vendor on such copies.

6.9.4 Restrictions

Except as otherwise permitted under the Contract, the NHSLC agrees not to:

- a. Remove or modify any program markings or any notice of Vendor's proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

6.9.5 Title

The Vendor must hold the right to allow the State to use the Software or hold all title, right, and interest (including all ownership and intellectual property rights) in the Software and its associated Documentation.

6.9.6 Third Party

The Vendor shall identify all third party Subcontractors to be provided under the Contract with the Vendor's Proposal. The terms in any such Vendors contract must be consistent with this RFP and any resulting Vendor, including, but not limited to Section 6: *General Vendor Requirements* and Appendix H: *General Provisions Form*.

NHSLC requires that an integrated and coherent approach to complete System testing, Security Review and Testing, Deficiency correction, Acceptance, and training, and that Warranty Services be provided to ensure a successful Project.

In its Proposal, the Vendor is to include its proposed Test Plan methodology and any scheduling assumptions used regarding the client resource efforts required during testing. After Contract award, the Vendor will be required to customize its proposed Test Plan methodology to reflect the needs of the Project and include the details of its Test Plan methodology in the detailed Work Plan (the first Project Deliverable). A separate Test Plan and set of test materials will be prepared for each Software function or module.

In addition, the Vendor will provide a mechanism for reporting actual test results versus expected results and for the resolution and tracking of all errors and problems identified during test execution. The Vendor will also provide training as necessary to NHSLC staff responsible for test activities.

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6.10 Remedies

If the Vendor fails to correct a Deficiency within the period of time allotted by NHSLC, the Vendor shall be deemed to have committed an Event of Default, pursuant Section 6.15, and NHSLC Shall have the right, at its option, to pursue the remedies state in this RFP, as well as to return the Vendor's product and receive a refund for all amounts paid to the Vendor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Vendor of NHSLC's refund request

Notwithstanding any provision of the Vendor, State's option to terminate the Contract and pursue the stated remedies will remain in effect until the Vendor completes all terms of the Contract to the satisfaction of NHSLC.

Upon completion of the Warranty Period, NHSLC will issue a Letter of Final System Acceptance.

6.11 Warranty

6.11.1 Warranty Period

The Warranty Period will initially commence upon State's deployment of the Solution to the initial NHSLC location and will continue for three (3) months after the final store is operating on the tokenization and encryption solution.

For subsequent modules or functions, the Warranty Period will extend for three (3) months after each of the remaining major functions or a module, integrated successfully with the entire System, receives a Letter of Acceptance from the State.

If within the last thirty (30) calendar days of the Warranty Period, the System Software fails to operate as specified, the Warranty Period will cease, the Vendor will correct the Deficiency, and a thirty (30) calendar day Warranty Period will commence. Any further Deficiencies with the Software during a Warranty Period must be corrected and run fault free for thirty (30) days.

After successful completion of the Warranty Period, the State shall issue a Letter Acceptance and any holdback payment will be made to the Vendor.

6.11.2 Warranties

6.11.2.1 System

The Vendor shall warrant that the System shall operate to conform to the Specifications, terms, and requirements of the Contract.

6.11.2.2 Software

The Vendor shall warrant that any Software is properly functioning within the System, compliant with the requirements of the Contract, and will operate in accordance with the Specifications.

6.11.2.3 Non-Infringement

The Vendor shall warrant that it has good title to, or the right to allow the NHSLC to use all Services, equipment, and Software provided under this Contract, and that such Services, equipment, and

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Software (“Material”) do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

6.11.6 Viruses; Destructive Programming

The Vendor shall warrant that the Software will not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

6.11.7 Compatibility

The Vendor shall warrant that all System components, including any replacement or upgraded System Software components provided by the Vendor to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

6.11.8 Professional Services

The Vendor shall warrant that all Services provided under the Contract will be provided in a professional manner in accordance with industry standards and that Services will comply with performance standards.

6.11.9 Warranty and Support Services

The Vendor shall agree to maintain, repair, and correct Deficiencies in the System Software, including but not limited to the individual modules or functions, during the Warranty Period at no additional cost to the NHSLC, in accordance with the Specifications and terms and requirements of the Contract, including without limitation, correcting all errors, and Defects and Deficiencies; eliminating viruses or destructive programming; and replacing incorrect, Defective or Deficient Software and Documentation.

Support Services shall include, without limitation, the following:

- a) Maintain the System Software in accordance with the Specifications, terms, and requirements of the Contract;
- b) Repair or replace the System Software or any portion thereof so that the System operates in accordance with the Specifications, terms, and requirements of the Contract;
- c) Vendor shall have available to State on-call telephone assistance, with issue tracking available to the State, twenty-four (24) hours per day, and seven (7) days a week with a call-back response within fifteen (15) minutes of request, with assistance response dependent upon issue severity.
- d) Maintain a record of the activities related to support or maintenance activities performed for the State;
- e) For all Support and Services calls, the Vendor shall ensure the following information will be collected and maintained:
 - Nature of the Deficiency;
 - Current status of the Deficiency;
 - Action plans, dates, and times;
 - Expected and actual completion time;
 - Time to Resolve
 - Deficiency resolution information;

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- Resolved by;
 - Identifying number i.e. work order number;
 - Issue identified by.
- g) The Vendor must work with the State to identify and troubleshoot potential System failures or Deficiencies by collecting the following information:
- Mean time between reported Deficiencies with the Software;
 - Diagnosis of the root cause of the problem; and
 - Identification of repeat calls or repeat Software problems; and
 - All Deficiencies found during the Warranty Period and all Deficiencies found with the Warranty Releases shall be corrected by the Vendor no later than sixty (60) business days, unless specifically extended in writing by State, at no additional cost to State.

6.12 Ongoing Maintenance and Support Levels

The Vendor shall maintain and support the System in all material respects as described in the applicable program Documentation throughout the life of the Contract, beginning at the end of the Warranty Period.

The Vendor will not be responsible for maintenance or support for Software developed or modified by the State.

6.12.1 Maintenance Releases

The Vendor shall make available to NHSLC the latest program updates, general maintenance releases, selected functionality releases, patches, and documentation that are generally offered to its customers, at no additional cost.

6.12.2 Vendor Responsibility - Deficiencies

- a) The Vendor shall be responsible for performing on-site or remote technical support in accordance with the Vendor Documents, including without limitation the requirements, terms, and conditions contained herein.
- b) As part of the Software maintenance agreement, ongoing Software maintenance and support levels, including all new Software releases, shall be responded to according to the following:
- **Class A Deficiencies** – For all Class A Deficiencies, the Vendor shall have available to NHSLC on-call telephone assistance, with issue tracking available to NHSLC, twenty-four (24) hours per day and seven (7) days a week with a telephone response within fifteen (15) minutes of request.
 - **Class B Deficiencies** –For all Class B Deficiencies NHSLC will notify Vendor of such Deficiencies during regular business hours and vendor shall respond back within one (1) hour of notification of planned corrective action.
 - **Class C Deficiencies** –For all Class C Deficiencies NHSLC will notify Vendor of such Deficiencies during regular business hours and vendor shall respond back within four (4) hours of notification of planned corrective action.
- c) The Vendor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications, terms and requirements of the Vendor;
- d) The Vendor shall maintain a record of the activities related to warranty repair or maintenance activities performed for NHSLC; For all maintenance Services calls, the Vendor shall ensure the

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following information will be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue identified by;

- e) The Vendor must work with NHSLC to identify and troubleshoot potentially large-scale System failures or Deficiencies by collection the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems;
- f) If the Vendor fails to correct a Deficiency within the allotted period of time Stated above, the Vendor shall be deemed to have committed an Event of Default, pursuant 6.15.1.1, and NHSLC shall have the right, at its option, to pursue the remedies in 6.15.1.2, as well as to return the Vendor's product and receive a refund for all amounts paid to the Vendor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Vendor of NHSLC's refund request.
- g) If the Vendor fails to correct a Deficiency within the allotted period of time Stated above, the Vendor shall be deemed to have committed an Event of Default, pursuant 6.15.1.1, and NHSLC shall have the right, at its option, to pursue the remedies in 6.15.1.2.

6.12.3 Vendor Responsibility - Event of Default

If the Vendor fails to correct a System failure or Deficiency within a timeframe deemed reasonable by the NHSLC and which would be considered reasonable by industry standards, NHSLC shall have the right, at its sole option to: 1) declare the Vendor in Default, at which time the Vendor may exercise its right to cure the Default under the terms of the Contract, and, if the Vendor is unsuccessful or does not wish to cure the Default, NHSLC may terminate the Vendor, in whole or in part, without penalty or liability to NHSLC; 2) return the Vendor's product and receive a refund within thirty (30) days for any amounts paid to the Vendor for products or Services not yet rendered up to the date of Termination, including but not limited to, any applicable license fees; 3) and to pursue all other remedies available at law or in equity.

Notwithstanding any provision of the Contract, pursuant to Section 6.15.1.1 and 6.15.1.2, NHSLC's option to terminate the Vendor and pursue the remedies above will remain in effect until satisfactory completion of the full Warranty Period.

6.13 Administrative Specifications

6.13.1 Travel Expenses

NHSLC will not be responsible for any travel or out of pocket expenses incurred in the performance of the Services.

The Vendor must assume any and all travel and related expenses by "fully loading" any proposed labor rates to include, but not limited to: meals, shipping, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

6.13.2 Shipping and Delivery Fee Exemption

State will not pay for any shipping or delivery fees unless specifically itemized by the Contract and approved by State.

6.13.3 Project Workspace and Office Equipment

If required to be present at NHSLC headquarters, NHSLC will work with the Vendor to determine the requirements for providing all necessary workspace and office equipment. If a Vendor has specific requirements, they must be included in the Vendor's Proposal.

6.13.4 Work Hours

Vendor personnel shall work normal NHSLC business hours between 8:00 am and 4:30 pm EST, eight (8) hour days, forty (40) hour weeks, excluding State of New Hampshire holidays. Alternatively where Vendors are required to modify systems within a retail store, Vendors may be required to work prior to store opening hours or after store closing hours. Changes to this schedule may be made upon agreement with NHSLC's Business Program Manager.

6.13.5 Access/Cooperation

As applicable, and reasonably necessary, and subject to the applicable State and federal laws and regulations and restrictions imposed by third parties upon NHSLC, NHSLC will provide the Vendor with access to all program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware as required to complete the Vendor Services.

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NHSLC will use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow the Vendor to perform its obligations under the Vendor.

6.13.6 State-Owned Documents and Data

The Vendor shall provide NHSLC access to all Documents, State Data, materials, reports, and other work in progress relating to the Vendor ("State Owned Documents"). Upon expiration or termination of the Contract with NHSLC, Vendor shall turn over all State-owned Documents, State Data, material, reports, and work in progress relating to this Contract to NHSLC at no additional cost to NHSLC. State-Owned Documents must be provided in both printed and electronic format acceptable to NHSLC.

6.13.7 Access/Cooperation

This section is not applicable to this RFP.

6.13.8 State-Owned Documents and Data

This section is not applicable to this RFP.

6.13.9 Intellectual Property

NHSLC shall hold all ownership, title, and rights in any Custom Software developed in connection with performance of obligations under the Contract, or modifications to the Software, and their associated Documentation including any and all performance enhancing operational plans and Vendors' special utilities. NHSLC shall have sole right to produce, publish, or otherwise use such Software, modifications, and Documentation developed under the Vendor and to authorize others to do so.

6.13.10 IT Required Work Procedures

All work done must conform to the minimum standards and procedures established by the Department of Information Technology, the State of New Hampshire, the NHSLC and any security or compliance requirements.

6.13.11 Computer Use

In consideration for receiving access to and use of the computer facilities, network, licensed or developed software, software maintained or operated by any of State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), Vendor understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall Vendor access or attempt to access any information without having the express authority to do so.
- c. That at no time shall Vendor access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or agreements relate to system entry/access.
- d. That software licensed by or developed by NHSLC shall not be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times Vendor must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other Agreement executed by NHSLC. Personal software (including but not limited to palmtop sync software) shall not be

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- installed on any equipment.
- e. That if the Vendor is found to be in violation of any of the above-stated rules, the Vendor may face removal from NHSLC, and/or criminal or civil prosecution, if the act constitutes a violation of law.
 - f. Email Use: Mail and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as “internal email systems” or “State-funded email systems”. Vendors understand and agree that use of email shall follow State standard policy (available upon request).
 - g. Internet/Intranet Use: The Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (available upon request).

6.13.12 Regulatory/Governmental Approvals

Any Vendor awarded under the RFP shall be contingent upon the Vendor obtaining all necessary and applicable regulatory or other governmental approvals.

6.13.13 Force Majeure

Neither Vendor nor State of New Hampshire Liquor Commission shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Except in the event of the foregoing, Force Majeure events shall not include Vendor’s inability to hire or provide personnel needed for the Vendor’s performance under the Contract.

6.13.14 Confidential Information

In performing its obligations under the Contract, the Vendor may gain access to information of NHSLC, including Confidential Information. “State Confidential Information” shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: *Access to Public Records and Meetings* (see e.g. RSA Chapter 91-A: 5 *Exemptions*). The Vendor shall not use NHSLC Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Vendor, except as is directly connected to and necessary for the Vendor’s performance under the Contract.

The Vendor agrees to maintain the confidentiality of and to protect from unauthorized use, disclosure, publication, and reproduction (collectively “release”), all State Confidential Information of NHSLC that becomes available to the Vendor in connection with its performance under the Vendor, regardless of its form.

Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which: (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof; (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party; (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or (iv) is disclosed with the written consent of the disclosing party. A receiving party also may disclose Confidential Information to the extent required by an order of a court of competent jurisdiction.

Any disclosure of State of New Hampshire information shall require prior written approval of the State. The Vendor shall immediately notify State if any request, subpoena or other legal process is served upon the Vendor

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regarding State's Confidential Information, and the Vendor shall cooperate with State in any effort it undertakes to contest the request, the subpoena or other legal process, at no additional cost to State.

In the event of unauthorized use or disclosure of State's Confidential Information, the Vendor shall immediately notify State, and State shall immediately be entitled to pursue any remedy at law and in equity, including, but not limited to injunctive relief.

Insofar as the Vendor seeks to maintain the confidentiality of its confidential or proprietary information, the Vendor must clearly identify in writing the information it claims to be confidential or proprietary. The Vendor acknowledges that State of New Hampshire and the NHSLC is subject to the Right to Know Law, RSA Chapter 91-A. The State shall maintain the confidentiality of the identified Confidential Information insofar as it is consistent with applicable State or federal laws or regulations, including but not limited to, RSA Chapter 91-A. In the event State receives a request for the information identified by the Vendor as confidential, State shall notify the Vendor and specify the date State will be releasing the requested information. At the request of State, the Vendor shall cooperate and assist State with the collection and review of the Vendor's information, at no additional expense to State. Any effort to prohibit or enjoin the release of the information shall be the Vendor's sole responsibility and at the Vendor's sole expense. If the Vendor fails to obtain a court order enjoining the disclosure, State shall release the information on the date specified in State's notice to the Vendor without any State liability to the Vendor.

This Section 6.13.14: *Confidential Information* shall survive the termination or conclusion of the Vendor Agreement or Contract.

6.14 Pricing

6.14.1 Activities/Deliverables/Milestones Dates and Pricing

The Vendor must include, within the fixed price for IT service activities, tasks, and preparation of required Deliverables, pricing for the Deliverables required based on the proposed approach, and methodology and tools. A fixed price must be provided for each Deliverable.

6.14.2 Licensing, Maintenance, Enhancements, and Support Pricing

The Vendor must provide the minimum Support and Services through licensing, maintenance, Enhancements, and support as detailed in Section 6.12: *Ongoing Maintenance and Support Levels*.

For licensing, maintenance, and support costs, a worksheet must be completed including all costs in the table. A worksheet is provided in Appendix F: *Pricing Worksheets*, under *F3 – Implementation Costs Worksheet*, and / or *Section F-6 All Other Costs Worksheet*.

6.14.3 Invoicing

The Vendor shall submit correct invoices to the State for all amounts to be paid by the State. All invoices submitted shall be subject to the State written approval, which shall not be unreasonably withheld. The Vendor shall only submit invoices for Services or Deliverables as permitted by the Contract. Invoices must be in a format as determined by the State and contain detailed information, including without limitation: itemization of each Deliverable and identification of the Deliverable for which payment is sought, and the Acceptance date triggering such payment; date of delivery and/or installation; monthly maintenance charges; any other Project costs or retention amounts if applicable.

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6.14.4 Overpayments to the Vendor

The Vendor shall promptly, but no later than fifteen (15) business days, pay State the full amount of any overpayment or erroneous payment upon discovery or notice from State.

6.14.5 Credits

The State may apply credits due to State, arising out of this Contract, against the Vendor's invoices with appropriate information attached.

6.14.6 Records Retention and Access Requirements

The Vendor shall agree to the conditions of all applicable State and federal laws and regulations, which are incorporated herein by this reference, regarding retention and access requirements, including without limitation, retention policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 *Vendor Records Retention*.

The Vendor and its Sub Contractors shall maintain books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs, invoiced in the performance of their respective obligations under the Contract. The Vendor and its Sub Contractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeals period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by State and federal officials so authorized by law, rule, regulation or Vendor, as applicable. Access to these items will be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by NHSLC. Delivery of and access to such records shall be at no cost to State during the three (3) year period following termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. The Vendor shall include the record retention and review requirements of this section with any of its Sub-Contractors.

The NHSLC agrees that books, records, documents, and other evidence of accounting procedures and practices related to the Vendor's cost structure and profit factors shall be excluded from NHSLC's review unless the cost or any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

6.14.7 Accounting Requirements

The Vendor shall maintain an accounting system in accordance with Generally Accepted Accounting Principles (GAAP). The costs applicable to the Contract shall be ascertainable from the accounting system and the Vendor shall maintain records pertaining to the Services and all other costs and expenditures.

6.15 Termination

This section 6.15 shall survive termination of the agreement or Vendor conclusion.

6.15.1 Termination for Default

Any one or more of the following acts or omissions of the Vendor shall constitute an event of default hereunder ("Event of Default")

- a) Failure to perform the Services satisfactorily or on schedule;
- b) Failure to submit any report required; and/or
- c) Failure to perform any other covenant, term or condition of the Contract

6.15.1.1 Upon the occurrence of any Event of Default, the State may take any one or more, or all, of the following actions:

- a. Unless otherwise provided in the Contract, State shall provide the Vendor written notice of default and require it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of notice, unless otherwise indicated within by the State ("Cure Period"). If the Vendor fails to cure the default within the Cure Period, State may terminate the Contract effective two (2) days after giving the Vendor notice of termination, and at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.
- b. Give the Vendor a written notice specifying the Event of Default and suspending all payments to be made under the Contract and ordering that the portion of the Contract price which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the State determines that the Vendor has cured the Event of Default shall never be paid to the Vendor
- c. Set off against any other obligations the State may owe to the Vendor for any damages the State suffers by reason of any Event of Default;
- d. Treat the Contract as breached and pursue any of its remedies at law or in equity, or both.
- e. Procure Services that are the subject of the Contract from another source and the Vendor shall be liable for reimbursing the State for the replacement Services, and all administrative costs directly related to the replacement of the Vendor and procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth below and/or in the Vendor agreement.

6.15.1.2 In the event of default by the State, the Vendor shall provide the State with written notice of default, and the State shall cure the default within ninety (90) days.

6.15.1.3 Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive termination or Contract conclusion.

6.15.2 Termination for Convenience

6.15.2.1 State may, at its sole discretion, terminate the Vendor for convenience, in whole or in part, by providing thirty (30) days written notice to the Vendor. In the event of such termination for convenience, State shall pay the Vendor the agreed upon price, if separately stated, for Deliverables for which Acceptance has been given by State. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated will be paid, in whole or in part, generally in accordance with Appendix F: *Pricing Worksheets*.

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6.15.2.2 During the thirty (30) day period, the Vendor shall wind down and cease its Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on State from such winding down and cessation of Services.

6.15.3 Termination for Conflict of Interest

6.15.3.1 The State may terminate the Vendor by written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto of applicable laws regarding ethics in public acquisitions and procurement and performance of Vendors.

In such case, the State shall be entitled to a pro-rated refund of any current development, support and maintenance costs. The State shall pay all other Contract payments that would have become due and payable if the Vendor did not know, or reasonably did not know, of the conflict of interest.

6.15.3.2 In the event the Vendor is terminated as provided above pursuant to a violation by the Vendor, the State shall be entitled to pursue the same remedies against the Vendor as it could pursue in the event of a default of the Contract by the Vendor.

6.15.4 Termination Procedure

6.15.4.1 Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require the Vendor to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

6.15.4.2 After receipt of a notice of termination, and except as otherwise directed by the State, Vendor shall:

- a) Stop work under the Contract on the date, and to the extent specified, in the notice;
- b) Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and Sub-Contractors related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and Sub-Contractors, with the approval or ratification of the State to the extent required, which approval or ratification shall be final for the purpose of this Section;
- c) Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Vendor and in which State has an interest;
- d) Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State; and
- e) Provide written certification to the State that Vendor has surrendered to State all said property.

6.16 Limitation of Liability

6.16.1 State

Subject to applicable laws and regulations, in no event shall State or NHSLC be liable for any consequential, special, indirect, incidental, punitive, or exemplary damages. Subject to applicable laws and regulations, the State's liability to the Vendor shall not exceed the total Vendor price set forth in Section 1.8 of the *Vendor Agreement—Part 1-General Provisions* in Appendix H.

Notwithstanding the foregoing and any provision of this Contract to the contrary, in no event does the State waive its sovereign immunity or any applicable defenses or immunities.

6.16.2 The Vendor

Subject to applicable laws and regulations, in no event shall the Vendor be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and the Vendor's liability to State shall not exceed two times (2X) the total Vendor price set forth in the Section 1.8 of the *Vendor Agreement –Part 1-General Provision* in Appendix H. Notwithstanding the foregoing, the limitation of liability shall not apply to the Vendor's indemnification obligations set forth in the *Vendor Agreement Part 1- Section 13: Indemnification* and confidentiality obligations in *Vendor Agreement-Part 2-Section 6.13.14: Confidential Information*, which shall be unlimited.

