

STATE OF VERMONT
CONTRACT FOR SERVICES

CONTRACT # 19034

1. **Parties.** This is a contract for personal services between the State of Vermont, Department of Corrections (hereafter called "State"), and Pro-Tech Monitoring, Inc. with a principal place of business in Odessa, FL (hereafter called "Contractor"). The Contractor's form of business organization is Incorporation. The Contractor's address is 1838 Gunn Highway, Odessa, FL 33556. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. **Subject Matter.** The subject matter of this contract is personal services generally on the subject of Electronic Monitoring. Detailed services to be provided by the Contractor are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$540,000.
4. **Contract Term.** The period of Contractor's performance shall begin on 03/01/2011 and end on 03/01/2013.
5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

Approval by the Attorney General's Office is required.

Approval by the Secretary of Administration is required.
6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. **Cancellation.** This contract may be cancelled by either party by giving written notice at least 180 days in advance.
8. **Attachments.** This contract consists of 23 pages including the following attachments, which are incorporated herein:

Attachment A - Specifications of Work to be Performed

Attachment B - Payment Provisions

Attachment C - Customary State Contract provisions

Attachment E - Business Associate Agreement

Attachment F - Customary Contract Provisions of the Agency of Human Services

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The order of precedence of documents shall be as follows:

- 1). This document
- 2). Attachment C
- 3). Attachment A
- 4). Attachment B
- 5). Attachment E