6.16.3 State's Immunity

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved by the State. This covenant shall survive termination or Contract Conclusion.

6.16.4 Survival

This Contract Agreement, Section 6.16 Limitation of Liability shall survive termination or Contract conclusion.

6.17 Change of Ownership

In the event that the Vendor should change ownership for any reason whatsoever, the State shall have the option of continuing under the Contract with the Vendor, its successors or assigns for the full remaining term of the Vendor; continuing under the Contract with the Vendor, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to the Vendor, its successors or assigns.

6.18 Assignment, Delegation and Sub-Contractors

The Vendor shall not assign, delegate, Sub-Contract, or otherwise transfer any of its interest, rights, or duties under the Contract without the prior written consent of State of New Hampshire Liquor Commission. Such consent will not be unreasonably withheld. Any attempted transfer; assignment, delegation, or other transfer made without State's prior written consent shall be null and void and may constitute an event of default at the sole discretion of the State.

The Vendor shall remain wholly responsible for performance of the entire Contract regardless of whether assignees, delegates, Sub-Contractors or other transferees ("Assigns") are used, unless otherwise agreed to in writing by State and the Assigns fully assumes in writing any and all obligations and liabilities under the Vendor from the Effective Date . In the absence of a written assumption of full obligations and liabilities of the Contract, any permitted assignment, delegation, Subcontractor or other transfer shall neither relieve the Vendor of any of its obligations under the Contract nor shall it affect any remedies available to State against the Contract that may arise from any event of default of the provisions of the Contract. State will consider the Vendor to be the sole point of contact with regard to all Contract matters, including payment of any and all charges resulting from the Contract.

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6.19 Dispute Resolution

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the “Invoking Party”) shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party’s right to any other remedy permitted by this Contract.

The parties shall use all reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

Dispute Resolution Responsibility and Schedule Table:

LEVEL	NHSLC Contact		CUMULATIVE ALLOTTED
First	Tina Demers	Business Finance Office	5 Business Days
Second	Aidan Henderson	Business Program Manager	10 Business Days
Third	Craig Bulkley	State Executive Team	15 Business Days
Fourth	Joseph Mollica	State Sponsor	15+ Business Days

The allotted time for the first level negotiations shall begin on the date the Invoking Party’s notice is received by the other party. Subsequent allotted time is days from the date that the original Invoking Party’s notice is received by the other party.

6.20 Venue and Jurisdiction

Any action by or on the Vendor or Contract may only be brought in the State of New Hampshire Merrimack County Superior Court.

6.21 Project Holdback

The State will withhold ten percent (10%) of the agreed Deliverables pricing tendered by the Vendor in this Firm Fixed Price (FFP) engagement until successful completion of the Warranty Period as defined in Section 6.11.1: *Warranty Period*.

6.22 Escrow of Code

For a non-SaaS solution, Vendor will enter into a source and configuration code escrow agreement, with a State approved escrow agent. The proposed escrow agreement shall be submitted with the Vendor’s Proposal for review by State. The escrow agreement requires the Vendor to put the Software source and configuration code in escrow. The source code shall be released to the State if one of the following events has occurred:

- a) the Vendor has made an assignment for the benefit of creditors;
- b) the Vendor institutes or becomes subject to a liquidation or bankruptcy proceeding of any kind;
- c) a receiver or similar officer has been appointed to take charge of all or part of the Vendor’s assets; or
- d) the Vendor or its Sub-Contractor terminates its maintenance and operations support Services for NHSLC for the Software or has ceased supporting and maintaining the Software for NHSLC, whether due to its

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ceasing to conduct business generally or otherwise, except in cases where the termination or cessation is a result of the non-payment or other fault of NHSLC;

- e) Vendor defaults under the Vendor; or
- f) Vendor ceases its on-going business operations or that portion of its business operations relating to the licensing and maintenance of the Software.

6.23 Vendor Security/Performance Bond

The Vendor shall furnish the State with a Performance Bond in an amount equal to 100% of the total value of the applicable Purchase Prices and Charges within ten (10) business days of receipt of notice of intent to award a Contract. The Vendor shall bear the full expense of both the initial expense and the annual premiums for the Performance Bond. If such is not provided, the award may be nullified.

The Performance Bond shall be in a form and substance satisfactory to the State. The Performance Bond shall be maintained by the Vendor in full force and effect until successful completion of the Warranty Period. The Vendor or any of its sureties shall not be released from their obligations under the Performance Bond from any change or extension of time, or termination of this Contract. The Performance Bond shall contain a waiver of notice of any changes to this Contract or the Deliverables or the Specifications, or of any Change Orders.

Payments shall not be due to the Vendor until the Performance Bond is in place and approved by the State in writing. A licensed insurance company authorized to do business in the State of New Hampshire and made payable to the State of New Hampshire shall issue the Performance Bond. The Performance Bond shall contain the Contract number and dates of performance. The Vendor shall extend the validity and enforcement of the Performance Bond for said periods if the State exercises an option to extend the Contract for any additional period(s). The Performance Bond shall secure the performance of the Vendor, including without limitation performance of the Services in accordance with the Project Schedule and providing Deliverables in accordance with the Specifications, and shall secure any damages, cost or expenses resulting from the Vendor's default in performance or liability caused by the Vendor.

The Performance Bond shall become payable to the State for any outstanding damage assessments made by the State against the Vendor if there is a termination for default. An amount up to the full amounts of the Performance Bond may also be applied to the Vendor's liability for any administrative costs and/or excess costs incurred by the State in obtaining similar Software, Deliverables, other products, and Services to replace those terminated as a result of the Vendor's default. In addition to this stated liability, the State may seek other remedies.

The State reserves the right to review the Performance Bond and to require the Vendor to substitute a more acceptable Performance Bond in such form(s) as the State deems necessary prior to Acceptance of the Performance Bond.

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APPENDIX A: BACKGROUND INFORMATION

A-1 New Hampshire State Liquor Commission

The New Hampshire State Liquor Commission regulates the sale of alcohol in the State of New Hampshire. New Hampshire is one of 17 control states in the nation where the government directly controls the distribution and regulation of alcoholic beverages, spirits, and wine. The NHSLC distributes all liquor and wine sold in the State, collects all alcohol revenues, issues licenses, and enforces laws governing the sale and service of alcohol. The Commission is a business that employs over 1200 full and part time employees and generated \$626 million in sales in fiscal year 2014. Total net profits transferred to New Hampshire's General Fund reached \$149 million in fiscal year 2014. The NHSLC is a vital source of revenue for the State.

There are three major divisions within the Liquor Commission:

- a) **Division of Marketing, Merchandising and Warehousing** – The retail and wholesale part of the Commission and is responsible for the operation of all State liquor stores, merchandising, advertising, warehousing and transportation.
- b) **Division of Enforcement and Licensing** – Responsible for the enforcement of all liquor laws and rules as well as licensing of all private businesses that are involved with alcoholic beverages.
- c) **Division of Administrative Services** – Provides finance, information technology, human resources services and general administrative support service to the Commission.

The mission of the NHSLC is: For the benefit of the citizens of New Hampshire, the New Hampshire State Liquor Commission, (NHSLC) will optimize profitably by serving customers well and maintain proper controls of the sale, distribution and use of alcoholic beverages.

Project Overview

Goals and Objectives for NH State Liquor Commission:

The intent of this RFP is to deploy a tokenization and encryption solution to support the current and future NHSLC wholesale and retail point of sale systems, supporting back office work effort and decreasing PCI scope with a state-of-the-art integrated retail chain enterprise solution for the operation of state-owned retail stores, licensing and wholesale operations.

NHSLC seeks a Tokenization and Encryption Solution that:

- i. Is versatile, flexible, user friendly and has leading edge capabilities;
- ii. Is compliant with Euro MasterCard and Visa (EMV) chip enabled payment cards;
- iii. Reduces PCI scope and complexity;
- iv. Increases efficiency and effectiveness;
- v. Improves customer service; identify issues and eliminate errors;
- vi. Maintains quality, consistency and accessibility of information available to Commission personnel;

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- vii. Automates areas where there is currently inadequate, antiquated or non-user friendly automation;
- viii. Is capable of being integrated into or with a secure e-Commerce solution;
- ix. Employs modern, state of the art technologies, that can migrate to the technologies of tomorrow; and
- x. Offers a smooth transition to new technology through effective change management.

A-2 Department of Information Technology and Technology Status

The Project may be conducted in cooperation with the New Hampshire Department of Information Technology (DoIT) or other such State agencies as required.

A-2.1 Technical Architecture

Components of State's technical architecture include:

- a) **State Network Environment:** The State operates multiple wide-area networks using various technologies including frame relay, fiber, dedicated lines, wireless, Voice over Internet Protocol (VoIP) and VPN technologies. Networks have varying levels of integration and connectivity to the statewide core for resource sharing and centralized administration by the Department of Information Technology. Direct support is provided for twenty-one partner agencies; other State agencies support their own networks, out-source the support, or use the resources of another agency.
- b) **Internet Access:** All State agencies are connected to the State's intranet which is being redesigned to function as the statewide core network in addition to facilitating access to e-mail, the Internet, and the State's financial applications. Some agencies additionally have their own Internet service providers. PCI Compliance is also a major element in this effort.

A-2.2 Future Systems Environment

Future design and development efforts should conform to the emerging environment as defined by current information technology initiatives, the New Hampshire Statewide Strategic Information Technology Plan, and the State's e-Government Architecture Plan.

NHSLC is undergoing a transformation from its current Point of Sale system, and will require the TES vendor to modify its solution to meet the requirements of the future system.

The next generation point-of-sale solution has not yet been identified. The State expects that new payment terminals will be procured by May 2015 to accommodate PCI and EMV compliance requirements prior to the EMV compliance requirements deadline of October 2015.

The expected payment terminals shall be VeriFone MX915 devices. The Vendor is required to provide any keys or other security requirements required to enable the solution to work within the terms of the Contract.

A-3 Related Documents Required at Vendor time

- a) Certificate of Good Standing/Authority (Appendix T-2–item A) dated after April of the current year and available from the Department of State by calling (603) 271-3244 or (603) 271-3246. Forms are also available on: www.sos.nh.gov/corporate/Forms.html
- b) Certificate of Vote (Appendix T-2-Item B)

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- c) Proof of Insurance Compliance with Appendix H: *State of New Hampshire Terms and Conditions*, Section 12: *Insurance*.

A-4 State Project Team

State high-level staffing for the Project will include:

NH State Project Team Members	Role
Joseph Mollica, Chairman	State Project Sponsor (NHSLC)
Craig Bulkley	State Executive Team Lead (NHSLC)
Aidan Henderson	State Business Program Manager (NHSLC)
TBD	State Project Lead (DoIT)
Rick Racicot	State System Development Lead (DoIT)
James Cordio	State Systems Administrator (DoIT)

A-4.1 Project Sponsors

The Project Sponsor will be responsible for securing financing and resources, addressing issues brought to their attention by the Business Program Manager, and assisting Project Lead in promoting the Project throughout state. The Project Sponsor or an appropriate designee will be available to resolve issues on a timely basis.

A-4.2 Business Program Manager

The Business Program Manager will be responsible for:

- Managing Business resources required for the Project;
- Approving project strategy, change orders and approach;
- Serves as point of contact between the State and the Vendor;
- Managing significant issues and risks; and
- Managing stakeholders' concerns.

A-4.3 Project Lead

The Project Lead will be responsible for:

- Assist the Business Program Manager as required for the Project;
- Managing State resources required for the Project;
- Assisting with project strategy and approach;
- Assisting with managing project level issues and risks;
- Ensuring all technical compliance and testing requirements is met;
- Reviewing stakeholders concerns; and
- Reviewing vendor concerns.

A-4.4 Systems Development Lead

The Systems Development Lead will be responsible for:

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- Will assist the Project Lead in ensuring Project deliverables are met;
- Knowledge transfer; background information;
- Ensuring and testing all technical compliance requirements;
- Reviewing stakeholders' concerns; and
- Assisting with technical components, testing and integration.

A-4.5 Systems Administrator

The Systems Administrator will be responsible for:

- Will assist the Project Lead in ensuring Project deliverables are met;
- Knowledge transfer; background information;
- Ensuring and testing all technical compliance requirements;
- Testing and installation of all server technical requirements;
- Reviewing stakeholders' concerns; and
- Assisting with technical components, testing and integration.

APPENDIX B: MINIMUM STANDARDS FOR PROPOSAL CONSIDERATION

A Proposal that fails to satisfy the requirements in this section may be rejected without further consideration.

B-1 Submission requirements

- a) The Proposal is date and time stamped before the deadline as defined in Section 2: *Schedule of Events*.
- b) The Vendor has sent the proper number of copies with the original version of the Proposal marked "ORIGINAL" and the copies marked "COPY" as defined in Section 4.1: *Proposal Submission, Deadline and Location Instructions*.
- c) The original Proposal includes a signed Transmittal Letter accepting all terms and conditions of the RFP without exception.
- d) The proposed escrow agreement for Non-SaaS Solutions shall be submitted with the Vendor's Proposal for review by the State.

B-2 Compliance with System Requirements

System requirements and Deliverables are listed in Appendix C: *System Requirements and Deliverables* in this RFP. The proposed Vendor's Solution must be able to satisfy all mandatory requirements listed.

B-3 Current Implemented Sites of Vendor Proposed Software/Hardware

Components that constitute the Vendor's proposed Software suite must be fully implemented and operational in at least one (1) client comparable in size and complexity to the NHSLC. All Proposed solutions must have been deployed to clients similar in size to that of NHSLC.

B-4 Vendor Implementation Service Experience

The Vendor must have completed the proposed Implementation for at least four (4) clients comparable in size and complexity to the NHSLC within the last two (2) years. The specific Vendor proposed solution and functionality must be described.

B-5 Proposed Project Team

Vendor required key personnel for this Project are defined as one (1) Project Manager, one (1) Conversion/Database Specialist, one (1) Business Analyst, one (1) Technical Analyst, and one (1) Training Specialist. These key personnel will comprise the selected Vendor's core team; others may be added as advised by the Vendor. Vendor personnel may fulfill one or more functional roles. No subsequent substitutions may be made to the key personnel designated in the Vendor's proposal made in

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response to this RFP without the prior approval of the NH State Liquor Commission.

The Vendor Project Manager will have overall Project responsibility for all Vendor Project Management and development staff and their activities. The Vendor Project Manager will work closely with members of the NHSLC Project Management team.

It is essential that each of the Vendor personnel resources proposed by the Vendor possess the qualifications and experience noted below. The Vendor Project Manager in particular should have had significant responsibility for managing Projects similar in size, scope and complexity. Experience with the management, development, and support of State or Federal retail application Projects are preferred. The intention of the following table is to define the roles and responsibilities the NHSLC is expecting, rather than the discreet number of individuals.

For the purpose of evaluating compliance with this requirement, the Vendor team is permitted to propose Sub-contractor staff. Moreover, it is highly recommended all key personnel are present at the time of oral presentations

Key Personnel	Qualifications
Project Manager	<ul style="list-style-type: none"> • Minimum seven (7) years of Information Technology experience, including three (3) years of Project Management experience on complex retail systems. • Responsibilities must have included working with business areas to define business requirements to support existing needs and future business functionality in a PCI environment. • Responsibilities must have included creating detailed project documentation especially requirements documents and risk management and mitigation. • The Project Manager must have had significant responsibility experiences for a project similar in size, functionality and scope. • The Project Manager must be assigned as a regular fulltime employee assigned to the project initiating at the onset of approved Contract date and throughout Implementation. Unless otherwise approved it is expected that the Project Manager will spend sufficient time in New Hampshire so that the Project Manager understands the operations of NHSLC and the full expectations for this project.
Conversion/Database Specialist	<ul style="list-style-type: none"> • Minimum of four (4) years' experience as Conversion/Database specialist associated with a late generation retail enterprise solution and projects.
Technical Analyst	<ul style="list-style-type: none"> • Minimum of four (4) years' experience as a Technical Analyst associated with a late generation retail enterprise solution and tokenization and payment services projects. • Experience with PCI-DSS standards

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Business Analyst	<ul style="list-style-type: none">• Minimum of three (3) years' experience as a Business Analyst• Analyst associated with a late generation retail enterprise solution and tokenization and payment services projects.• Experience with PCI-DSS standards
Training Specialist	<ul style="list-style-type: none">• Minimum of two (2) years' experience as a Training Specialist• Specialist associated with large scale projects.

APPENDIX C: SYSTEM REQUIREMENTS AND DELIVERABLES

C-1 Scope of Work

The State of New Hampshire, acting through the NH State Liquor Commission (NHSLC) is releasing this Request for Proposal (RFP) to procure a complete Tokenization and Encryption Solution (TES) system with associated warranties, maintenance, training, support, and Implementation Services for the Commission. The Vendor will be responsible for all aspects of the Project, including, but not limited to:

Integration of the existing NHSLC POS systems including hardware, software, configuration, interfaces with other systems and development associated with the implementation of a Tokenization and Encryption Solution and its associated, installation, training, support and maintenance including but not limited to:

- A preference for a Software-as-a-Service (SaaS) solution to reduce PCI compliance scope for NHSLC;
- Integration into a NHSLC authorized bank;
- Integration with the State's current Acquirer;
- Reporting for sales in all retail stores (Required);
- Reporting used for in-house standalone POS terminals transactions (i.e. Enforcement, HQ) (Required);
- Support for back office systems for finance, sales, marketing and merchandising data management and reporting (Required);
- Encryption of data to ensure the safe and secure transmission of any data;
- Tokenization of any data to ensure the safe and secure transmission of any payment processing or data;
- Data, reporting, capturing and manipulation (Required);
- Creating necessary interfaces to external systems, including:
 - Any data repositories maintained as part of the Liquor Commission's solution

Vendors that are unable to submit a solution for the business areas designated above are not likely suitable candidates for this Solution and will be scored reflectively.

C-2 State Requirements

State Requirements			Vendor Response	
Number	General Requirements	Requirement	Yes/No	Comments
G.001	The Supplier selected must support integration to the current ACR 5000 POS application as well as any TES upgrades throughout the term of this contract.	Mandatory		
G.002	The Supplier selected must support any future POS systems as well as any future upgrades	Mandatory		
G.003	The Supplier system must provide true Tokenization	Mandatory		
G.004	The Supplier system must provide point to point encryption (P2PE)	Mandatory		

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G.005	The Supplier solution must be PCI-DSS compliant and certified by the NHSLC acquirer.	Mandatory		
G.006	All Supplier systems either internal or external to the NHSLC must be certified by a qualified QSA to be PCI DSS v3.0 compliant.	Mandatory		
G.007	Supplier will provide PCI DSS attestation of compliance (AOC)	Mandatory		
G.008	The Supplier solution must work and operate independent of any credit card terminal	Mandatory		
G.009	The Supplier solution must work and operate independent of any Point of Sale solution	Mandatory		
G.010	The Supplier solution must have the ability to process EMV reader transactions	Mandatory		
G.011	The supplier solution must have the ability to process web based transactions	Mandatory		
G.012	The supplier solution must have the ability to process Magnetic Swipe transactions	Mandatory		
G.013	The Supplier solution must have the ability to process Check transactions	Mandatory		
G.014	The supplier solution must provide a virtual terminal	Mandatory		
G.015	Vendor will provide written confirmation that the Vendor is experienced with the specialized merchant products operated throughout the State which include licensing, enforcement, and retail	Mandatory		
G.016	Processes must not retain or return the PAN as part of any response to the merchant.	Mandatory		
G.017	The tokenization platform must allow for chargeback and refund processing without the need for the merchant to retain or have access to full PAN.	Mandatory		
G.018	Retained historical information of cardholder data must be eliminated, protected (per PCI DSS requirements), or tokenized as part of the implementation	Mandatory		
G.019	The Tokenization solution must be Bank Processor independent	Mandatory		
G.020	The Tokenization solution must be Gift Card Processor independent	Mandatory		
G.021	The solution must have the ability to use the current and future POS applications and systems hardware and software without modification (i.e. solution must	Optional		

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	be independent of any POS application)			
G.022	The Supplier must begin implementation of the solution within 10 days of contract signing	Mandatory		
G.023	The Supplier must explain the roles and services being offered in payment processing, such as payment processor, acquirer, payment gateway, solution provider, and other such pertinent information in the transaction processing or other services as part of this RFP. <i>Provide a separate document if required to explain this Requirement.</i>	Mandatory		
G.024	Please explain your Incident Management process. <i>Provide a separate document if required to explain this Requirement.</i>	Mandatory		
G.025	The Supplier must explain its Disaster Recovery process. <i>Provide a separate document if required to explain this Requirement.</i>	Mandatory		
G.026	Report and Query Data must be exportable in CSV or XLS formats	Mandatory		
G.027	Data must be importable in CSV or XLS formats to MS Office applications	Mandatory		
G.028	The Vendor must provide written confirmation that the Vendor is currently a Payment Card Industry (PCI) Data Security Standard (DSS) Compliant Service Provider. Attach evidence of the following: a. a current Certificate of Validation by a Qualified Security Assessor b. your company's current inclusion on Visa's List of Compliant Service Providers c. your company's current inclusion on the MasterCard Site Data Protection Program's list of Compliant Service Providers d. your company's current inclusion on the Bank of America's list of certified EMV Service Providers	Mandatory		
G.029	Provide written confirmation that the Vendor previously or currently services at least one (1) state, federal or large city/county government entity.	Mandatory		
G.030	The Virtual Terminal and Reporting generation solution should be accessible using an industry standard browser	Optional		

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Business Requirements			Vendor Response	
Number	Tokenization Requirements	Requirement	Yes/No	Comments
T.001	The solution must be able to encrypt and tokenize North American and International versions of: • Visa • MasterCard • all Discover network cards • American Express (AMEX)	Mandatory		
T.002	The solution must be able to encrypt and tokenize North American and International versions of Smartphone payment solutions	Mandatory		
T.003	The solution has the ability to encrypt and tokenize North American and International versions of PayPal	Optional		
T.004	The solution has the ability to encrypt and tokenize North American and International versions of CURRENT-C	Optional		
T.005	The solution must be able to encrypt and tokenize near field technology (NFC) payment solutions	Mandatory		
T.006	The solution must return a unique identifier or tokenized card number with each card authorization	Mandatory		
T.007	The solution must accommodate true PIN based debit	Mandatory		
T.008	The solution must accommodate stored value cards (SVC)	Mandatory		
T.009	The token must not be mathematically reversible	Mandatory		
T.010	The token format must fit legacy payment card data fields	Mandatory		
T.011	The supplier solution must have the ability for Retail Store personnel to obtain approvals in offline mode	Mandatory		
T.012	A token map must be present so that PAN information can be associated to a token. Recovery of the original PAN must not be computationally feasible. State staff should have access to the token only.	Mandatory		
T.013	A Vendor managed SaaS centralized card data vault must be used as a central repository for all tokenization processes outside of the State network. Security controls must be more stringent than current PCI v3.0 requirements.	Mandatory		
T.014	The tokenization system must be able to identify and distinguish between tokenized and clear text cardholder data	Mandatory		
T.015	Single Use Tokens must be used to track individual transactions	Mandatory		
T.016	Multi Use Tokens must be used where the state may have to track an individual	Optional		

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	PAN for multiple transactions			
T.017	The tokenization system must not provide PAN data to a token recipient	Mandatory		
T.018	The card data vault must be managed and protected per the published PCI DSS requirements including any future upgrades or modifications	Mandatory		
T.019	The solution must provide data security at the terminal	Mandatory		
T.020	At a minimum the solution must provide point to point encryption to the approval system	Mandatory		
T.021	Accuracy of processing must be 100%	Mandatory		
T.022	The system shall be fault tolerant and self-recovering	Optional		
T.023	The supplier solution must have the ability to store a token for a minimum of 24 months	Mandatory		
T.024	Provide written confirmation that the Respondent can return a unique identifier or tokenized card number with each authorization/rejection for all data capture methods so the card number is not required to be stored on State of New Hampshire owned or operated applications.	Mandatory		
T.025	Vendor solution shall encrypt data between the Vendor solution and the Acquirer	Optional		
T.026	Vendor must provide secure encryption operations and management of cryptographic keys	Mandatory		
T.027	Solution must not provide storage of CHD after payment transaction is finalized	Mandatory		
T.028	Vendor must have the ability to perform Encryption Key-management functions	Mandatory		
T.029	Vendor shall implement and manage POI devices in accordance with the P2PE Instruction Manual.	Optional		
T.030	Vendor must affirm that NHSLC has no involvement in encryption or decryption operations.	Mandatory		

Business Requirements			Vendor Response	
Number	De-Tokenization Requirements	Requirement	Yes/No	Comments
DT.001	The solution must be able to decrypt and de-tokenize North American and International versions of: • Visa • MasterCard • all Discover network cards • American Express (AMEX)	Mandatory		
DT.002	The solution must be able to decrypt and	Mandatory		

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	de-tokenize North American and International versions of NFC Smartphone payment solutions			
DT.003	At a minimum the solution shall have the ability to decrypt and de-tokenize North American and International versions of PayPal and Google Wallet	Optional		
DT.004	The solution shall have the ability to decrypt and de-tokenize North American and International versions of CURRENT-C	Optional		
DT.005	The solution must be able to decrypt and de-tokenize near field technology (NFC) payment solutions	Mandatory		
DT.006	The token format must fit legacy payment card data fields	Mandatory		
DT.007	The tokenization system must be able to identify and distinguish between tokenized and clear text cardholder data	Mandatory		
DT.008	The encrypted data shall be decrypted after transmission from the Acquirer	Optional		
DT.009	Secure encryption and decryption operations and management of cryptographic keys	Mandatory		

Business Requirements			Vendor Response	
Number	Transaction Requirements	Requirement	Yes/No	Comment
MR.001	The solution must support domestic PIN debit	Mandatory		
MR.002	The solution must support Canadian Interac PIN debit	Mandatory		
MR.003	The solution must support bin management debit or credit transactions	Mandatory		
MR.004	The solution must support signature capture devices	Mandatory		
MR.005	The solution must relate signature capture to the POS lane	Mandatory		
MR.006	The solution must support USA EMV signature and pin	Mandatory		
MR.007	The solution must support USA EMV chip and pin	Mandatory		
MR.008	The solution must support Canadian EMV chip and pin	Mandatory		
MR.009	The solution must provide Gift Card support	Mandatory		
MR.010	The solution must provide Bank Check verification	Mandatory		
MR.011	The solution must identify and deny HSA/FSA transactions	Mandatory		
MR.012	The solution must identify and deny EBT transactions	Mandatory		
MR.013	The solution must operate and authorize	Mandatory		

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	transactions in off-line or stand-alone mode			
MR.014	The solution must generate secure transactions in off-line or stand-alone mode	Mandatory		
MR.015	Debit card transactions must be PIN blocked	Mandatory		
MR.016	Ability to take card not present transactions via the Internet, mail order, telephone, or fax	Mandatory		
MR.017	Ability to utilize a Virtual Terminal with an industry standard browser	Mandatory		
MR.018	Ability to identify and report transactions that are delayed due to issues in obtaining authorization	Mandatory		
MR.019	Ability to transfer and provide tokens to previous transactions	Optional		
MR.020	The solution must have the ability to direct debit cards to process as debit cards instead of credit	Mandatory		
MR.021	Ability to utilize a virtual payment terminal to process transactions in SaaS model	Mandatory		
MR.022	Provide details of Virtual Payment Terminal in a separate document	Mandatory		
MR.023	The Vendor solution must be compatible with the Bank of America platform	Mandatory		
MR.024	The Vendor solution must be certified by Bank of America prior to Vendor response to the RFP	Mandatory		
MR.025	The Vendor solution must be certified for EMV by Bank of America prior to Vendor response to the RFP	Mandatory		
MR.026	The Vendor solution must provide for offline processing (i.e. store and forward)	Mandatory		

Business Requirements			Vendor Response	
	PCI DSS & Security Requirements	Requirement	Yes/No	Comment
DSS.001	The token server, as well as any API or application that performs tokenization/de-tokenization, must comply with PCI Requirements.	Mandatory		
DSS.002	Supplier must provide an independent audited PCI DSS Attestation of Compliance performed by a certified QSA at least once per calendar year.	Mandatory		
DSS.003	Solution must provide data security at the terminal	Mandatory		
DSS.004	Solution must maintain PCI DSS minimum requirements	Mandatory		
DSS.005	Solution must maintain other industry minimum requirements as they become	Mandatory		

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	available or required			
DSS.006	The solution must generate a random alpha numeric token	Mandatory		
DSS.007	The solution must generate a token to the transaction event	Mandatory		
DSS.008	Personally Identifiable Information (PII) must only be made available to Authorized Account holders designated by the State of New Hampshire or as required by an endorsed law enforcement agency or state or federal court.	Mandatory		
DSS.009	The supplier must provide the final architecture diagrams of the implemented solution	Mandatory		
DSS.010	Cryptographic keys must be managed and protected by the Supplier in accordance with the most current PCI DSS requirements	Mandatory		
DSS.011	The supplier must insure each instance of a breach for a single card holder to a minimum of \$100,000 (one hundred thousand dollars)	Mandatory		
DSS.012	Supplier must indemnify the State of New Hampshire from any breach of data, security or an external network	Mandatory		
DSS.013	Supplier must indemnify the State of New Hampshire from any loss of business as a result of errors, issues or loss of connectivity directly related to the suppliers system	Mandatory		
DSS.014	The solution must provide P2PE at the payment terminal after cardholder swipe	Mandatory		

Business Requirements		Vendor Response		
Reporting Requirements	Requirement	Yes/No	Comment	
FRP.001	Chargeback and payment reconciliation must be managed without revealing PAN or PII data	Mandatory		
FRP.002	A minimum of 24 Months of transaction data must be retained by supplier solution and available for real time review by Authorized Account holders after which time it must be destroyed.	Mandatory		
FRP.003	A minimum of 24 months of archive data must be available from the Suppliers solution in real time mode	Mandatory		
FRP.004	The solution must have the ability to report on all transactions at a single store	Mandatory		
FRP.005	The solution must have the ability to consolidate all store transaction data into one report	Mandatory		

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FRP.006	The solution must provide Aging Reports	Mandatory		
FRP.007	The solution must will provide Batch Submission report	Mandatory		
FRP.008	The solution must notify State authorized Information Security Manager of any suspicious trends and activities or a system breach within one (1) hour of such activity.	Mandatory		
FRP.009	The solution must provide suspicious activity reports	Mandatory		
FRP.010	Shall have the ability to identify and report on transactions where transactions may be deemed fraudulent	Optional		
FRP.011	Shall have the ability to report upon transactions where chargebacks are made to cards where the cards do not exist in the system	Optional		
FRP.012	Must have the ability to report upon all transactions by type, MID, token, store and date.	Mandatory		
FRP.013	Must have the ability to support query and filter functions	Mandatory		
FRP.014	Reports must be directly exportable to MS Office applications.	Mandatory		
FRP.015	Must provide sales reports by store by day, week, month, quarter and year	Mandatory		
FRP.016	Must have the ability to report on void or cancelled transactions	Mandatory		
FRP.017	The supplier must provide a web based online reporting solution hosted by the supplier for the tracking of all transactions.	Mandatory		
FRP.018	The reporting solution must comply with all applicable reporting and security policies and standards including PCI DSS, State of New Hampshire Information Security Policies, and State of New Hampshire technical policies as they are amended from time to time.	Mandatory		
FRP.019	The Vendor's reporting solution must allow customization so that information can be gathered and compiled at the statewide (corporate) level, store level, and individual merchant identification number (MID) level.	Mandatory		
FRP.020	The vendor solution must provide Authorization detail and summary reports	Mandatory		
FRP.021	The vendor solution must provide a Disputed Card Items report	Mandatory		
FRP.022	The vendor solution must provide captured and settled transactions by	Mandatory		

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	corporate and MID levels			
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Business Requirements			Vendor Response	
	Bank Settlements Requirements	Requirement	Yes/No	Comment
BSR.001	Authorized State Financial and Authorized State Customer Service Representatives must have the ability to provide refunds based upon system role.	Mandatory		
BSR.002	State Financial and State Customer Service Representatives must have the ability to provide adjustments to charges and settlements based upon system role	Mandatory		
BSR.003	State must have the ability to view, audit, edit and report transactions prior to settlement if automatic settlement is not available	Mandatory		
BSR.004	NHSLC must have the ability to make adjustments including transaction voids before settlement	Mandatory		
BSR.005	Solution must support recurring billing	Mandatory		
BSR.006	Solution must provide access to an online portal for settlements	Mandatory		
BSR.007	Solution should provide access to telephone support and assistance for settlements	Optional		
BSR.008	Solution should provide the ability to automatically settle transactions	Optional		
BSR.009	Provide written confirmation that the Vendor can and shall, under normal operating conditions, cause the settlement of electronic payment transactions to be credited as available funds for the NHSLC in an account designated by the State.	Mandatory		
BSR.010	Provide written confirmation that the Respondent is currently engaged and has been for the past twelve consecutive months as an online gateway or processor for an entity with the minimum processing volume of 1,500,000 transactions per year. (Concurrent operation of multiple entities with a cumulative processing volume totaling 1,500,000 per year shall NOT satisfy this requirement.) Provide the name and a contact for one of your clients with a minimum processing volume of 1,500,000 transactions per year.	Mandatory		

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Business Requirements			Vendor Response	
	Chargebacks/Refunds/Retrieval Requirements	Requirement	Yes/No	Comment
CRR.001	The solution must provide ability to do a credit card lookup by an NHSLC Authorized user role	Mandatory		
CRR.002	The solution must allow refunds to be performed	Mandatory		
CRR.003	The solution shall allow batch refunds to be performed	Optional		
CRR.004	The solution must allow the retrieval request to be performed	Mandatory		
CRR.005	The solution must have the ability to perform card present refunds	Mandatory		
CRR.006	The solution must have the ability to perform card not present refunds	Mandatory		
CRR.007	The solution must allow a relationship between normal POS data and the token	Mandatory		
CRR.008	The solution must provide a report of chargeback and refund trends to assist in fraud detection and prevention	Mandatory		

Business Requirements			Vendor Response	
	Technical Requirements	Requirement	Yes/No	Comment
TR.001	The supplier must provide an electronic interface for communications between all locations and the processors systems	Mandatory		
TR.002	The supplier must maintain 24/7/365 systems operations and 99.999% availability; backup and disaster recovery processes, procedures and processes	Mandatory		
TR.003	Upon termination of the contract all transaction data must be encrypted, secured and turned over to the NHSLC in an agreed upon format and time frame acceptable to the State.	Mandatory		
TR.004	The Vendor must agree to perform an annual PCI audit and provide all necessary certificates, attestations and documentation requested by the State of New Hampshire to satisfy the requirements conveyed in the most current PCI standards version	Mandatory		
TR.005	The lifespan of a Token must be for a minimum of no less than 90 days	Mandatory		
TR.006	Point to Point Encryption must be utilized in the process of tokenization and token transportation	Mandatory		
TR.007	The solution must have the ability to	Mandatory		

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	complete End User (i.e. public consumer) Customer web commerce functions			
TR.008	The solution must have the ability to complete End User (i.e. public consumer) Customer physical commerce functions	Mandatory		
TR.009	The solution must operate in a SaaS model	Mandatory		
TR.010	The solution must provide redundancy in its SaaS model	Mandatory		
TR.011	The solution must minimize and report duplicate transactions	Mandatory		
TR.012	Supplier must provide customer telephone support 24/7/365	Mandatory		
TR.013	The Supplier must provide call logging at initiation of customer support call	Mandatory		
TR.014	The Supplier must provide call response within 1 hour of initiating a customer support call.	Optional		
TR.015	The availability of the tokenization and encryption solution must be 99.999%	Mandatory		
TR.016	The solution must have system response time for processing < 1 second from point of entry into the Vendor solution	Mandatory		
TR.017	The Vendor must provide an EMV compliant solution	Mandatory		
TR.018	As part of its response, the supplier must describe the network connectivity requirements that the Supplier solution would require from NHLC's retail environment. Include details for: <ul style="list-style-type: none"> • Connectivity Types • Bandwidth Requirements <i>Provide a separate document if required to explain this Requirement.</i>	Mandatory		
TR.019	The solution must have the ability to globally update Firmware and software remotely	Mandatory		
TR.020	As part of its response, the supplier must provide details of the device configuration and maintenance processes, including configuration and delivery of new devices, remote key injection capabilities, and any other device maintenance considerations. <i>Provide a separate document if required to explain this Requirement.</i>	Mandatory		
TR.021	As part of its response, the supplier must provide an architectural overview of its proposed solution to NHSLC objectives clearly indicating the following areas: <ul style="list-style-type: none"> • Hardware / Software components to be introduced into the Retail environment 	Mandatory		

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	<ul style="list-style-type: none"> • Interface points with any existing technology component • Interface points with any existing technology component outside of • Connectivity to any processing centers • Processing of encrypted data within the environment • Connectivity to the Acquirers systems <p><i>Provide a separate document if required to explain this Requirement</i></p>			
TR.022	As part of its response, the supplier must provide details of the Point-to-Point Encryption (P2PE) solution. <i>Provide a separate document if required to explain this Requirement</i>	Mandatory		
TR.023	As part of its response, the supplier must provide details of the End-to-End Encryption (E2EE) solution. <i>Provide a separate document if required to explain this Requirement</i>	Mandatory		
TR.024	As part of its response, the supplier must provide written confirmation that the Vendor can accommodate and support true pin based debit and support the VeriFone MX870, VeriFone MX915, First Data FD130 Duo and mobile smart terminals The Vendor shall also provide written confirmation of its ability to reprogram or re-inject existing devices to allow for continued use in card processing.	Mandatory		
TR.025	As part of its response, the supplier must provide written confirmation that the Vendor has a PCI certified tokenized application interface. The Vendor shall also submit the PCI certification letter for the Vendor's tokenized application interface product	Mandatory		
TR.026	As part of its response, the supplier must provide telecommunications response times for authorization, settlement, and reporting. The reliability of the telecommunications link for reaching the Vendor must be at the level of five nines reliability which represents availability of 99.999%	Mandatory		
TR.027	As part of its response, the supplier must provide written confirmation that the	Mandatory		

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	Vendor can accommodate and support web based payment processing.			
TR.028	The Vendor solution must have the ability to provide role based access and security to State selected Authorized Users	Mandatory		
TR.029	As part of its response, the supplier must provide written confirmation of its ability to reprogram or re-inject existing devices to allow for continued use of current VeriFone terminals with Vendor solution	Mandatory		

Business Requirements			Vendor Response	
	Hosting Requirements	Requirement	Yes/No	Comment
HR.001	The Vendor must have a formal written business continuity policy	Mandatory		
HR.002	The Vendor recovery location must use separate power and telecommunications grids from those used by the primary site	Mandatory		
HR.003	The Vendor must have insurance coverage for business interruptions or general service interruptions, regardless of the reason	Mandatory		
HR.004	The Vendor must carry insurance or provide a Surety Bond. This must cover identity theft, cyber-extortion, cyber-terrorism, information asset network security, web content, data breaches, errors and omissions, and network business interruptions on the part of the Vendor or Vendors systems.	Mandatory		
HR.005	The Vendor solution must have the following general server controls in use <ul style="list-style-type: none"> • restricted access to only authorized users only • regular reviews of access privileges • automatic lockouts after a period of inactivity 	Mandatory		
HR.006	The Vendor systems configuration tools must include host intrusion detection systems (HIDS) utilized and maintained regularly	Mandatory		
HR.007	The Vendor system must manage file integrity	Mandatory		
HR.008	Vendor routers must have defined access control lists to specify access to and from their network	Mandatory		
HR.009	Vendor must have a formal Change Control process for their systems	Mandatory		
HR.010	The Vendor must meet or exceed SSAE	Optional		

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	16 requirements			
HR.011	The Vendor solution must have the ability for responsibilities on the cloud portal to be segmented per user account	Mandatory		
HR.012	The Vendor solution must have the ability for CIFS and/or NFS with a IaaS SaaS or cloud solution	Mandatory		

C-3 Vendor Requirements Checklist

All Proposals must respond in detail to requirements checklist. The Requirements are broken into six (6) different business areas. Vendors shall complete the response checklist Table C-3 Deliverables Vendor Response Checklist.

Table C-3 Deliverables Vendor Response Checklist

Activity, Deliverable or Milestone	Deliverable Type	Explain how your Solution meets the requirement. Cite the page of your Proposal.	Comments
Baseline Solution			
Hosted/SaaS Solution Model	Software/Written		
Initiation Phase			
Project Work Plan	Written		
Communications and Change Management Plan, including Risk and Issue Management	Written		
Change Control Process Document	Written		
Conduct Project Kickoff Meeting	Non-Software		
PCI Attestation	Written		
Pre-Configuration/Design Phase			
Conduct and Document Joint Application Development (JAD) Sessions	Non-Software		
Documentation of Recommended Solution	Written		
Documentation of Operational Procedures	Written		
Configuration / Design Documentation	Written		
Requirements Traceability Matrix	Written		
Specifications of Various Technical Environments (Hardware & Software)	Written		
Conduct Information Architecture Review	Non-Software		

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Configuration Phase			
Solution Interface Plan and Design/Capability	Written		
Injection Management Plan	Written		
Testing Plan	Written		
Data Migration Plan	Written		
Deployment Plan	Written		
Comprehensive Training Plan	Written		
End User Support Plan	Written		
Solution installed, configured and operational	Software		
Conduct Unit and System Testing, Integration Testing, Volume/Stress Testing, Production Tests	Non-Software		
Unit and System Testing Results and Analysis, Integration Testing Results and Analysis, Volume/Stress Testing Results and Analysis, Production Testing Results and Analysis	Written		
Functioning In-Bound and Out-Bound Interfaces	Software		
Functioning Terminal Key/Injection	Software		
Migrated Data Loaded into Production Environment	Software		
Backup and Recovery of all Applications and Data	Software		
End User Support	Non-software		
Conduct Training	Non-Software		
Cutover to New Solution	Non-Software		
Control Activities (All Phases) and Project Close Out			
Project Status Reports	Written		
Conduct Project Exit Meeting	Non-Software		
Optional Software and Services			
Optional Service 1	Software		
Optional Service 2	Software		
Optional Service 3	Software		
Additional End User Training Assistance	Non-software		
Additional Data Conversion	Non-software		

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Assistance			
Additional PCI Compliance Assistance	Non- software		

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APPENDIX D: TOPICS FOR MANDATORY NARRATIVE RESPONSES

Vendors must limit narrative responses describing the Software, technical, Services and Project Management topics defined for this Project. The following table identifies specific topics for narratives. A page limit is identified for each topic. If a response to a topic exceeds the page limit, NHSLC will limit its consideration to the prescribed page limit.

Topic	Page Limit
D-1 Proposed Solution	
Topic 0 - Product Literature	1
Topic 1 - Solution Architecture	3
Topic 2 - Maintenance Releases	5
Topic 3 – Reporting	5
Topic 4 - User friendliness and usability	10
Topic 5 - IT Standards	2
Topic 6 - Interface Standards	2
D-2 Technical, Services and Project Management Experience	
D-2.1 Security and Protection of Data	
Topic 7 - System Security	10
Topic 8 - Backup and Recovery	2
Topic 9 - Assurance of Business Continuity	3
Topic 10 – Archiving	2
D-2.2 Compatibility with State Personnel and Training	
Topic 11 - Preparation of State Staff	3
Topic 12 - User Training Approach	6
Topic 13 - Technical Knowledge Transfer	5
D-2.3 Project Execution	
Topic 14 - Implementation Approach	10
Topic 15 – Testing	6
Topic 16- Migration & Integration Strategy	3
Topic 17 – Interfaces	3
Topic 18 – Environment Setup	2
D-2.4 Project Management Competence	
Topic 19 - System Acceptance Criteria	6
Topic 20 - Status Meetings and Reports	3

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Topic 21 - Risk and Issue Management	3
Topic 22 - Scope Control	2
Topic 23 - Quality Assurance Approach	6
Topic 24 - Work Plan	No Limit

D-2.5 Ongoing Operations

Topic 25 - Hosted System (if applicable)	5
Topic 26 – Help Desk Support	3
Topic 27 – Support and Maintenance	2

D-1 PROPOSED SOFTWARE SOLUTION

This section provides a series of topics related to the proposed Software Solution that the State of New Hampshire will consider for Tokenization & Encryption services.

Topic 0 – Product Literature

Response Page Limit: 1

Provide an appendix with sales literature describing the functionality of the proposed Software. Provide a table with references to pages in the appendix that describe functionality addressed for all appropriate topics for narrative responses.

Topic 1 – Software Architecture

Response Page Limit: 3

The State will evaluate the degree to which the architecture can be supported over an extended period, including the ease of support.

The NHSLC prefers a Web-based System, with a browser as the principal user interface mechanism. Although the NHSLC is open to alternatives that are proven to provide better value, it prefers to operate the tokenization and encryption services in a SaaS solution.

Provide a description of the technical architecture of the proposed Solution. The following topics, at a minimum, should be addressed:

- Does any part of the proposed Solution require Software (other than a browser) to be installed on the client workstation? If yes, describe Software that must be installed and the access authorization level required to install it.
- Are there any components of the System that must reside on another platform?
- What application servers are used to support the proposed Solution?
- What add-on or third-party Software is required to support the functionality desired by the NHSLC?
- What components of the software, such as middleware, are proprietary?
- What is the growth potential or scalability of the proposed System?
- What is the timeframe for technical obsolescence of the proposed Software? (For the purpose of this question, the version of the proposed Software would be considered obsolete when maintenance support is no longer available.)

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- What type of staffing is typically required to support the proposed product for a client of the size and complexity of the State of New Hampshire?
- If the proposed Solution does not meet the NHSLC's preferences for using a SaaS solution, discuss the rationale and advantages of the proposed System.

Topic 2 – Software Releases

Response Page Limit: 5

The State will evaluate the degree to which the Software appears likely to evolve and the burden, if any, of keeping pace with the expected evolution.

Discuss the following aspects of anticipated future releases of the proposed Software. Coverage should include but not be limited to the following:

- What types (maintenance, enhancement, other) of releases are planned?
- What is the historical (past 3 years) and expected frequency of each type of new release?
- What is the version of the current release?
- How is the content of future releases determined?
- How is the content of a release communicated to the client?
- Do government clients have input through a users' group or some other mechanism?
- Are enhancements made for specific clients included in future releases?
- What specific enhancements are planned for release within the next 24 months?
- What resources, planning, and technical skills are required to install a release of each type?
- Do components of a release need to be applied individually or by module without adversely affecting the overall functionality of the System?
- Do configuration settings carry forward from one release to the next or must they be reinstalled?
- Do patches carry forward from one release to the next, or must they be reinstalled?
- How long is a release supported?

Topic 3 –Reporting

Response Page Limit: 5

The State will evaluate reporting capabilities for robustness, ease of use and impact on transaction processing. It will also evaluate the degree to which standard federal reports are incorporated into the Software.

In this Solution, the NHSLC seeks the capability to produce ad hoc and other reports from the production System. Provide an overview of the reporting capabilities to be provided in the proposed Solution. If a third-party tool is employed, identify and describe the tool. Discuss capability, sophistication, and ease of use, including training required.

Discuss how support is provided for reporting without disruption to processing of transactions. Describe how the following needs are addressed:

- Ad hoc reporting;
- Online analytical processing (OLAP);
- Creation of Data extracts, and
- Historical reporting.

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Topic 4 – User Friendliness and Usability

The State values solutions that are compatible with its intended user's ability to use it easily and successfully.

- To what extent is the software intuitive based on the likelihood that the user has experienced other applications with similar graphic user interfaces.
- How does the Vendor's training proposed training process support the application
- How many hours is required to make a new user fully functional

Topic 5 – IT Standards

Response Page Limit: 2

The State will evaluate the degree to which IT standards used in the Vendor provided product are compliant with other State Systems, or utilize existing State standards.

Describe standards incorporated into the proposed software for:

- Tokenization;
- Encryption;
- Funds Transfer (EFT);
- Payment Terminals current and any future-state terminal;
- Bank Settlements; and
- POS Integration including future state POS.

The proposed Solution must comply with Open Standards and Open Data Formats as mandated by RSA 21-R (HB418 2012).

- Is the proposed application considered Open Source Software?
- Does it comply with Open Standards, including but not limited to Open Data Formats?
- Describe the degree to which the proposed Solution meets the requirements of RSA 21-R:10, 21-R:11, 21-R:13.

Identify whether standards employed are national in origin or are unique to the proposed solution.

Topic 6 – Interface Standards

Response Page Limit: 2

The State will evaluate the ease of interfacing custom Software from State agencies and business partners with the proposed Vendor Solution product.

The NHSLC anticipates that some agencies and business partners will need to interface custom Software to the NHSLC's new System. Describe the mechanisms and tools included in the proposed System to implement these interfaces. Be sure to address the following aspects of this topic:

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- What types of interfaces are possible with the proposed System (e.g., online, batch, etc.)?
- What Data is available to other systems? What Data may be imported/updated from other systems?
- What scheduling tools are required for initiation of interfaces? Are these tools included with the proposed solution?
- Does the System employ standard definitions or file layouts for interfaces? If so, include a sample in an appendix.
- What standard interface format is used with the proposed Software? What degree of flexibility is available?

D-2 Technical, Services and Project Management Experience

This section provides a series of technical topics that the NHSLC will consider in selecting a tokenization and encryption solution. A maximum length of response for each topic is defined.

D2.1 Protection of Data

Topic 7 - System Security

Response Page limit: 10

The State will evaluate the degree to which System issues can be avoided.

Software Systems must be reliable, regardless of how they are delivered. The State's workers and citizens expect government services and information to be reliable and available on an ongoing basis to ensure business continuity. Describe the solutions security design and architectural features incorporated into the proposed Software. At a minimum, discuss the following:

- The identification and authentication methods used to ensure that users and any interfacing applications are identified and that their identities are properly verified.
- The authorization methods used to ensure that users and client applications can only access Data and services for which they have been properly authorized.
- The immunity methods used to ensure that unauthorized malicious programs (e.g., viruses, worms and Trojan horses) do not infect the application.
- The methods used to ensure that communications and Data integrity are not corrupted via unauthorized creation, modification or deletion.
- The methods used to ensure that the parties interactions with the application cannot decode encryption or tokens.
- The intrusion detection methods used to ensure the detection, recording and review of attempted access or modification by unauthorized individuals.
- The privacy methods used to ensure that confidential Data and sensitive communications are kept private.
- The System maintenance methods used to ensure that unauthorized System maintenance does not unintentionally disrupt the security mechanisms of the application or supporting hardware.
- The ability of your Software to be installed in a "locked-down" fashion so as to turn off unnecessary features (user accounts, operating System services, etc.) thereby

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reducing the software's security vulnerabilities and attack surfaces available to System hackers and attackers.

Describe the System assurance provisions incorporated into the proposed solution. At a minimum, discuss the following:

- What process or methodology is employed within the proposed Software to ensure Data integrity?
- What out-of-the-box system assurance reports are provided for online and offline processing?

Topic 8 – Backup and Recovery

Response Page Limit: 2

The State will evaluate the degree to which proposed backup and recovery processes protect mission-critical Data, ease of use of these processes, and impact of these processes on operation of the System.

The State seeks a solution that provides sound backup and recovery provisioning as part of the Solution. Describe the tools used for backup and recovery of applications and data. Describe the impact of the proposed backup process on the operation of the System. Also, address the following:

- Use of and method for logging and journalizing;
- Single points of failure and recommended approaches for their elimination;
- Approach to redundancy; and
- Impact of any maintenance or licensing costs.

Topic 9 – Assurance of Business Continuity

Response Page Limit: 3

The State will evaluate the degree to which the plan proposed to assure business continuity mitigates risk to the State, and its potential for Implementation (cost effective and easy to implement).

- The State wishes to consider provision for assurance of business continuity for the Solution. A current risk for business continuity involves loss of the Vendors Data Center.
- Vendors are asked to provide an option for the State to continue operation at a different site in the event that the Data Center is unavailable. Discuss necessary planning for the proposed transition to another site if the Vendor Data Center is incapacitated.

Topic 10 – Archiving

Response Page Limit: 2

The State will evaluate the degree to which the proposed archiving and retrieval scheme balances response time, or offline and online processing with the value of accessing historical Data.

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- The Vendor will be expected to provide and implement an archiving and retrieval scheme that balances response time of online processing with the value of accessing historical Data.
- The Vendor will be expected to provide a minimum of a twenty four month period of transactional Data online.
- Describe the proposed approach for the retention of Data selected by the NHSLC in an off-line format.
- Provide a methodology and appropriate tools for the retrieval of the off-line formatted Data.

D2.2 Compatibility with State Personnel

Topic 11 - Preparation of State Staff on the Project Team

Response Page Limit: 3

The State will evaluate whether the provisions to prepare State staff participating in the Project will enable the staff to contribute appropriately.

Describe how State staff assigned to the Project Team will be prepared to contribute. Provide an overview of Project Team interactions and dependencies between functions.

Topic 12 – User Training Approach

Response Page Limit: 6

The State will evaluate whether the training approach is likely to prepare users adequately to use the new System from the day of deployment, including maximum knowledge transfer to allow the State to conduct its own training in the future.

- The State understands the importance of training for a successful Software Implementation. The State seeks a recommended training approach.
- Describe the process for identifying casual, power, and specialty users; developing a curriculum for each audience; and conducting, evaluating, and refining training courses.
- Questions to address include, but are not limited to, the following:
 - What type of training (instructor led vs. computer based) will be used for each purpose and why?
 - What methods will be employed to evaluate training activities?
 - Will manuals be adequate to enable trained users to research answers to their own questions?
 - If the perception is that they are not adequate, can those manuals be quickly revised?
 - How will the NHSLC conduct ongoing training after Implementation is completed?
 - Are training manuals on-line and maintained as part of a maintenance agreement?

Topic 13 – Technical Knowledge Transfer

Response Page Limit: 5

The State will evaluate whether the technical knowledge transfer in described the Proposal will prepare State staff to accept full responsibility for maintaining the Vendor proposed System at the conclusion of Implementation. (If appropriate)

- The transfer of technical knowledge is important for operations, configuration/development, workflow, business setup, maintenance, and management. Address training curriculum, training priorities and prerequisites, specific commercial and custom courses, and one-on-one learning opportunities for State staff.
- Identify whether recommended training will be provided on site. Use specific examples from past system implementations to explain how its approach to technical training and knowledge transfer would allow the State to operate independently when the Implementation ends.

D2.3 Project Execution

Topic 14 – Implementation Approach

Response Page Limit: 10

The State will evaluate the quality of analysis, reasonableness, and flexibility evident in the proposed Implementation approach.

- The NHSLC would like to implement the solution as quickly as feasible at the lowest possible price. The NHSLC recognizes, however, that it might have difficulty coping with a “big bang” Implementation strategy. Consequently, the NHSLC seeks suggestions on an implementation approach.
- Provide one or more feasible Implementation plans. For each plan provided:
 - a. Identify timeframes for major milestones, including timing for discontinuing legacy Systems;
 - b. Discuss cost implications of the plan, including implications on maintenance fees; and
 - c. Address the level of risk associated with the plan.

To assist the **State** in evaluation of the Implementation Plan or plans discussed, include:

- a. A listing of modules that constitute the proposed Software;
- b. Identification of modules that should be considered “core;”
- c. Identification of modules that are neither required nor proposed to satisfy State requirements; and
- d. A general description of functionality contained in each module.

Identify the Implementation Plan used as a basis for the cost Proposal.

Topic 15 – Testing

Response Page Limit: 6 – Appendix Required

The State will evaluate the quality of support the Vendor will supply to assist State testing staff and the effectiveness of the proposed Defect tracking and resolution process. The ability of the State project leadership to participate in analysis,

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classification, and establishment of priorities for suspected Defects will also be evaluated.

State staff will conduct Acceptance Testing, but support from the selected Vendor is required; refer to Appendix G-1: *Testing and Acceptance*. To define the type of support that will be provided, address the following questions:

- Describe your testing methodology if any and include a proposed test plan if appropriate.
- Will a configured solution be delivered in functional components for State Acceptance Testing?
- How much time should the State allow to complete User Acceptance Testing of a component?
- What support will be provided to prepare State staff during Acceptance testing? How will on-site support for the State testing team be provided?
- How will members of the testing team be prepared to test the configured Software?
- What Documentation will be available to the testing team?
- Based on experience in similar projects, how many and what types of Defects are likely to be encountered in Acceptance Testing? (Include metrics from other projects to support this response.)
- If frequency exceeds the expected level, what corrective actions will be instituted?

Provide a sample User Acceptance Test Plan from a completed project as an appendix.

Topic 16 – Migration Strategy

Response Page Limit: 3

The State will evaluate the degree to which the Vendor will ensure that data conversion if any is effective and burdens State staff to the minimum extent possible.

- Provide recommendations for assessing Data quality and conducting Data cleansing prior to conversion, and discuss use of automated tools in conversion.
- Provide recommendations for implementing the solution at each payment terminal or a centralized processing point of service
- Also, address procedures for populating the initial production Database and Data transfer procedures if data is required. Distinguish between State and Vendor roles. Discuss approach for dealing with incomplete records. References to approaches employed successfully in other projects should be provided where appropriate.

Topic 17 – Interfaces

Response Page Limit: 3

The State will evaluate the quality, ease of programming, and the nature of the proposed assistance in developing required interfaces. (If appropriate)

- Current interfaces to be listed in Section A-3 of Appendix A: *Current Interfaces*. Some of these interfaces may no longer be needed when the TES solution is implemented but others may be required.
- Constructing interfaces will require cooperative efforts involving State and Vendor staff. Submit a proposed architectural drawing of the interfaces and discuss the proposed approach for their development. Be sure to distinguish between State and Vendor responsibilities.

Topic 18 – Environment Setup

Response Page Limit: 2

The State will evaluate whether proposed environments are sufficient to satisfy Project needs, including phased Implementation. (If appropriate)

- Describe the different software and hardware environments required for the proposed Solution.
- Discuss how the proposed environments support the Implementation of the COTS Software System, including all necessary training.
- The NHSLC believes that additional Software license fees solely related to establishing environments for normal activities would be inappropriate. If the Proposal differs from this standard, describe and provide rationale for the difference.

D2.4 Project Management Competence

Topic 19 – System Acceptance Criteria

Response Page Limit: 6

The State will evaluate whether proposed Acceptance criteria will assure the State that the new System is functioning effectively before being turned over for State maintenance.

- Propose measurable criteria for State final Acceptance of the solution. Discuss how the proposed criteria serve the interest of the State.

Topic 20 – Status Meetings and Reports

Response Page Limit: 3 – Appendix Required

The State will evaluate the degree to which Project reporting will serve the needs of State Project leaders.

- The State believes that effective communication and reporting are essential to Project success. At a minimum, the State expects the following:
 - Introductory Meeting: Participants will include Vendor key Project staff and State Project leaders. This meeting will enable project resources to become acquainted and establish any preliminary Project procedures.
 - Kickoff Meeting: Participants will include the State and Vendor Project Teams and major stakeholders. This meeting is to establish a sound foundation for activities that will follow.
 - Status Meetings: Participants will include, at a minimum, Vendor Project Manager and the State Project Lead. These meetings, which will be conducted at least weekly, will address overall Project status and any additional topics needed to remain on schedule and within budget. A status and error report from the Vendor will serve as the basis for discussion.
 - **The Work Plan:** must be reviewed at each Status Meeting and updated.
 - Special Meetings: Need may arise for a special meeting with State leaders or Project stakeholders to address specific issues.
 - Exit Meeting: Participants will include Project leaders from the Vendor and the State. Discussion will focus on lessons learned from the Project and on follow up options that the State may wish to consider.

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The State expects the Vendor to prepare agendas and background for and minutes of meetings. Background for each status meeting must include an updated Work Plan. Drafting of formal presentations, such as a presentation for the kickoff meeting, will also be a Vendor responsibility.

Vendor shall submit status reports in accordance with the Schedule and terms of the Contract. All status reports shall be prepared in formats approved by the State. The Vendor's Project Manager shall assist the State's Project Lead, or itself produce reports related to Project Management as reasonably requested by the NHSLC, all at no additional cost to the State. Vendor shall produce Project status reports, which shall contain, at a minimum, the following:

- a. Project status as it relates to Work Plan
- b. Deliverables status
- c. Accomplishments during weeks being reported
- d. Planned activities for the upcoming period
- e. Future activities
- f. Issues and concerns requiring resolution
- g. Report and remedies in case of falling behind Schedule

Describe the process that will be employed. Be sure to cover the following:

- Timing, duration, recommended participants and agenda for the kickoff meeting;
- Frequency and standard agenda items for status meetings;
- Availability for special meetings; and
- Agenda for the exit meeting.

As an appendix, provide an example of status reports prepared for another project. Names of the project and of any individuals involved may be removed.

As reasonably requested by the State, Vendor shall provide the State with information or reports regarding the Project. Vendor shall prepare special reports and presentations relating to Project Management, and shall assist the State in preparing reports and presentations, as reasonably requested by the State, all at no additional cost to the State.

Topic 21 – Risk and Issue Management

Response Page Limit: 3

The State will evaluate the extent to which the proposed approach will contribute to the timely identification and effective action on issues and risks. The NHSLC will also evaluate whether the approach recognizes and addresses appropriate NHSLC involvement in risk and issue management. (If appropriate)

- Provide proposed methodologies for risk and issue management. Discuss State and Vendor responsibilities. The NHSLC seeks a clear means to compare planned versus actual status, including percentages, at a sufficiently detailed level to ensure the NHSLC can adequately monitor the progress of the Project. Be sure to identify any essential time constraints on NHSLC actions. Escalation procedures will be defined in a Contract between the NHSLC and the Vendor.

Topic 22 – Scope Control

Response Page Limit: 2

The State will evaluate the degree to which proposed modifications in scope are scrutinized to ensure that only essential changes are approved. Evaluation will also address the quality and timeliness of information that will be available about a proposed scope change.

- Suggest an approach for scope control. Describe how the approach has been employed effectively on another project.

Topic 23 – Quality Assurance Approach

Response Page Limit: 6

The State will evaluate the degree to which proposed procedures will ensure that Deliverables require limited modification when submitted for approval.

- The NHSLC has identified three categories of Deliverables:
 - Written Deliverables, such as a training plan;
 - Software Deliverables, such a configured software module; and
 - Non-Software Deliverables, such as conduct of a training course.
- Describe the methodology that will be employed to assure that each type of Deliverable is of high quality before submission for NHSLC consideration. Discussion should include but not be limited to:
 - Provision for State input to the general content of a Written Deliverable prior to production;
 - The standard for Vendor internal Review of a Written Deliverable prior to formal submission; and
 - Testing of Deliverables prior to submission for Acceptance testing.

Topic 24 - Work Plan

Response Page Limit: None –

The State will evaluate whether the Vendor’s preliminary proposed Work Plan includes a description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and a payment schedule. The Work Plan shall also address resource allocations (both State and Vendor team members). This narrative should reflect current Project management “best practices” and be consistent with narratives on other topics. The software to be used to support the ongoing management of the Project should also be described in the Work Plan.

- The **State** sees a Work Plan as essential to reaching a comprehensive agreement with a Vendor. Consequently, the **State** will seek to refine the proposed Work Plan prior to Contract approval with the selected Vendor and to incorporate the refined Work Plan by reference into a Contract.

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- Provide a preliminary Work Plan depicting tasks, task dependencies, Schedule, milestones, Deliverables, and payment Schedule. Define both proposed Written and Software Deliverables. Include sufficient detail that the NHSLC will be able to identify departures from the Plan in sufficient time to seek corrective action. In particular, provide information about staffing.
- Describe all Deliverables to be produced in the Project. Ensure that all Deliverables and milestones are identified in the Work Plan. Identify and discuss the following:
 - All assumptions upon which the Work Plan is based;
 - Descriptions of recommended roles by activity and time required for both NHSLC and Vendor members of the Project Team;
 - Assignments of members of the Vendor's team identified by role to specific tasks; and
 - Critical success factors for the Project.
- Discuss how this Work Plan will be used and provide NHSLC access to Plan details including resource allocation. Explain how the NHSLC will know whether the Project is on Schedule and within budget.

D2.5 Ongoing Operations

Topic 25.– Hosted System

Response Page limit: 5

The State will evaluate the degree to which the hosted System will suit its needs.

- Describe the hosting plan including hardware and software platforms, software utilities, telecommunications resources, transaction costs, security measures and business continuity plans.
- Include a description of servers, computers, software, programming capability and other equipment and technical resources which will be used to design, develop, implement and maintain the application.
- Provide the type and speed of any connection required including information on redundancy, disaster recovery and security.
- Describe how you protect VMs from being deployed on the same underlying physical servers.
- Do you provide console access to the cloud servers?
- What are the maximum storage limits a cloud server can have?
- Do you have site-to-site or client-to-site VPN options?
- Can you support MPLS or direct circuit connection to your solution?
- Describe the presentation layer (DMZ, Three-tier architecture for presentation, application, and database.
- Describe if you have an API for your IaaS or cloud solution? If so, are any functions limited to the API that is available through the UI
- Describe the hypervisor software you use for your cloud

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- Describe your systems, solution or organizations compliance to PII, HIPPA, or PCI requirements?

Topic 26 – Help Desk Support

Response Page Limit: 3

The State will evaluate the degree to which the Vendor will absorb demand for help desk support upon Implementation of the new System and prepare NHSLC staff to assume some responsibility for providing support analysis for first call resolution with DoIT help desk.

- Describe support for the help desk function incorporated into the Proposal. Include discussion of the following:
 - Coordination of help desk with change management and training activities;
 - Recommended help desk software tools;
 - Training to be provided to the help desk agents;
 - Suggested escalation procedures;
 - Interim staffing for peak help desk demand periods and transition to a permanent arrangement;
 - Development of a help desk knowledge base; and
 - Metrics based on help desk inquiries.

Topic 27 – Support and Maintenance

Response Page Limit: 2

The State will evaluate whether the Vendor’s proposed support and maintenance plan includes a description of the types and frequency of support, detailed maintenance tasks – including scheduled maintenance and upgrades, and any other dependencies for on-going support and maintenance of the system. This narrative should reflect current “best practices” for these tasks.

- Describe how are support and maintenance issues are tracked detailing methodology and if any additional software is required.
- Describe process for maintenance of the general knowledge base.
- Describe any particular procedures required to handle escalation and emergency calls
- Detail the types and frequency of support tasks required

APPENDIX E: STANDARDS FOR DESCRIBING VENDOR QUALIFICATIONS

Vendor qualifications are important factors in selecting TES and accompanying Implementation and follow on support Services. To facilitate evaluation of Vendor qualifications, the NHSLC seeks information about:

- (1) corporate qualifications of each Vendor proposed to participate in the Project,
- (2) proposed team organization and designation of key staff,
- (3) individual qualifications of candidates for the role of Project Manager, and
- (4) individual qualifications of candidates for other key staff roles.

This appendix identifies specific information that must be submitted.

E-1 Required Information on Corporate Qualifications

Information is required on all Vendors who will participate in the Project. Vendors submitting a Proposal must identify any Subcontractor(s) to be used.

E-1.1 Vendor and Subcontractors

The Vendor submitting a Proposal to this Project must provide the following information:

E-1.1.1 Corporate Overview

Identify the proposed role of the firm on the Project. Describe the major business areas of the firm. Provide a high-level description of the firm's organization and staff size. Discuss the firm's commitment to the public sector, experience with this type of Project Implementation and experience in New Hampshire.

E-1.1.2 Financial Strength

Provide at least one of the following:

- i. The current Dunn & Bradstreet report on the firm; or
- ii. The firm's two most recent audited financial statements; and the firm's most recent un-audited, quarterly financial statement; or
- iii. The firm's most recent income tax return. For example, either a copy of the IRS Form 1065, U.S. Return of Partnership Income or Schedule E (IRS Form 1040) Supplemental Income and Loss (for partnerships and S corporations) OR IRS Form 1120, U.S. Corporation Income Return. These forms are typically submitted when a Vendor does not have audited financial statements.

E-1.1.3 Litigation

Identify and describe any claims made by clients during the last ten (10) years. Discuss merits, current status and, if available, outcome of each matter.

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E-1.1.4 Prior Project Descriptions (3 limited to 3 pages each)

Provide descriptions of no more than three (3) similar projects completed in the last three (3) years. Each project description should include:

1. An overview of the project covering type of client, objective, project scope, role of the firm and outcome;
2. Project measures including proposed cost, actual project cost, proposed project schedule and actual project schedule;
3. Names and contact information (name, title, address and current telephone number) for one or two references from the client; and
4. Names and project roles of individuals on the proposed team for the New Hampshire Project that participated in the project described

E-1.1.5 Subcontractor Information

Vendors must provide information on any Subcontractors proposed to work on this Project. Required information shall include but not be limited to:

1. Identification of the proposed Subcontractor and a description of the major business areas of the firm and their proposed role on the Project.
2. A high-level description of the Subcontractor's organization and staff size.
3. Discussion of the Subcontractor's experience with this type of Project;
4. Resumes of key personnel proposed to work on the Project; and
5. Two references from companies or organizations where they performed similar services (if requested by the State).

E-2 Team Organization and Designation of key Vendor staff

Provide resumes of key personnel proposed to work on the Project and an organizational chart depicting the Vendor Project Team. This chart should identify key staff required from the Vendor, any Subcontractors, and the NHSLC.

Define the responsibilities and length of assignment for each of the roles depicted in the organizational chart. Identify the positions that should be designated key staff. Ensure that designation of key Vendor staff includes subject matter experts in the following areas:

- Tokenization
- Security
- PCI Compliance
- Personally Identifiable Information
- Project Implementation
- Systems Architecture

A single team member may be identified to fulfill the experience requirement in multiple areas.

E-2.1 State Staff Resource Worksheet

Append a completed State Staff Resource Worksheet to indicate resources expected of organization. Expected resources must not exceed those outlined in Section A 4.2. The required format follows.

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Table E-2: Proposed State Staff Resource Hours Worksheet

State Role	Initiation	Configuration	Implementation	Close Out	Total
Business Program Manager					
Project Lead					
Technical Lead					
Systems Lead					
Other					
Other					
Other					
State Total					

E-3 Candidates for Project Manager

Although the State recognizes that staff availability is somewhat uncertain, qualifications of the Project Manager are particularly critical. Therefore, the State requires that the Project Manager be identified with some degree of certainty.

For the Project Manager candidate, provide a resume not to exceed five (5) pages in length addressing the following:

- The candidate's educational background;
- An overview of the candidate's work history;
- The candidate's project experience, including project type, project role and duration of the assignment;
- Any significant certifications held by or honors awarded to the candidate; and
- At least three (3) references, with contact information, that can address the candidate's performance on past projects.

E-4 Candidates for key Vendor staff Roles

Provide a resume not to exceed two (2) pages for each key Vendor staff position on the Project Team. Each resume should address the following:

- The individual's educational background;
- The individual's project experience, including project type, project role and duration of the assignment;
- Any significant certifications held by or honors awarded to the candidate; and
- At least three (3) references, with contact information, that can address the individual's performance on past projects.

APPENDIX F: PRICING WORKSHEETS

A Vendor's Cost Proposal must be based on the worksheets formatted as described in this appendix.

F 1.0 Activities/Deliverables/Milestones Pricing Worksheet

The Vendor must include, within the FFP price for its service activities, tasks and preparation of required deliverables, pricing for the deliverables required based on the proposed approach, methodology and tools. The following format must be used to provide this information. A fixed price must be provided for each deliverable. Where a price is not relevant to a Vendor's proposal please enter 0 (zero) for the cost line.

Table F 1.0-1: Activities/Deliverables/Milestones Pricing Worksheet

Activity, Deliverable or Milestone	Deliverable Type	Delivery Date	Percent of Total	Payment Amount	Cumulative Amount
Baseline Solution					
Hosted/SaaS Solution Model	Software/Written				
Initiation Phase					
Project Work Plan	Written				
Communications and Change Management Plan, including Risk and Issue Management	Written				
Change Control Process Document	Written				
Conduct Project Kickoff Meeting	Non-Software				
PCI Attestation	Written				
Pre-Configuration/Design Phase					
Conduct and Document Joint Application Development (JAD) Sessions	Non-Software				
Documentation of Recommended Solution	Written				
Documentation of Operational Procedures	Written				
Configuration / Design Documentation	Written				
Requirements Traceability Matrix	Written				
Specifications of Various Technical Environments (Hardware & Software)	Written				
Conduct Information Architecture Review	Non-Software				

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Table F 1.0-1: Activities/Deliverables/Milestones Pricing Worksheet (cont'd)

Activity, Deliverable or Milestone	Deliverable Type	Delivery Date	Percent of Total	Payment Amount	Cumulative Amount
Configuration Phase					
Solution Interface Plan and Design/Capability	Written				
Injection Management Plan	Written				
Testing Plan	Written				
Data Migration Plan	Written				
Deployment Plan	Written				
Comprehensive Training Plan	Written				
End User Support Plan	Written				
Solution installed, configured and operational	Software				
Implementation Phase					
Conduct Unit and System Testing, Integration Testing, Volume/Stress Testing, Production Tests	Non-Software				
Unit and System Testing Results and Analysis, Integration Testing Results and Analysis, Volume/Stress Testing Results and Analysis, Production Testing Results and Analysis	Written				
Functioning In-Bound and Out-Bound Interfaces	Software				
Functioning Terminal Key/Injection	Software				
Migrated Data Loaded into Production Environment	Software				
Backup and Recovery of all Applications and Data	Software				
End User Support	Non-software				
Conduct Training	Non-Software				
Cutover to New Solution	Non-Software				

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Table F 1.0–1: Activities/Deliverables/Milestones Pricing Worksheet (cont'd)

Activity, Deliverable or Milestone	Deliverable Type	Delivery Date	Percent of Total	Payment Amount	Cumulative Amount
Control Activities (All Phases) and Project Close Out					
Project Status Reports	Written				
Conduct Project Exit Meeting	Non-Software				
Optional Software and Services					
Optional Service 1	Software				
Optional Service 2	Software				
Optional Service 3	Software				
Additional End User Training Assistance	Non-software				
Additional Data Conversion Assistance	Non-software				
Additional PCI Compliance Assistance	Non- software				

F 2.0 Proposed Position – Initial Contract Term Vendor Rates Worksheet

Using the format provided in the following table, list titles of proposed positions on the project team to be filled by Vendor staff. Under “Number of Staff,” indicate the number of positions that will be assigned the title. Include hours and rates for all staff that will hold the title on the Vendor project team through initial contract completion.

Table F 2.0–1: Proposed Position – Initial Contract Term Vendor Rates Worksheet

Position Title	Number of Staff	Hours	Hourly Rate	Subtotal (Hours X Rate)
Project Manager				
Position #1				
Position #2				
Position #3				
			Total	

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F 3.0 Proposed Vendor Staff and Resource Hours Worksheet

Use the Proposed Vendor Staff Position and Resource Hours Worksheet to indicate the individuals that will be assigned to the project. Names must be provided for individuals designated for key roles, but titles are sufficient for others. Information is required by phase and that hours should be designated as on or off site.

Table F 3.0-1: Proposed Vendor Staff and Resource Hours Worksheet

Title	Name	Location	Phase					Total
			Initiation	Pre-Configuration	Configuration	Implementation	Control & Close Out	
Project Manager		On Site						
		Off Site						
Position 1		On Site						
		Off Site						
Position 2		On Site						
		Off Site						
Position 3		On Site						
		Off Site						
Total		On Site						
		Off Site						

F 4.0 Future Vendor Rates Worksheet

The NHSLC may request additional services from the selected Vendor and requires rates in the event that additional service is required. The following format must be used to provide this information. "SFY" refers to State fiscal year. The New Hampshire State Fiscal year runs from July 1 through June 30 of the following calendar year. Positions not identified in the Proposed Position Worksheet may be included in the Future Vendor Rates Worksheet.

Table F 4.0-1: Future Vendor Rates Worksheet

Position Title	SFY 2015	SFY 2016	SFY 2017	SFY 2018	SFY 2019
Project Manager					
Position #1					
Position #2					
Position #3					

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F 5.0 Licensing, Maintenance, Hosting and Support Pricing Worksheet

For software licensing, maintenance, hosting and support costs, complete a worksheet based on the following model. All costs must be included in the table.

Table F 5.0-1: Licensing, Maintenance, Hosting and Support Pricing Worksheet

Function	Initial License/ Cost	Post Warranty Maintenance Hosting & Support Pricing (specify licensing pricing separate from support - if appropriate)				
		Year				
		1-3	4-6	7-9	9-12	Total:
Mandatory Functions – Prices Required						
Hosting Fees						
Network Fees						
Transaction Fees - Credit						
Transaction Fees - Debit						
Transaction Fees – SVC						
Support Services						
Maintenance Services						
Key Injection Fees						
Other 1 – specify						
Other 2 - specify						
Other 3 - specify						
Optional Functions – Prices Optional						
Option 1 – specify						
Option 2 - specify						
Option 3 - specify						

F 6.0 Proposed State Staff and Resource Hours

Vendor must use the following table to estimate the state resource requirements to complete the project:

Table F 6.0-1: Proposed State Staff and Resource Hours Worksheet

Title	Name	Location	Phase				Total
			Initiation	Pre- Configuration	Configuration	Implementation	
Business		Onsite					
Program		Offsite					
Manager							

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Project Lead	Onsite
	Offsite
Systems Developer	Onsite
	Offsite
Systems Administrator	Onsite
	Offsite
Other - Specify	Onsite
	Offsite
Other - Specify	Onsite
	Offsite
Total	

APPENDIX G-1 SECURITY

Application Security

IT Security involves all functions pertaining to the securing of State Data and systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

PCI DSS Payment Application Data Security Standard (PA DSS)

Whereas the vendor provides a commercial solution used by the New Hampshire State Liquor Commission (NHSLC), which transmits, processes or stores cardholder data and therefore must meet PA-DSS validation requirements

Whereas the vendor access the production environment which transmits, processes or stores cardholder data and therefore is considered a “service provider” under Requirement 12.8 of the PCI DSS

The Vendor agrees to the following provisions:

1. PCI DSS Payment Application Data Security Standard (PA DSS) - As the Vendor’s product is part of the processing, transmission, and/or storage of cardholder data it is hereby agreed that:
 - Vendor agrees to participate in the Payment Card Security Standards Council (PCI) Payment Application Data Security Standards program (PA DSS)
 - Vendor agrees to provide evidence of compliance with PA DSS prior to Contract approval.
 - Vendor will immediately notify the NHSLC if it learns its application is no longer PA DSS compliant and will immediately provide the NHSLC of the steps being taken to remediate the non-compliance status. In no event should Vendor’s notification to the NHSLC be later than seven (7) calendar days after Vendor learns it is no longer PA DSS compliant.
2. PCI DSS Requirement 12.8, Service Provider – If the Vendor provides services on the production environment used in the processing, transmission and/or storage of cardholder data, it is hereby agreed that
 - Vendor agrees that it is responsible for the security of all cardholder data that it obtains or possesses, including but not limited to the functions relating to storing, processing, and transmitting the cardholder data.
 - Vendor attests that, as of the effective date of this Amendment, it has complied with all applicable requirements to be considered PCI DSS compliant, and has performed the necessary steps to validate its compliance with the PCI DSS.
 - Vendor agrees to supply the current status of Vendor’s PCI DSS compliance, and evidence of its most recent validation of compliance upon execution of this addendum to Agency. Vendor must supply to Agency an attestation of compliance at least annually.
 - Vendor will immediately notify Agency if it learns that it is no longer PCI DSS compliant and will immediately provide Agency the steps being taken to remediate the non-compliance status. In no event shall Vendor’s notification to Agency be later than seven (7) calendar days after Vendor learns it is no longer PCI DSS compliant.

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- Vendor acknowledges that any indemnification provided for under the Contract referenced above applies to the failure of the Vendor to be and to remain PCI DSS compliant.

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APPENDIX G-2 TESTING REQUIREMENTS

All testing and acceptance addressed herein shall apply to testing the System. This shall include planning, test scenario development, Data, and System preparation for testing, and execution of unit testing, System integration testing, conversion/migration testing, installation testing, performance, and stress testing, Security review and testing, and support of the NHSLC during user Acceptance Testing (UAT).

G-1.1 Test Planning and Preparation

The overall Test Plan will guide all testing. The Vendor provided, NHSLC approved, Test Plan will include, at a minimum, identification, preparation, and Documentation of planned testing, a requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test Data, test phases, unit tests, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.

It is crucial that client training and testing activities not be abbreviated in order to meet Project Implementation Schedules. Therefore, the NHSLC requires that the testing activities be represented both in terms of effort and duration.

Vendors must disclose in their proposals the scheduling assumptions used in regard to the Client resource efforts during testing.

NHSLC testing will commence upon the Vendor Project Manager's certification, in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results, prior to the start of any testing executed by NHSLC staff.

The NHSLC will commence its testing within five (5) business days of receiving Certification from the Vendor that the NHSLC's personnel have been trained and the System is installed, configured, complete, and ready for NHSLC testing. The testing will be conducted by the NHSLC in an environment independent from the Vendor's development environment. The Vendor must assist the NHSLC with testing in accordance with the Test Plan and the Work Plan, utilizing test and live Data to validate reports, and conduct stress and performance testing, at no additional cost.

G 1.2 Testing

Testing begins upon completion of the Software configuration as required and user training according to the Work Plan. Testing ends upon issuance of a letter of UAT Acceptance by the NHSLC.

Unit Testing	<p>Application components are tested on an individual basis to verify that the inputs, outputs, and processing logic of each application component functions without errors. Unit Testing is performed in either the development environment or a testing environment.</p> <p>The goal is to find errors in the smallest unit of Software. If successful, subsequent integration testing should only reveal errors related to the integration between application components.</p>
System	a.) Validates the integration between the individual unit application components and verifies

Integration Testing	<p>that the new System meets defined requirements and supports execution of interfaces and Business processes. The Systems Integration Test is performed in a test environment.</p> <p>b.) Emphasizes end-to-end business processes, and the flow of information across applications. It includes all key business processes and interfaces' being implemented, confirms data transfers with external parties, and includes the transmission or printing of all electronic and paper documents.</p> <p>c.) The State will conduct System Integration Testing, utilizing scripts developed, as identified in the Test Plan, to validate the functionality of the System and its interfaces. The State will also use System Integration Testing to validate modifications, fixes and other System interactions with the Vendor supplied Software Solution.</p>
Conversion /Migration Validation Testing	<p>The Conversion/Migration Validation Testing should replicate the entire flow of the converted data through the Software Solution. As the Software Solution is interfaced to legacy or third-party applications, the testing verifies that the resulting converted legacy data performs correctly.</p>
Installation Testing	<p>Application components are installed in the System test environment to test the installation routines and are refined for the eventual production environment. This activity serves as a dry run of the installation steps in preparation for configuring the production System.</p>
User Acceptance Testing (UAT)	<p>The User Acceptance Test (UAT) is a verification process performed in a copy of the production environment. The User Acceptance Test verifies System functionality against predefined Acceptance criteria that support the successful execution of approved business processes.</p> <p>a.) The Vendor's Project Manager must certify in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results prior to the start of any testing executed by State staff.</p> <p>b.) The NHSLC will be presented with a NHSLC approved Test Plan, test scenarios, test cases, test scripts, test data, and expected results, as well as written Certification of the Vendor's having completed the prerequisite tests, prior to the State staff involvement in any testing activities</p> <p>c.) UAT will also serve as a performance and stress test of the System. It may cover any aspect of the new System, including administrative procedures such as backup and recovery. The results of the UAT provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan.</p> <p>d.) Upon successful conclusion of UAT and successful System deployment, the NHSLC will issue a letter of UAT Acceptance and the respective Warranty Period shall commence as described in Section H-25.10.1: Warranty Period.</p>
Performance Tuning and Stress Testing	<p>Vendor shall develop and document hardware and software configuration and tuning of System infrastructure as well as assist and direct the State's System Administrators and Database Administrators in configuring and tuning the infrastructure to support the software throughout the project</p> <p>Performance Tuning and Stress Testing Scope</p> <p>The scope of performance testing shall measure the system level metrics critical for the development of the applications infrastructure and operation of the applications in the production environment. It will include the measurement of response rates of the application for end-user transactions and resource utilization (of various servers and network) under various load conditions. These response rates shall become the basis for</p>

changes and retesting until optimum system performance is achieved. The application transactions shall be identified with specific roles and selected transactions shall be recorded for the performance measurements. These will be compared to baselines to determine if object and/or system performance increases as changes are made.

Performance testing shall consider the full scope of the application infrastructure with emphasis on the most heavily used or shared transactions. Performance testing of the application will profile the identified user transactions and assist in the identifying performance gaps to improve the most critical parts of the applications.

Performance testing and tuning shall occur in the final production environment and shall use a copy of the final production database to provide the best results.

Vendor must lead this effort. Responsibilities include identifying appropriate tunable parameters and their default and recommended settings, developing scripts, which accurately reflect business load and coordinating reporting of results.

Test types

Performance testing shall use two different types of tests to determine the stability of the application. They are baseline tests and load tests

Baseline Tests: Baseline tests shall collect performance data and load analysis by running scripts where the output is broken down into business transactions or functions. The test is like a single user executing a defined business transaction. During baseline testing, each individual script is run to establish a baseline for transaction response time, throughput and other user-based metrics. Usually each business transaction is executed multiple times during a single test run to obtain an average for the user-based metrics required for the performance testing evaluations. It must be noted that changes made to the code after baseline testing is completed will skew the results collected to date. All effort will be made to provide a code test base that is tested in the environment for problems prior to the establishment of the baseline, which are used in future testing and tuning efforts. Any changes introduced into the environment after performance testing has started can compromise the accuracy of the results and will force a decision to be made whether baseline results need to be recreated.

Load Tests: Load testing will determine if the behavior of a system can be sustained over a long period of time while running under expected conditions. Load tests helps to verify the ability of the application environment under different load conditions based on workload distribution. System response time and utilization is measured and recorded.

Tuning

Tuning will occur during both the development of the application and load testing. Tuning is the process whereby the application performance is maximized. This can be the result of making code more efficient during development as well as making tuning parameter changes to the environment.

For infrastructure tuning, parameters will be identified for all components prior to undertaking the load testing efforts. This should include a list of the variables, their definitions, the default settings, range of acceptable settings and the settings as testing begins. This will permit the team to identify the areas of most potential gain and a starting point. Tuning is a process which is repeated until the team feels that the systems are running at or near optimum performance.

Implementing Performance and Stress Test

Performance and Stress test Tools must be provided by the Vendor for this effort. Consideration must be give to licensing with respect to continued use for regression testing. If the Vendor is familiar with open source low/no cost tools for this purpose those tools should be identified in your response.

Scheduling Performance and Stress Testing

	<p>Vendor shall perform test planning. The steps for planning include identification of application functionality as well as what percentage of normal daily use is represented by each function. This information will become the foundation for scripting so that tests closely represent what loads in production will look like.</p> <p>Vendor shall provide definition and expectations from testing. This definition should include who is in charge of testing and coordinating results, anticipated run times, logs required for tracking, their locations and which technician is responsible to track and provide them following each test to the team.</p> <p>Initial test runs shall be completed to establish that the tests and data sets can be run to completion without errors. The ratio of types of transactions which makeup the test shall be reviewed prior to the beginning of testing and then again once testing has begun to make sure that testing accurately reflects the system performing in production.</p> <p>Initial tests shall be used to establish a baseline from which all subsequent tests will be compared. Tests will be considered for baseline status once two of them have been run within 2% of each other in key and overall performance areas. No changes to the test scripts or data sets (with the exception of restores after each test) can be done to the test environment once tuning has begun so as to not damage the comparison to baseline results. The systems must be restarted prior to each test run to assure all cache is cleaned out. All effort will be made to run these tests at a time when system and network infrastructure utilization doesn't impact the results. Tests will be run in close proximity to our infrastructure to eliminate the public network from our environment.</p> <p>Posttest reporting and result assessment will be scheduled following each test. The team will compare these results to the baseline and a determination must be made to make additional changes to the parameter being tuned or return to the prior configuration and select another parameter to tune while keeping in mind that significant changes to any one parameter may require the retesting of some others. Careful work on identifying dependencies up front should minimize this impact.</p> <p>If defects are identified in the application during testing, they will be recorded; however, changes to the application code should be avoided if possible so as not to affect baseline comparisons. If a change to the application is required new baselines will be established (and possibly the execution of prior tests to validate changes with the new application) before testing can continue.</p> <p>When performing capacity testing against a GUI the focus will be on the ability of the interface to respond to user input.</p> <p>During stress/load testing the tester will attempt to stress or load an aspect of the system to the point of failure. The goal being to determine weak points in the system architecture. The tester will identify peak load conditions at which the program will fail to handle required processing loads within required time spans.</p> <p>During Performance testing the tester will design test case scenarios to determine if the system meets the stated performance criteria (i.e. A Login request shall be responded to in 1 second or less under a typical daily load of 1000 requests per minute.). In both cases, the tester will determine the capacity of the system under a known set of conditions.</p>
<p>Regression Testing</p>	<p>As a result, of the user testing activities, problems will be identified that require correction. The NHSLC will notify the Vendor of the nature of the testing failures in writing. The Vendor will be required to perform additional testing activities in response to NHSLC and/or user problems identified from the testing results.</p> <p>Regression testing means selective re-testing to detect faults introduced during the modification effort, both to verify that the modifications have not caused unintended adverse effects, and to verify that the modified and related (possibly affected) System</p>

components still meet their specified requirements.

a.) For each minor failure of an Acceptance Test, the Acceptance Period shall be extended by corresponding time defined in the Test Plan.

b.) The Vendor shall notify the NHSLC no later than five (5) business days from the Vendor's receipt of written notice of the test failure when the Vendor expects the corrections to be completed and ready for retesting by the NHSLC. The Vendor will have up to five (5) business days to make corrections to the problem unless specifically extended in writing by the NHSLC.

c.) When a programming change is made in response to a problem identified during user testing, a regression Test Plan must be developed by the Vendor based on the understanding of the program and the change being made to the program. The Test Plan has two objectives:

1. validate that the change/update has been properly incorporated into the program; and
2. validate that there has been no unintended change to the other portions of the program.

d.) The Vendor will be expected to:

1. Create a set of test conditions, test cases, and test data that will validate that the change has been incorporated correctly;
2. Create a set of test conditions, test cases, and test data that will validate that the unchanged portions of the program still operate correctly; and
3. Manage the entire cyclic process.

e.) The Vendor will be expected to execute the regression test, provide actual testing results, and certify its completion in writing to the NHSLC prior to passing the modified Software application to the users for retesting.

In designing and conducting such regression testing, the Vendor will be required to assess the risks inherent to the modification being implemented and weigh those risks against the time and effort required for conducting the regression tests. In other words, the Vendor will be expected to design and conduct regression tests that will identify any unintended consequences of the modification while taking into account Schedule and economic considerations.

In their Proposals Vendors must acknowledge their responsibilities for regression testing described in this section.

Security Review and Testing

IT Security involves all functions pertaining to the securing of NHSLC Data and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

All components of the Software shall be reviewed and tested to ensure they protect the NHSLC's hardware and software and its related Data assets.

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users
Access Control	Supports the management of permissions for logging onto a computer or network
Encryption	Supports the encoding of data for security purposes
Intrusion Detection	Supports the detection of illegal entrance into a

	computer system
Verification	Supports the confirmation of authority to enter a computer system, application or network
Digital Signature	Guarantees the unaltered state of a file
User Management	Supports the administration of computer, application and network accounts within an organization.
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.

In their proposal, the Vendors must acknowledge their responsibilities for security testing. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures shall include 3rd party Penetration Tests (pen test) or code analysis and review performed annually and after every major software release.

SaaS solution Vendors will provide penetration testing and vulnerability assessments to the State upon request. In a SaaS Solution the State shall not assume costs or charges for penetration testing, vulnerability management, remediation or other security or compliance requirements including any PCI related requirements.

Prior to the System being moved into production, the Vendor shall provide results of all security testing to the State for review and acceptance. All Software and hardware shall be free of malicious code (malware).

<p>Penetration Testing shall include</p> <p>11.3 Implement a methodology for penetration testing that includes the following:</p> <ul style="list-style-type: none"> · Is based on industry-accepted penetration testing approaches (for example, NIST SP800-115) · Includes coverage for the entire CDE perimeter and critical systems · Includes testing from both inside and outside the network · Includes testing to validate any segmentation and scope-reduction controls · Defines application-layer penetration tests to include, at a minimum, the vulnerabilities listed in Requirement 6.5 · Defines network-layer penetration tests to include components that support network functions as well as operating systems · Includes review and consideration of threats and vulnerabilities experienced in the last 12 months · Specifies retention of penetration testing results and remediation activities results
<p>11.3.1 Perform <i>external</i> penetration testing at least annually and after any significant infrastructure or application upgrade or modification (such as an operating system upgrade, a sub-network added to the environment, or a web server added to the environment).</p>
<p>11.3.2 Perform <i>internal</i> penetration testing at least annually and after any significant infrastructure or application upgrade or modification (such as an operating system upgrade, a sub-network added to the environment, or a web server added to the environment).</p>

	<p>11.3.3 Exploitable vulnerabilities found during penetration testing are corrected and testing is repeated to verify the corrections.</p>	
	<p>11.3.4 If segmentation is used to isolate the CDE from other networks, perform penetration tests at least annually and after any changes to segmentation controls/methods to verify that the segmentation methods are operational and effective, and isolate all out-of-scope systems from in-scope systems.</p>	

APPENDIX G-3: CERTIFICATES

A. Certificate of Good Standing

As a condition of Contract award, the Vendor, if required by law, must furnish a Certificate of Authority/Good Standing dated after February 1, 2015, from the Office of the Secretary of State of New Hampshire. If your company is not registered, an application form may be obtained from:

Secretary of State
State House Annex
25 Capitol Street
Concord, New Hampshire 03301
603-271-3244

If your company is registered, a Certification thereof may be obtained from the Secretary of State.

Note: Sovereign states or their agencies may be required to submit suitable substitute documentation concerning their existence and authority to enter into a Contract

B. Certificate of Authority/Vote

The Certificate of Authority/Vote authorizes, by position, a representative(s) of your corporation to enter into an agreement or amendment with the State of New Hampshire. This ensures that the person signing the agreement is authorized as of the date he or she is signing it to enter into agreements for that organization with the State of New Hampshire

The officer's signature must be either notarized or include a corporate seal that confirms the title of the person authorized to sign the agreement. The date the Board officer signs must be on or after the date the amendment is signed. **The date the notary signs must match the date the Board officer signs.**

You may use your own format for the Certificate of Authority/Vote as long as it contains the necessary language to authorize the agreement signatory to enter into agreements and amendments with the State of New Hampshire as of the date they sign.

CERTIFICATE OF AUTHORITY/VOTE CHECKLIST

SOURCE OF AUTHORITY

Authority must come from the **governing body**, either:

- (1) a **majority voted** at a meeting, or
- (2) the body provided **unanimous consent in writing**, or
- (3) the organization's **policy or governing document** (bylaws, partnership agreement, LLC operating agreement) authorizes the person to sign

SOURCE OF AUTHORITY WAS IN EFFECT ON DAY AGREEMENT OR AMENDMENT WAS SIGNED

Certificate must show that the person signing the contract **had authority when they signed the Agreement or Amendment**, either:

- (1) Authority was **granted the same day** as the day the Agreement or Amendment was signed, or
- (2) Authority was **granted after** the day the agreement or amendment was signed and the governing body ratifies and accepts the earlier execution, or
- (3) Authority was **granted prior** to the day the agreement or amendment was signed and it has not been amended or repealed as of the day the contract was signed.

APPROPRIATE PERSON SIGNED THE CERTIFICATE

The person signing the certificate may be the same person signing the Agreement or Amendment only if the certificate states that the person is the **sole director** (for corps) or **sole member** (for LLCs).

**APPENDIX H – STATE OF NEW HAMPSHIRE TERMS AND CONDITIONS
AGREEMENT**

The State of New Hampshire and the Vendor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name		1.2 State Agency Address	
1.3 Vendor Name		1.4 Vendor Address	
1.5 Vendor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Vendor Signature		1.12 Name and Title of Vendor Signatory	
1.13 Acknowledgement: State of _____, County of _____			
On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this			

document in the capacity indicated in block 1.12.	
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]	
1.13.2 Name and Title of Notary or Justice of the Peace	
1.14 State Agency Signature	1.15 Name and Title of State Agency Signatory
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____	
1.17 Approval by the Attorney General (Form, Substance and Execution) By: _____ On: _____	
1.18 Approval by the Governor and Executive Council By: _____ On: _____	

2. EMPLOYMENT OF VENDOR /SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 (“State”), engages Vendor identified in block 1.3 (“Vendor”) to perform, and the Vendor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference (“Services”).

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement (“Effective Date”).

3.2 If the Vendor commences the Services prior to the Effective Date, all Services performed by the Vendor prior to the Effective Date shall be performed at the sole risk of the Vendor, and in the event that this Agreement does not become effective, the State shall have no liability to the Vendor, including without limitation, any obligation to pay the Vendor for any costs incurred or Services performed. Vendor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Vendor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B, which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Vendor for all expenses, of whatever nature incurred by the Vendor in the performance hereof, and shall be the only and the complete compensation to the Vendor for the Services. The State shall have no liability to the Vendor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Vendor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY VENDOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Vendor shall comply with all statutes, laws, regulations, and orders of federal, state, county, or municipal authorities, which impose any obligation or duty upon the Vendor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Vendor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Vendor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Vendor shall comply with all the provisions of Executive Order No. 11246 (“Equal Employment Opportunity”), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Vendor further agrees to permit the State or United States access to any of the Vendor’s books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Vendor shall at its own expense provide all personnel necessary to perform the Services. The Vendor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Vendor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Vendor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Vendor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Vendor notice of termination;

8.2.2 give the Vendor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the State determines that the Vendor has cured the Event of Default shall never be paid to the Vendor;

8.2.3 set off against any other obligations the State may owe to the Vendor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property, which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Vendor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. VENDOR'S RELATION TO THE STATE. In the performance of this Agreement, the Vendor is in all respects an independent Vendor, and is neither an agent nor an employee of the State. Neither the Vendor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Vendor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Vendor without the prior written consent of the State.

13. INDEMNIFICATION. The Vendor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Vendor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Vendor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Vendor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Vendor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Vendor agrees, certifies and warrants that the Vendor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Vendor is subject to the requirements of N.H. RSA chapter 281-A, Vendor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Vendor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Vendor, or any subcontractor or employee of Vendor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Vendor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective

successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

H-25. GENERAL CONTRACT REQUIREMENTS

H-25.1 State of NH Terms and Conditions and Contract Requirements

The Contract terms set forth in Appendix H: State of New Hampshire Terms and Conditions shall constitute the core for any Contract resulting from this RFP.

H-25.2 Vendor Responsibilities

The Vendor shall be solely responsible for meeting all requirements, and terms and conditions specified in this RFP, its Proposal, and any resulting Contract, regardless of whether or not it proposes to use any Subcontractor.

The Vendor may subcontract Services subject to the provisions of the RFP, including but not limited to, the terms and conditions in Appendix H: State of New Hampshire Terms and Conditions. The Vendor must submit with its Proposal all information and documentation relating to the Subcontractor necessary to fully respond to the RFP, which must include terms and conditions consistent with this RFP. The Vendor shall remain wholly responsible for performance of the entire Contract regardless of whether a Subcontractor is used. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from any Contract.

H-25.3 Project Budget/Price Limitation

The State has funds budgeted for this Project, subject to Appendix H: State of New Hampshire Terms and Conditions, Section 4: Conditional Nature of Agreement and Section 5: Contract Price/Price Limitation/Payment.

H-25.4 State Contracts

The State of New Hampshire intends to use, wherever possible, existing statewide Software and hardware Contracts to acquire supporting Software and hardware.

H-25.5 Vendor Staff

In the Proposal the Vendor shall assign and identify a Project Manager and key Vendor staff, in accordance with the Requirements and Deliverables of Appendix C: System Requirements and Deliverables and Appendix E: Standards for Describing Vendor Qualifications.

The Vendor's selection of a Project Manager will be subject to the prior approval of the State. The State's approval process may include, without limitation, at the State's discretion, review of the proposed Project Manager's resume, qualifications, references and background checks, and an interview. The Vendor's Project Manager must be qualified to perform the obligations required of the position under the Contract, have full authority to make binding decisions, and shall function as the Vendor's representative for all administrative and management matters. The Project Manager must be available to promptly respond during Normal Working Hours within two (2) hours to inquiries from the State, and be at the site as needed. The Vendor must use his or her best efforts on the Project.

The Vendor shall not change key Vendor staff and Project Manager commitments (collectively referred to as "Project Staff") unless such replacement is necessary due to sickness, death, termination of employment, or unpaid leave of absence. Any such changes to the Vendor's Project Staff shall require the prior written approval of the State. Replacement Project Staff shall have comparable or greater skills with regard to performance of the Project as the staff being replaced and be subject to the provisions of this RFP and any resulting Contract.

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The State, at its sole expense, may conduct reference and background checks on the Vendor's Project Staff. The State shall maintain the confidentiality of reference and background screening results. The State reserves the right to reject the Vendor's Project Staff as a result of such reference and background checks. The State also reserves the right to require removal or reassignment of the Vendor's key Project Staff found unacceptable to the State.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract, at its discretion, if it is dissatisfied with the Vendor's replacement Project Staff.

H-25.6 Work Plan

Vendor shall submit a preliminary Work Plan in its Proposal. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. A final Work Plan will be due five (5) business days after Contract award upon approval by Governor and Executive Council.

The Vendor shall update the Work Plan as necessary, but no less than every two weeks to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. Any updates to the Work Plan shall require the written approval of the State prior to final incorporation into the Contract.

Unless otherwise agreed in writing by the State, changes to the Work Plan shall not relieve the Vendor from liability to the State for any damages resulting from the Vendor's failure to perform its obligations under the Contract, including without limitation, performance in accordance with the Schedule.

In the event of a delay in the Schedule, the Vendor must immediately notify the State in writing. The written notification will identify the nature of the delay, i.e., specific actions or inactions of the Vendor or State causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected Schedule affect the Project.

In the event the Vendor requires additional time to correct Deficiencies, the Schedule shall not change unless previously agreed in writing by the State, except that the Schedule shall automatically extend on a day-to-day basis to the extent that the delay does not result from Vendor's failure to fulfill its obligations under the Contract. To the extent that the State's execution of its major tasks takes longer than described in the Work Plan, the Schedule shall automatically extend on a day-to-day basis.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract for default, at its discretion, if it is dissatisfied with the Vendor's Work Plan or elements within the Work Plan.

H-25.7 Change Orders

The State may make changes or revisions at any time by written Change Order. Within five (5) business days of a Vendor's receipt of a Change Order, the Vendor shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or the Work Plan.

A Vendor may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, or the Work Plan. The State shall attempt to respond to a Vendor's requested Change Order within five (5) business days. The State, which includes the requesting Agency and the Department of Information Technology must approve all change orders in writing. The State shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

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All Change Order requests from a Vendor to the State, and the State acceptance of a Vendor's estimate for a State requested change, will be acknowledged and responded to, either acceptance or rejection, in writing. If accepted, the Change Order(s) shall be subject to the Contract amendment process, as determined to apply by the State.

H-25.7 Deliverables

The Vendor shall provide the State with the Deliverables and Services in accordance with the time frames in the Work Plan. All Deliverables shall be subject to the State's Acceptance as set forth in Section H-25.9: Testing and Acceptance herein. Upon its submission of a Deliverable, the Vendor represents that it has performed its obligations under the Contract associated with the Deliverable.

By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

For each denial of Acceptance, the Acceptance Period may be extended, at the option of the State, by the corresponding time required to correct the Deficiency, retest or Review.

H-25.7.1 Written Deliverables Review

The State will Review the Written Deliverables for an Acceptance Period of five (5) business days after receiving written Certification from the Vendor that the Written Deliverable is final, complete, and ready for Review. The State will notify the Vendor in writing of its Acceptance or Non-Acceptance of a Deliverable by the end of the five (5) day Review Period. If any Deficiencies exist, the State will notify the Vendor in writing of the Deficiency and the Vendor must correct the Deficiency within five (5) business days of receiving notice from the State at no charge to the State. Upon receipt of the corrected Deliverable, the State will have five (5) business days to Review the corrected Written Deliverable and notify the Vendor in writing of its Acceptance or rejection thereof.

H-25.7.2 Software Deliverables Review

Described in Section H-25.9: Testing and Acceptance.

H-25.7.3 Non-Software Deliverables Review

The State will Review Non-Software Deliverables to determine whether any Deficiency exists and notify the Vendor in writing of its Acceptance or non-acceptance of the Non-Software Deliverable. The Vendor must correct the Deficiencies within five (5) business days, or within the period identified in the Work Plan, as applicable. Following correction of the Deficiency, the State will notify the Vendor in writing of its Acceptance or rejection of the Deliverable.

H-25.8 Licenses

The State has defined the Software license grant rights, terms and conditions, and has documented the evaluation criteria.

H-25.8.1 Software License Grant

The Software License shall grant the State a worldwide, perpetual, irrevocable, non-exclusive, non-transferable, limited license to use the Software and its associated Documentation, subject to the terms of the Contract.

The State may allow its agents and Vendors to access and use the Software, and in such event, the State shall first obtain written agreement from such agents and Vendors that each shall abide by the terms and conditions set forth herein.

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H-25.8.2 Software and Documentation Copies

The Vendor shall provide the State with a sufficient number of hard copy versions of the Software's associated Documentation and one (1) electronic version in Microsoft WORD and PDF format. The State shall have the right to copy the Software and its associated Documentation for its internal business needs. The State agrees to include copyright and proprietary notices provided to the State by the Vendor on such copies.

H-25.8.3 Restrictions

Except as otherwise permitted under the Contract, the State agrees not to:

- a. Remove or modify any program markings or any notice of Vendor's proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

H-25.8.4 Title

The Vendor must hold the right to allow the State to use the Software or hold all title, right, and interest (including all ownership and intellectual property rights) in the Software and its associated Documentation.

H-25.8.5 Third Party

The Vendor shall identify all third party contracts to be provided under the Contract with the Vendor's Proposal. The terms in any such contracts must be consistent with this RFP and any resulting Contract, including, but not limited to Appendix H: State of New Hampshire Terms and Conditions General Provisions Form P-37.

H-25.9 Testing and Acceptance

The State requires that an integrated and coherent approach to complete System testing, Security Review and Testing, Deficiency correction, Acceptance, and training, and that Warranty Services be provided to ensure a successful Project.

In its Proposal, the Vendor is to include its proposed Test Plan methodology and any scheduling assumptions used regarding the client resource efforts required during testing. After Contract award, the Vendor will be required to customize its proposed Test Plan methodology to reflect the needs of the Project and include the details of its Test Plan methodology in the detailed Work Plan (the first Project Deliverable). A separate Test Plan and set of test materials will be prepared for each Software function or module.

In addition, the Vendor will provide a mechanism for reporting actual test results vs. expected results and for the resolution and tracking of all errors and problems identified during test execution. The Vendor will also provide training as necessary to the State staff responsible for test activities.

See Appendix G-1 for Testing Requirements

H-25.9.1 Remedies

If the Vendor fails to correct a Deficiency within the period of time allotted by the State, the Vendor shall be deemed to have committed an Event of Default, pursuant Appendix H Section 8 and H-25.14, and the State Shall have the right, at its option, to pursue the remedies in Section Appendix H-25.14.1 as well as to return the Vendor's product and receive a refund for all amounts paid to the Vendor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Vendor of the State's refund request

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Notwithstanding any provision of the Contract, the State's option to terminate the Contract and pursue the stated remedies will remain in effect until the Vendor completes the Contract to the satisfaction of the State.

H-25.9.2 System Acceptance

Upon completion of the Warranty Period, the State will issue a Letter of Final System Acceptance.

H-25.10 Warranty

H-25.10.1 Warranty Period

The Warranty Period will initially commence upon the NHSLC issuance of a Letter of Acceptance for UAT and will continue for ninety (90) days. If within the Warranty Period, the System fails to operate as specified, the Warranty Period will cease, the Vendor will correct the Deficiency, and a ninety (90) calendar day Warranty Period will begin. Any further Deficiencies with the Software must be corrected and run fault free or be corrected.

H-25.10.2 Warranties

H-25.10.2.1 System

The Vendor shall warrant that the System must operate to conform to the Specifications, terms, and requirements of the Contract.

H-25.10.2.2 Software

The Vendor shall warrant that the Software is properly functioning within the System, compliant with the requirements of the Contract, and will operate in accordance with the Specifications. Software shall be archived and or version controlled through the use of Harvest Software.

H-25.10.2.3 Non-Infringement

The Vendor shall warrant that it has good title to, or the right to allow the State to use all Services, equipment, and Software provided under this Contract, and that such Services, equipment, and Software ("Material") do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

H-25.10.2.4 Viruses; Destructive Programming

The Vendor shall warrant that the Software will not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

H-25.10.2.5 Compatibility

The Vendor shall warrant that all System components, including any replacement or upgraded System Software components provided by the Vendor to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

H-25.10.2.6 Professional Services

The Vendor shall warrant that all Services provided under the Contract will be provided in a professional manner in accordance with industry standards and that Services will comply with performance standards.

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H-25.10.3 Warranty Services

The Vendor shall agree to maintain, repair, and correct Deficiencies in the System Software, including but not limited to the individual modules or functions, during the Warranty Period at no additional cost to the NHSLC, in accordance with the Specifications and terms and requirements of the Contract, including without limitation, correcting all errors, and Defects and Deficiencies; eliminating viruses or destructive programming; and replacing incorrect, Defective or Deficient Software and Documentation.

Warranty Services shall include, without limitation, the following:

- a. Maintain the System Software in accordance with the Specifications, terms, and requirements of the Contract;
- b. Repair or replace the System Software or any portion thereof so that the System operates in accordance with the Specifications, terms, and requirements of the Contract;
- c. The Vendor shall have available to the NHSLC on-call telephone assistance, with issue tracking available to the NHSLC, twenty four (24) hours per day and seven (7) days a week with an email / telephone response within two (2) hours of request, with assistance response dependent upon issue severity;
- d. On-site additional Services within four (4) business hours of a request;
- e. Maintain a record of the activities related to Warranty Repair or maintenance activities performed for the NHSLC;
- f. For all Warranty Services calls, the Vendor shall ensure the following information will be collected and maintained:
 - 1) nature of the Deficiency;
 - 2) current status of the Deficiency;
 - 3) action plans, dates, and times;
 - 4) expected and actual completion time;
 - 5) Deficiency resolution information;
 - 6) Resolved by;
 - 7) Identifying number i.e. work order number;
 - 8) Issue identified by;
- g. The Vendor must work with the NHSLC to identify and troubleshoot potentially large-scale Software failures or Deficiencies by collecting the following information:
 - 1) mean time between reported Deficiencies with the Software;
 - 2) diagnosis of the root cause of the problem; and
 - 3) identification of repeat calls or repeat Software problems; and
- h. All Deficiencies found during the Warranty Period and all Deficiencies found with the Warranty Releases shall be corrected by the Vendor no later than five (5) business days, unless specifically extended in writing by the NHSLC, at no additional cost to the NHSLC.

If in the Event of Default, the Vendor fails to correct the Deficiency within the allotted period of time (see above), the NHSLC shall have the right, at its option: 1) declare the Vendor in default, terminate the Contract, in whole or in part, without penalty or liability to the NHSLC; 2) return the Vendor's product and receive a refund for all amounts paid to the Vendor, including but not limited to, applicable license fees within ninety (90) days of notification to the Vendor of the NHSLC's intent to request a refund; 3) and to pursue its remedies available at law or in equity.

Notwithstanding any provision of the Contract, the NHSLC's option to terminate the Contract and pursue the remedies above will remain in effect until satisfactory completion of the full Warranty Period.

H-25.11 Ongoing Software Maintenance and Support Levels

The Vendor shall maintain and support the system in all material respects as described in the applicable program documentation after delivery and the warranty period of ninety (90) days through the completion of the contract term.

The Vendor will not be responsible for maintenance or support for Software developed or modified by the NHSLC.

H-25.11.1 Maintenance Releases

The Vendor shall make available to the NHSLC the latest program updates, general maintenance releases, selected functionality releases, patches, and documentation that are generally offered to its customers, at no additional cost.

H-25.11.2 Vendor Responsibility

The Vendor shall be responsible for performing on-site or remote technical support in accordance with the Contract Documents, including without limitation the requirements, terms, and conditions contained herein.

As part of the Software maintenance agreement, ongoing software maintenance and support levels, including all new Software releases, shall be responded to according to the following:

a. Class A Deficiencies - The Vendor shall have available to the NHSLC on-call telephone assistance, with issue tracking available to the NHSLC, eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Vendor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request;

b. Class B & C Deficiencies –The NHSLC shall notify the Vendor of such Deficiencies during regular business hours and the Vendor shall respond back within four (4) hours of notification of planned corrective action;

The Vendor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications, Terms and Requirements of the Contract;

The Vendor shall maintain a record of the activities related to warranty repair or maintenance activities performed for the NHSLC;

For all maintenance Services calls, the Vendor shall ensure the following information will be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue identified by; and

The Vendor must work with the NHSLC to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.

If the Vendor fails to correct a Deficiency within the allotted period of time Stated above, the Vendor shall be deemed to have committed an Event of Default, pursuant to Appendix H Section H-25.14, and the NHSLC shall have the right, at its option, to pursue the remedies in H-25.14, as well as to return the Vendor's product and receive a refund for all amounts paid to the Vendor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Vendor of the NHSLC's refund request

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If the Vendor fails to correct a Deficiency within the allotted period of time Stated above, the Vendor shall be deemed to have committed an Event of Default, pursuant to Appendix H Section H-25.14, and the NHSLC shall have the right, at its option, to pursue the remedies in Appendix H Section H-25.14.

H-25.12 Administrative Specifications

H-25.12.1 Travel Expenses

The NHSLC will not be responsible for any travel or out of pocket expenses incurred in the performance of the Services.

The Vendor must assume all travel and related expenses by “fully loading” the proposed labor rates to include, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

H-25.11.2 Shipping and Delivery Fee Exemption

The NHSLC will not pay for any shipping or delivery fees unless specifically itemized in the Contract.

H-25.12.3 Project Workspace and Office Equipment

The NHSLC agency will work with the Vendor to determine the requirements for providing all necessary workspace and office equipment, including desktop computers for the Vendor’s staff. If a Vendor has specific requirements, they must be included in the Vendor’s Proposal.

H-25.12.4 Work Hours

Vendor personnel shall work normal business hours between 8:00 am and 5:00 pm, eight (8) hour days, forty (40) hour weeks, excluding State of New Hampshire holidays. Changes to this schedule may be made upon agreement with the State Project Lead.

H-25.12.5 Access/Cooperation

As applicable, and reasonably necessary, and subject to the applicable State and federal laws and regulations and restrictions imposed by third parties upon the State, the NHSLC will provide the Vendor with access to all program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware as required to complete the contracted Services.

The NHSLC will use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow the Vendor to perform its obligations under the Contract.

H-25.12.6 State-Owned Documents and Data

The Vendor shall provide the NHSLC access to all Documents, NHSLC Data, materials, reports, and other work in progress relating to the Contract (“State Owned Documents”). Upon expiration or termination of the Contract with the NHSLC, Vendor shall turn over all State-owned Documents, State Data, material, reports, and work in progress relating to this Contract to the NHSLC at no additional cost to the NHSLC. State-Owned Documents must be provided in both printed and electronic format.

H-25.12.7 Intellectual Property

The NHSLC shall hold all ownership, title, and rights in any Custom Software developed in connection with performance of obligations under the Contract, or modifications to the Software, and their associated Documentation including any and all performance enhancing operational plans and Vendors’ special utilities. The NHSLC shall have sole right to produce, publish, or otherwise use such Software, modifications, and Documentation developed under the Contract and to authorize others to do so.

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In no event shall the Vendor be precluded from developing for itself, or for others, materials that are competitive with, or similar to Custom Software, modifications developed in connection with performance of obligations under the Contract. In addition, the Vendor shall be free to use its general knowledge, skills, experience, and any other ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this agreement.

H-25.12.8 IT Required Work Procedures

All work done must conform to standards and procedures established by the Department of Information Technology and the State.

H-25.12.9 Computer Use

In consideration for receiving access to and use of the computer facilities, network, licensed or developed software, software maintained or operated by any of the State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), Vendor understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall Vendor access or attempt to access any information without having the express authority to do so.
- c. That at no time shall Vendor access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or agreements relating to system entry/access.
- d. That all software licensed, developed, or being evaluated by the NHSLC cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times Vendor must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other Agreement executed by the NHSLC. Only equipment or software owned, licensed, or being evaluated by the NHSLC, can be used by the Vendor. Personal software (including but not limited to palmtop sync software) shall not be installed on any equipment.
- e. That if the Vendor is found to be in violation of any of the above-stated rules, the User may face removal from the NHSLC Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.

H-25.12.10 Email Use

Mail and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as "internal email systems" or "State-funded email systems." Vendors understand and agree that use of email shall follow State standard policy (available upon request).

H-25.12.11 Internet/Intranet Use

The Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (available upon request).

H-25.12.12 Regulatory/Governmental Approvals

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Any Contract awarded under the RFP shall be contingent upon the Vendor obtaining all necessary and applicable regulatory or other governmental approvals.

H-25.12.13 Force Majeure

Neither Vendor nor the NHSLC shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Except in the event of the foregoing, Force Majeure events shall not include Vendor's inability to hire or provide personnel needed for the Vendor's performance under the Contract.

H-25.12.14 Confidential Information

In performing its obligations under the Contract, the Vendor may gain access to information of the State, including Confidential Information. "State Confidential Information" shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: Access to Public Records and Meetings (see e.g. RSA Chapter 91-A: 5 Exemptions). The Vendor shall not use the State Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Contract, except as is directly connected to and necessary for the Vendor's performance under the Contract.

The Vendor agrees to maintain the confidentiality of and to protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential Information of the State that becomes available to the Vendor in connection with its performance under the Contract, regardless of its form.

Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which: (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof; (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party; (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or (iv) is disclosed with the written consent of the disclosing party. A receiving party also may disclose Confidential Information to the extent required by an order of a court of competent jurisdiction.

Any disclosure of the NHSLC's information shall require prior written approval of the NHSLC. The Vendor shall immediately notify the NHSLC if any request, subpoena or other legal process is served upon the Vendor regarding the State's Confidential Information, and the Vendor shall cooperate with the State in any effort it undertakes to contest the request, the subpoena or other legal process, at no additional cost to the State.

In the event of unauthorized use or disclosure of the State's Confidential Information, the Vendor shall immediately notify the NHSLC, and the NHSLC shall immediately be entitled to pursue any remedy at law and in equity, including, but not limited to injunctive relief.

Insofar as the Vendor seeks to maintain the confidentiality of its confidential or proprietary information, the Vendor must clearly identify in writing the information it claims to be confidential or proprietary. The Vendor acknowledges that the NHSLC is subject to the Right to Know Law, RSA Chapter 91-A. The

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NHSLC shall maintain the confidentiality of the identified Confidential Information insofar as it is consistent with applicable State or federal laws or regulations, including but not limited to, RSA Chapter 91-A. In the event the NHSLC receives a request for the information identified by the Vendor as confidential, the NHSLC shall notify the Vendor and specify the date the NHSLC will be releasing the requested information. At the request of the NHSLC, the Vendor shall cooperate and assist the State with the collection and review of the Vendor's information, at no additional expense to the NHSLC. Any effort to prohibit or enjoin the release of the information shall be the Vendor's sole responsibility and at the Vendor's sole expense. If the Vendor fails to obtain a court order enjoining the disclosure, the NHSLC shall release the information on the date specified in the NHSLC's notice to the Vendor without any NHSLC liability to the Vendor.

This Contract Agreement, Appendix H Section H-25.12.14: Confidential Information shall survive the termination or conclusion of a Contract.

H-25.13 Pricing

H-25.13.1 Activities/Deliverables/Milestones Dates and Pricing

The Vendor must include, within the fixed price for IT service activities, tasks, and preparation of required Deliverables, pricing for the Deliverables required based on the proposed approach, and methodology and tools. A fixed price must be provided for each Deliverable. Pricing worksheets are provided in Appendix F: Pricing Worksheets.

H-25.13.2 Software Licensing, Maintenance, Enhancements, and Support Pricing

The Vendor must provide the minimum Software support and Services through Software licensing, maintenance, Enhancements, and support as detailed in Section H-25.11: Ongoing Software Maintenance and Support Levels.

For Software licensing, maintenance, and support costs, complete a worksheet including all costs in the table. A worksheet is provided in Appendix F: Pricing Worksheets, under Appendix F-5: Software Licensing, Maintenance, and Support Pricing, as Table F-5: Software Licensing, Maintenance, and Support Pricing Worksheet.

H-25.13.3 Invoicing

The Vendor shall submit correct invoices to the NHSLC for all amounts to be paid by the NHSLC. All invoices submitted shall be subject to the NHSLC's written approval, which shall not be unreasonably withheld. The Vendor shall only submit invoices for Services or Deliverables as permitted by the Contract. Invoices must be in a format as determined by the NHSLC and contain detailed information, including without limitation: itemization of each Deliverable and identification of the Deliverable for which payment is sought, and the Acceptance date triggering such payment; date of delivery and/or installation; monthly maintenance charges; any other Project costs or retention amounts if applicable.

H-25.13.4 Overpayments to the Vendor

The Vendor shall promptly, but no later than fifteen (15) business days, pay the NHSLC the full amount of any overpayment or erroneous payment upon discovery or notice from the NHSLC.

H-25.13.5 Credits

The NHSLC may apply credits due to the NHSLC, arising out of this Contract, against the Vendor's invoices with appropriate information attached.

H-25.13.6 Records Retention and Access Requirements

The Vendor shall agree to the conditions of all applicable State and federal laws and regulations, which are incorporated herein by this reference, regarding retention and access requirements, including without limitation, retention policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 Vendor Records Retention.

The Vendor and its Subcontractors shall maintain books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs, invoiced in the performance of their respective obligations under the Contract. The Vendor and its Subcontractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeals period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the State and federal officials so authorized by law, rule, regulation or Contract, as applicable. Access to these items will be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the State. Delivery of and access to such records shall be at no cost to the State during the three (3) year period following termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. The Vendor shall include the record retention and review requirements of this section in any of its subcontracts.

The NHSLC agrees that books, records, documents, and other evidence of accounting procedures and practices related to the Vendor's cost structure and profit factors shall be excluded from the NHSLC's review unless the cost or any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

H-25.13.7 Accounting Requirements

The Vendor shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the Contract shall be ascertainable from the accounting system and the Vendor shall maintain records pertaining to the Services and all other costs and expenditures.

H-25.14 Termination

This section H-25.14 shall survive termination or Contract conclusion.

H-25.14.1 Termination for Default

Any one or more of the following acts or omissions of the Vendor shall constitute an event of default hereunder ("Event of Default")

- a. Failure to perform the Services satisfactorily or on schedule;
- b. Failure to submit any report required; and/or
- c. to perform any other covenant, term or condition of the Contract

Upon the occurrence of any Event of Default, the NHSLC may take any one or more, or all, of the following actions:

- a) Unless otherwise provided in the Contract, the NHSLC shall provide the Vendor written notice of default and require it to be remedied within, in the absence of a greater or lesser specification of time, within thirty (30) days from the date of notice, unless otherwise indicated within by the NHSLC ("Cure Period"). If the

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Vendor fails to cure the default within the Cure Period, the NHSLC may terminate the Contract effective two (2) days after giving the Vendor notice of termination, at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.

- b) Give the Vendor a written notice specifying the Event of Default and suspending all payments to be made under the Contract and ordering that the portion of the Contract price which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the NHSLC determines that the Vendor has cured the Event of Default shall never be paid to the Vendor.
- c) Set off against any other obligations the NHSLC may owe to the Vendor any damages the NHSLC suffers by reason of any Event of Default;
- d) Treat the Contract as breached and pursue any of its remedies at law or in equity, or both.
- e) Procure Services that are the subject of the Contract from another source and the Vendor shall be liable for reimbursing the NHSLC for the replacement Services, and all administrative costs directly related to the replacement of the Contract and procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth in the Contract.

In the event of default by the Vendor, the Vendor shall provide the NHSLC with written notice of default, and the NHSLC shall cure the default within thirty (30) days.

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the NHSLC. This covenant shall survive termination or Contract Conclusion.

H-25.14.2 Termination for Convenience

The NHSLC may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days written notice to the Vendor. In the event of such termination for convenience, the NHSLC shall pay the Vendor the agreed upon price, if separately stated, for Deliverables for which Acceptance has been given by the NHSLC. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated will be paid, in whole or in part, generally in accordance with Appendix F: Pricing Worksheets.

During the thirty (30) day period, the Vendor shall wind down and cease its Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the NHSLC from such winding down and cessation of Services.

H-25.14.3 Termination for Conflict of Interest

The NHSLC may terminate the Contract by written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto of applicable laws regarding ethics in public acquisitions and procurement and performance of Contracts.

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In such case, the NHSLC shall be entitled to a pro-rated refund of any current development, support and maintenance costs. The NHSLC shall pay all other contracted payments that would have become due and payable if the Vendor did not know, or reasonably did not know, of the conflict of interest.

In the event the Contract is terminated as provided above pursuant to a violation by the Vendor, the NHSLC shall be entitled to pursue the same remedies against the Vendor as it could pursue in the event of a default of the Contract by the Vendor.

H-25.14.4 Termination Procedure

Upon termination of the Contract, the NHSLC, in addition to any other rights provided in the Contract, may require the Vendor to deliver to the NHSLC any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

After receipt of a notice of termination, and except as otherwise directed by the NHSLC, Vendor shall:

- a. Stop work under the Contract on the date, and to the extent specified, in the notice;
- b. Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the NHSLC to the extent required, which approval or ratification shall be final for the purpose of this Section;
- c. Take such action as the NHSLC directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Vendor and in which NHSLC has an interest;
- d. Transfer title to the NHSLC and deliver in the manner, at the times, and to the extent directed by the NHSLC, any property which is required to be furnished to NHSLC and which has been accepted or requested by the NHSLC; and
- e. Provide written certification to the NHSLC that Vendor has surrendered to the NHSLC all said property.

H-25.15 Limitation of Liability

H-25.15.1 State

Subject to applicable laws and regulations, in no event shall the State be liable for any consequential, special, indirect, incidental, punitive, or exemplary damages. Subject to applicable laws and regulations, the NHSLC's liability to the Vendor shall not exceed the total Contract price set forth in Contract Agreement, Appendix H Section 1.8 of the Contract Agreement – General Provisions.

Notwithstanding the foregoing and any provision of this Contract to the contrary, in no event does the State waive its sovereign immunity or any applicable defenses or immunities.

H-25.15.2 The Vendor

Subject to applicable laws and regulations, in no event shall the Vendor be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and the Vendor's liability to the State shall not exceed two times (2X) the total Contract price set forth in the Contract Agreement, Appendix H Section 1.8 of the Contract Agreement – General Provisions. Notwithstanding the foregoing, the limitation of liability shall not apply to the Vendor's indemnification obligations set forth in the Appendix H Contract Agreement - Sections 13:

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Indemnification and confidentiality obligations in Appendix H 25.12.14: Confidential Information, which shall be unlimited.

H-25.15.3 State's Immunity

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the NHSLC. This covenant shall survive termination or Contract conclusion.

H.25.15.4 Survival

This Contract Agreement, Section H-25.15: Limitation of Liability shall survive termination or Contract conclusion.

H-25.16 Change of Ownership

In the event that the Vendor should change ownership for any reason whatsoever, the State shall have the option of continuing under the Contract with the Vendor, its successors or assigns for the full remaining term of the Contract; continuing under the Contract with the Vendor, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to the Vendor, its successors or assigns.

H-25.17 Assignment, Delegation and Subcontracts

The Vendor shall not assign, delegate, subcontract, or otherwise transfer any of its interest, rights, or duties under the Contract without the prior written consent of the NHSLC. Such consent will not be unreasonably withheld. Any attempted transfer, assignment, delegation, or other transfer made without the NHSLC's prior written consent shall be null and void and may constitute an event of default at the sole discretion of the NHSLC.

The Vendor shall remain wholly responsible for performance of the entire Contract regardless of whether assignees, delegates, Subcontractors or other transferees ("Assigns") are used, unless otherwise agreed to in writing by the NHSLC and the Assigns fully assumes in writing any and all obligations and liabilities under the Contract from the Effective Date. In the absence of a written assumption of full obligations and liabilities of the Contract, any permitted assignment, delegation, subcontract or other transfer shall neither relieve the Vendor of any of its obligations under the Contract nor shall it affect any remedies available to the NHSLC against the Vendor that may arise from any event of default of the provisions of the Contract. The NHSLC will consider the Vendor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

H-25.18 Dispute Resolution

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement.

H-25.19 Venue and Jurisdiction

Any action on the Contract may only be brought in the State of New Hampshire Merrimack County Superior Court.

H-25.20 Project Holdback

The NHSLC will withhold 10% of the agreed Deliverables pricing tendered by the Vendor in this engagement until successful completion of the Warranty Period as defined in Appendix H Section 25-10.1: Warranty Period.

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H-25.21 Escrow of Code

For non-SaaS solutions Vendor will enter into a source and configuration code escrow agreement, with a State approved escrow agent. The proposed escrow agreement shall be submitted with the Vendor's Proposal for review by the State. The escrow agreement requires the Vendor to put the Vendor Software source and configuration code in escrow. The source code shall be released to the State if one of the following events has occurred:

- a. the Vendor has made an assignment for the benefit of creditors;
- b. the Vendor institutes or becomes subject to a liquidation or bankruptcy proceeding of any kind;
- c. a receiver or similar officer has been appointed to take charge of all or part of the Vendor's assets; or
- d. the Vendor or its Subcontractor terminates its maintenance and operations support Services for the NHSLC for the Software or has ceased supporting and maintaining the Software for the NHSLC, whether due to its ceasing to conduct business generally or otherwise, except in cases where the termination or cessation is a result of the non-payment or other fault of the NHSLC;
- e. Vendor defaults under the Contract; or
- g. Vendor ceases its on-going business operations or that portion of its business operations relating to the licensing and maintenance of the Software.

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APPENDIX I: TERMS AND DEFINITIONS

The following general terms and definitions may apply except as specifically noted elsewhere in this document.

Term	Definition
Absolute Level	Minimum stock level. The System automatically orders product for the stores to replenish any products depleted below the store's absolute levels.
Acceptance	Written notice from NHSLC that a Deliverable has satisfied Acceptance Test or Review.
Acceptance Letter	An Acceptance Letter provides notice from NHSLC that a Deliverable has satisfied Acceptance Tests or Review.
Acceptance Period	The timeframe during which the Acceptance Test is performed.
Acceptance Test	Tests performed to determine that no Defects exist in the application Software or the System.
Access Control	Supports the management of permissions for logging onto a computer or network.
ACR	The manufacturer of the point of sale system being utilized at the retail stores.
Ad-hoc Reports	Ad-hoc reports (equivalent expression/underlying concept: "a custom report feature"), which indicates the need for the application to allow end users to decide, at run time, which elements of the report they wish to see (possibly in which specific order etc.).
Affidavit	A written statement confirmed by oath or affirmation, for use as evidence in court. Affidavits are statements made by New Hampshire Liquor Commission employees for claims of lost, damaged, broken or missing inventory.
Agency	A class of licensee licensed to operate an independent liquor store not owned by the state of New Hampshire.
Agreement	A Vendor duly executed and legally binding.
Appendix	Supplementary material that is collected and appended at the back of a document
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system.
Authorized Direct Shippers	There approximately 1,100 producers of alcohol nationally that are authorized by the NH Liquor Commission to ship directly to New Hampshire consumers.
Bailment Charges	The bailment charges process at the Concord warehouse begins with a transaction file within the Warehouse Management System. The Warehouse Management System uses this transaction file to determine the bailment charges automatically by transaction code, account, quantity, and charge. Some examples of bailment charges include the following: handling for in-bound items, storage, labeling, relabeling, and inventory counting.
Bailment	A term used in the wine and distilled spirits industry to describe a situation whereby goods are shipped to a designated warehouse and normally held in the supplier's name for withdrawal by a state liquor agency acting as a wholesaler "Control" state. The goods thus stored generally incur a "bailment" charge or fee per case for storage and handling.

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Best and Final Offer (BAFO)	For negotiated procurements, a Vendor's final offer following the conclusion of discussions.
Bill of Lading	A receipt given by the carrier to the shipper acknowledging receipt of the goods being shipped and specifying the terms of delivery.
Blanket Purchase Order	An order to buy from the same vendor regularly where NHSLC issues a blanket order to cover all purchases for the month rather than making separate daily purchase orders. Line items are added as the month progresses.
Blind-Drop	A form of cash-drop where the cashier does not count their own drawer or bank before turning it in and, therefore, does not know if they are over or short. Sometimes used as a deterrent from theft by a cashier.
Brand Selection	The brand selection process for the Commission begins with a weekly business meeting to discuss new products. Buyers bring recommendations for discussion that must be approved by the Commission before they are considered final.
Breach or Breach of Security	Unlawful and unauthorized acquisition of unencrypted computerized data that materially compromises the security, confidentiality, or integrity of personal information maintained by a person or commercial entity.
Breakage	When a retail location has product that is accidently broken by an employee it is considered to be breakage and an affidavit is filled out to attest to this occurrence.
Broker	In New Hampshire, all liquor is sold through a system of brokers as intermediaries between the Commission and the vendors.
Buyers	Buyers are Liquor Commission employees in charge of recommending the brands, and selection that New Hampshire Liquor stores carry. The Commission must give final approval before these selections are accepted.
Cardholder	Non-consumer or consumer customer to whom a payment card is issued to or any individual authorized to use the payment card.
Cardholder Data	At a minimum, cardholder data consists of the full PAN. Cardholder data may also appear in the form of the full PAN plus any of the following: cardholder name, expiration date and/or service code See Sensitive Authentication Data for additional data elements that may be transmitted or processed (but not stored) as part of a payment transaction.
CDE	Acronym for "cardholder data environment." The people, processes and technology that store, process, or transmit cardholder data or sensitive authentication data.
Case Label	There is one label per case unless there are more than 30 cases (over half a pallet) of the same product in which case a single label is printed with the number of cases included. Case labels indicate that a case of product has been shipped or is intended to be shipped to a designated location.
CCP	Change Control Procedures.
Certification	The Vendor's written declaration with full supporting and written Documentation (including without limitation test results as applicable) that the Vendor has completed development of the Deliverable and certified its readiness for applicable Acceptance Testing or Review.
Change Control (CC)	Formal process for initiating changes to the proposed Solution or process once development has begun.
Change Order	Formal documentation prepared for a proposed change in the Specifications.

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Claims	Claims are created when hidden damage is discovered or is returned by a consumer (i.e. bad taste etc.).
Console	Screen and keyboard which permits access and control of a server, mainframe computer or other system type in a networked environment.
Common Carrier	A company that transports goods on regular routes at set rates. In New Hampshire there are three Common Carriers: UPS, FedEx Ground, and FedEx Express.
Confidential Information	Information required to be kept Confidential from unauthorized disclosure under the Vendor.
Contract	This Agreement between the State of New Hampshire and a Vendor, which creates binding obligations for each party to perform as specified in the Vendor Documents.
Contract Agreement	The documentation consisting of both the General Provisions and the Exhibits which represents the understanding and acceptance of the reciprocal legal rights and duties of the parties with respect to the Scope of Work.
Contract Price	The total, not to exceed amount to be paid by the NHSLC to the Vendor for product and services described in the Contract Agreement.
Contract Award	The Vendor whose proposal or quote was awarded the Contract with the NHSLC and who is responsible for the Services and Deliverables of the Vendor.
Conversion Test	A test to ensure that a data conversion process correctly takes data from a legacy system and successfully converts it to form that can be used by the new System.
Conversion / Migration Validation Testing	The Conversion/Migration Validation Testing should replicate the entire flow of the converted data through the Software Solution. As the Software Solution is interfaced to legacy or third-party applications, the testing verifies that the resulting converted legacy data performs correctly.
Commission	Also known as the New Hampshire State Liquor Commission.
Completion Date	End date of the Vendor.
COTS	Commercial Off The Shelf Software.
Coupon	A voucher entitling the holder to a discount on a particular product.
CR	Change Request.
Custom Code	Code developed by the Vendor specifically for this Project. (e.g. for the State of New Hampshire).
Custom Software	Software developed by the Vendor specifically for this project for the State of New Hampshire.
Cycle Count	A cycle count is an inventory management procedure where a small sub-set of inventory is counted on any given day. Cycle counts contrast with traditional physical inventory in that physical inventory stops operation at a facility while all items are counted at a single point-in-time.
Data	State's records, files, forms, Data and other documents or information, in either electronic or paper form, that will be used /converted by the Vendor during the Vendor Term.

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DBA	Database Administrator.
Deficiencies/Defects	<p>A failure, deficiency or defect in a Deliverable resulting in a Deliverable, the Software, or the System, not conforming to its Specifications.</p> <p>Class A Deficiency – <i>Software</i> - Critical, does not allow System to operate, no work around, demands immediate action; <i>Written Documentation</i> - missing significant portions of information or unintelligible to NHSLC; <i>Non Software</i> - Services were inadequate and require re-performance of the Service.</p> <p>Class B Deficiency – <i>Software</i> - important, does not stop operation and/or there is a work around and user can perform tasks; <i>Written Documentation</i> - portions of information are missing but not enough to make the document unintelligible; <i>Non Software</i> - Services were deficient, require reworking, but do not require re-performance of the Service.</p> <p>Class C Deficiency – <i>Software</i> - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; <i>Written Documentation</i> - minimal changes required and of minor editing nature; <i>Non Software</i> - Services require only minor reworking and do not require re-performance of the Service.</p>
Delisted	Product status of items that are no longer to be made available. Remaining “Delisted” product already owned by the SLC may be sold but it is no longer to be bought.
Deliverable	A Deliverable is any Written, Software, or Non-Software Deliverable (letter, report, manual, book, other), provided by the Vendor to NHSLC or under the terms of a Vendor requirement.
Department of Information Technology (DoIT)	New Hampshire Department of Information Technology.
Depletion Allowances	Also called markdown money, these are funds provided by a vendor to NHSLC to cover decreased gross margin from price markdowns. These need to be figured into the gross profit of the product.
Depletion Invoices	Invoices sent to vendors to cover depletion allowances.
Digital Signature	Guarantees the unaltered state of a file.
Discount	A deduction from the usual price of the product.
Documentation	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
Dolphin	A mobile hand-held device used in counting store inventory.
Effective Date	The Vendor and all obligations of the parties hereunder shall become effective on the date the Governor and the Executive Council of the State of New Hampshire approve the Vendor.
Encryption	Supports the encoding of data for security purposes.

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Enhancements	Updates, additions, modifications to, and new releases for the Software, and all changes to the Documentation as a result of Enhancements, including, but not limited to, Enhancements produced by Change Orders.
Event of Default	Any one or more of the following acts or omissions of a Vendor shall constitute an event of default hereunder (“Event of Default”) a. Failure to perform the Services satisfactorily or on schedule; b. Failure to submit any report required; and/or c. Failure to perform any other covenant, term or condition of the Vendor.
Exel Warehouse	A privately owned, non-state run warehouse in Bow New Hampshire.
Exel Warehouse Inventory Management System	A separate Inventory Management System used in the privately owned, non-state run warehouse in Bow.
Field Testing	The Vendor must provide the accessibility and functionality of the various reservation and registration screens and all report functions to allow for field testing. The Field Test must test all aspects of the Reservation and Point of Sale system, including all facets of the retail system (new product set up, pricing, credit card processing, bar code scanning, inventory entry and other tests as defined by NHSLC.) All functions and modules of the system must be Field Tested. At least twelve (12) work stations must be fully installed no later than eight (8) weeks prior to implementation to allow for field testing. Park locations for these twelve (12) work stations will be determined by NHSLC. A representative of the Vendor must be available during field testing to answer questions or document any issues encountered while field testing. The Vendor must update the Master Test Plan results document upon completion of each test described above.
Firm Fixed Price Vendor	A Firm-Fixed-Price Vendor provides a price that is not subject to increase, i.e., adjustment on the basis of the Vendor’s cost experience in performing the Vendor.
Full Inventory count	Unlike a cycle count inventory management procedure where a small sub-set of inventory is counted on any given day, a full Inventory count is a traditional physical inventory count where all items are counted at a single point in time.
Fully Loaded	Rates are inclusive of all allowable expenses, including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.
GAP Analysis	Identification of gaps between future state and current state. Involving analysis between business requirements and current System capabilities.
Governor and Executive Council	The New Hampshire Governor and Executive Council.
Guaranteed Checks	Guaranteed checks are bank backed checks such as cashier’s checks and money orders that have guaranteed funds.
Harvest	Centralized Software Management to archive and/or control versions of software.

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Headquarters	Controls all aspects of the entire operation at NHSLC. Maintains product information, creates marketing plans and reports on activity of entire enterprise.
ICE	Internet Commerce Enabler; an on-line portal used both internally by employees and externally by brokers and vendors.
Identification and Authentication	Supports obtaining information about those parties attempting to log on to a system or application for security purposes and the validation of those users.
IMC	Information Management Consulting Software.
Implementation Plan	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
In-House Credit	In-house credit is a credit line for purchasing liquor that is only offered to New Hampshire state licensees based on credit worthiness.
Input Validation	Ensure the application is protected from buffer overflow, cross-site scripting, SQL injection, and canonicalization.
Instant Ticket	A lottery ticket that is "instantly" redeemable at the place of purchase under a specified maximum amount.
Installation Testing	Application components are installed in the System test environment to test the installation routines and are refined for the eventual production environment. This activity serves as a dry run of the installation steps in preparation for configuring the production System.
Intrusion Detection	Supports the detection of illegal entrance into a computer system.
Invoking Party	In a dispute, the party believing itself aggrieved.
Issue	A point or matter in question or in dispute, or a point or matter that is not settled and is under discussion or over which there are opposing views or disagreements, but is currently "happening" to the Project.
IaaS	Infrastructure as a Service (IaaS) is one of the fundamental service models of cloud computing alongside Platform as a Service (PaaS) and Software as a Service (SaaS). It provides access to computing resource in a virtualized environment
Joint Application Development JAD Sessions	Joint process between NHSLC and the Vendor to collect business requirements while developing the new System.
Key Project Staff	Personnel identified by NHSLC and by the Vendor as essential to work on the Project.
Lane	Checkout lane with POS register
Lawson	NHSLC's current financial system, which was implemented under the NH-First Project.
Licensee	A business licensed by the SLC to sell liquor in the state of New Hampshire.

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LIDS	Liquor Inventory Distribution System.
MAPPER	Unisys Business Information Server (BIS), formerly MAPPER is rapid-application development and information access tool that has been utilized by NHSLC for the last 30 years.
MTS	Management Training Seminar; these are required educational sessions that all new Licensees must attend within 45 days of the issuance of their license; otherwise their license may be revoked. This is applicable to Enforcement.
NH First	Lawson, the State's financial software, is still referred to by "NH First" which was its original implementation project name.
NHSLC	New Hampshire State Liquor Commission. (http://www.nh.gov/liquor)
Non Exclusive Vendor	A Vendor executed by NHSLC that does not restrict NHSLC from seeking alternative sources for the Deliverables or Services provided under the Vendor.
Non-Software Deliverables	Deliverables that are not Software Deliverables or Written Deliverables, e.g., meetings, help support, services, other.
Normal Business Hours	Normal Business Hours – 8:00 a.m. to 5:00 p.m. EST, Monday through Friday excluding State of New Hampshire holidays. State holidays are: New Year’s Day, Martin Luther King Day, President’s Day, Memorial Day, July 4th, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. Specific dates will be provided.
Notice to Proceed (NTP)	NHSLC Vendor Manager’s written direction to the Vendor to begin work on the Vendor on a given date and time.
Off-premise	A class of Licensee licensed to sell liquor by the bottle for off premise consumption.
On-premise	A class of Licensee licensed to sell liquor by the drink for on premise consumption
Open Data Formats	A data format based on an underlying Open Standard.
Open Source Software	Software that guarantees the user unrestricted use of the Software as defined in RSA 21-R:10 and RSA 21-R:11.
Open Standards	Specifications for the encoding and transfer of computer data that is defined in RSA 21-R: 10 and RSA 21-R: 13.
Open to Buy	The Open to Buy amount is the dollar amount budgeted by NHSLC for inventory purchases or a specific time period.
Operational System	System is fully functional, all Data has been loaded into the System, is available for use by the State in its daily operations.
Operational	Operational means that the System is operating and fully functional, all Data has been loaded; the System is available for use by NHSLC in its daily operations, and NHSLC has issued an Acceptance Letter.
PaaS	Platform as a service (PaaS) is a category of cloud computing services that provides a platform allowing customers to develop, run and manage Web applications without the complexity of building and maintaining the infrastructure typically associated with developing and launching

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Performance Tuning and Stress Testing	The Vendor shall develop and document hardware and Software configuration and tuning of the NHSLC Next Generation Systems infrastructure as well as assist and direct NHSLC's System the Software throughout the Project.
Picker	Warehouse workers that "picks" inventory and builds pallets of product that go to a specific location for delivery to replenish their inventories.
Placement Category	The liquor inventory and distribution system is organized by four "placement categories": Category 1 – top 325 wines shipped to all stores and full distribution for spirits, Category 2 – top 326 to 750 wines and full distribution for spirits, Category 3 – top 751 to 1200 wines and specialty spirits, Category 4 – optional/test items for wine and test/new products for spirits.
POI	Point of Interaction.
Point to Point Encryption	Use of secure encryption methodologies and cryptographic key operations, including key generation, distribution, loading/injection, administration and usage of data transmitted between two or more points of interaction
POS	Point of Sale (POS) or checkout is the location where a transaction occurs. A "checkout" refers to a POS terminal or more generally to the hardware and software used for checkouts, the equivalent of an electronic cash register.
POS Station	The Point of Sale system which includes a bar-code reader, cash draw, receipt printer, credit card machine, screen etc. The POS stations are commonly referred to as "lanes" or "registers".
Project	The planned undertaking regarding the entire subject matter of an RFP and Vendor and the activities of the parties related hereto.
Project Management Plan (Work Plan)	Written plan that addresses Project scheduling, State resource involvement, and the overall Project approach, including plans for managing communications, Project risks, and transfer of knowledge at the conclusion of the Project.
Promotion	A publicity campaign for a particular New Hampshire Liquor Commission product.
Proposal	The submission from a Vendor in response to the Request for a Proposal or statement of work.
Purchase Authorization Level	This authorization level is set by the Director of Purchasing in the Concord Warehouse. This rate sets the parameters for the Inventory Management System to work within and allows for inventory processes to be automated such as invoicing and purchasing of new product.
QSA	A Qualified Security Assessor (QSA) is a person who has been certified by the PCI Security Standards Council to audit merchants for Payment Card Industry Data Security Standard (PCI
Regression Test Plan	A plan integrated into the Work Plan used to ascertain whether fixes to Defects have caused errors elsewhere in the application/process.
Retail Store Location	New Hampshire has 77 retail store locations throughout NHSLC in which consumers over the age of 21 may purchase alcoholic beverages and lottery tickets.
Review Period	The period set for Review of a Deliverable. If none is specified then the Review Period is five (5) Business days.
Requirements Traceability Matrix	The Requirement Traceability Matrix is a document that links the requirements throughout the validation process. It is a tool to ensure that requirements are not lost during the software development life cycle.

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RFP (Request for Proposal)	A Request For Proposal solicits Proposals to satisfy State functional requirements by supplying data processing product and/or Service resources according to specific terms and conditions.
RID	Report Identifier for the table in the MAPPER for storing information.
Sale Projection	This is otherwise known as sales forecasting; it is a process to estimate future consumption needs or future sales of products using historic data to "forecast" or "Project" trends.
Sales Cards	Promotional cards advertising products or promotions for use on store shelves.
SaaS – Software as a Service	Software as a service (or SaaS) is a way of delivering applications over the Internet—as a service.
Scope	The sum of the products or Services to be provided by the Project.
Service Level Agreement (SLA)	A signed agreement between the Vendor and NHSLC specifying the level of Service that is expected of, and provided by, the Vendor during the term of the Contract.
Services	The work or labor to be performed by the Vendor on the Project as described in the Vendor.
Shelf Labels	Printed labels that display barcode and product information on the store shelves and end caps to identify products.
SKU	A Stock-Keeping Unit is a unique identifier for each distinct product.
Software License	Licenses provided to NHSLC under this Vendor.
Solution	The Solution consists of the total Solution, which includes, without limitation, Software and Services, addressing the requirements and terms of the Specifications. The off-the-shelf Software and configured Software customized for NHSLC provided by the Vendor in response to this RFP.
Special Orders	Special orders made by customers for special products or quantities usually made by phone, and may include an extended period between order and delivery.
Special Price Allowances (SPA)	Vendor allowances to purchase a certain amount of inventory at a reduced price
Specifications	The written Specifications that set forth the requirements which include, without limitation, this RFP, the Proposal, the Vendor, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Vendor Documents. The Specifications are, by this reference, made a part of the Vendor as though completely set forth therein.

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State	<p>State is defined as:</p> <p>State of New Hampshire State Liquor Commission 50 Storrs Street Concord, New Hampshire, 03301</p> <p>Reference to the term “State” shall include applicable agencies.</p>
State Fiscal Year (SFY)	The New Hampshire State Fiscal Year extends from July 1st through June 30th of the following calendar year.
Statement of Work (SOW)	A Statement of Work clearly defines the basic requirements and objectives of a Project. The Statement of Work also defines a high level view of the architecture, performance and design requirements, the roles and responsibilities of NHSLC and the Vendor. The SOW defines the results that the Vendor remains responsible and accountable for achieving.
Sub-Contractor	A person, partnership, or company not in the employment of, or owned by, the Vendor, which is performing Services under this Vendor under a separate Vendor with or on behalf of the Vendor.
Sub-Pack	Any quantity of liquor less than a full case. Currently Exel Warehouse is the only warehouse that stocks sub-pack quantities. However, saleable sub-packs as a result of breakage at the Concord warehouse is shipped in sub-packs.
System	All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
System Integration Testing	<p>a.) Validates the integration between the individual unit application components and verifies that the new System meets defined requirements and supports execution of interfaces and business processes. The Systems Integration Test is performed in a test environment.</p> <p>b.) Emphasizes end-to-end business processes and the flow of information across applications. It includes all key business processes and interfaces’ being implemented, confirms a data transfer with external parties, and includes the transmission or printing of all electronic and paper documents.</p> <p>c.) Conduct System Integration Testing, utilizing scripts developed, as identified in the Test Plan, to validate the functionality of the System and its interfaces. Use System Integration Testing to validate modifications, fixes and other System interactions with the Vendor supplied Software Solution.</p>
System Operation	System is fully functional, all Data has been loaded into the System, is available for use by NHSLC in its daily operations.
TBD	To Be Determined.
Technical Authorization	<p>Direction to a Vendor, which fills in details, clarifies, interprets, or specifies technical requirements. It must be</p> <ol style="list-style-type: none"> (1) consistent with Statement of Work within statement of Services; (2) not constitute a new assignment; and (3) not change the terms, documents of specifications of the Vendor Agreement

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Test Market	A demographic group used to gauge the viability of a product or service in the larger mass market prior to a wide scale roll-out. Typically this window of testing time is six months in a limited group of stores.
Test Plan	A plan, integrated in the Work Plan, to verify the code (new or changed) works to fulfill the requirements of the Project. It may consist of a timeline, a series of tests and test data, test scripts and reports for the test results as well as a tracking mechanism.
Token	The process of substituting a sensitive data element with a non-sensitive equivalent, referred to as a token , that has no extrinsic or exploitable meaning or value
Tokenization	The process of substituting a sensitive data element with a non-sensitive equivalent, referred to as a token , that has no extrinsic or exploitable meaning or value
Transition Services	Services and support provided when the Vendor is supporting System changes.
User Acceptance Testing (UAT)	<p>The User Acceptance Test (UAT) is a verification process performed in a copy of the production environment. The User Acceptance Test verifies System functionality against predefined Acceptance criteria that support the successful execution of approved business processes.</p> <p>a.) The Vendor's Project Manager must certify in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results prior to the start of any testing executed by State staff.</p> <p>b.) NHSLC will be presented with a State approved Test Plan, test scenarios, test cases, test scripts, test data, and expected results, as well as written Certification of the Vendor's having completed the prerequisite tests, prior to NHSLC staff involvement in any testing activities</p> <p>c.) UAT will also serve as a performance and stress test of the System. It may cover any aspect of the new System, including administrative procedures such as backup and recovery. The results of the UAT provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan.</p> <p>d.) Upon successful conclusion of UAT and successful System deployment, NHSLC will issue a letter of UAT Acceptance and the respective Warranty Period shall commence as described in Section 6.11.1: <i>Warranty Period</i>.</p>
Unit Test	<p>Developers create their own test data and test scenarios to verify the code they have created or changed functions properly as defined. Application components are tested on an individual basis to verify that the inputs, outputs, and processing logic of each application component functions without errors. Unit Testing is performed in either the development environment or a testing environment.</p> <p>The goal is to find errors in the smallest unit of the Software. If successful, subsequent integration testing should only reveal errors related to the integration between application components.</p>
Vendor	The Vendor or individual, firm, or company that submits a Proposal to this RFP solicitation and may be selected by the State of New Hampshire to perform the work outlined by this RFP.

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Vendor Award	The Vendor whose proposal or quote was awarded the Vendor with the State and who is responsible for the Services and Deliverables of the Vendor.
Verification	Supports the confirmation of authority to enter a computer system, application or network.
Warranty Period	A period of coverage during which the Vendor is responsible for providing a guarantee for products and Services delivered as defined in the Vendor.
Warranty Releases	Code releases that are done during the Warranty Period.
Warranty Services	The Services to be provided by the Vendor during the Warranty Period.
Term	Definition
WIMS	Warehouse Inventory Management System.
Written Deliverables	Non-Software written Deliverable Documentation (letter, report, manual, book, other) provided by the Vendor either in paper or electronic format.

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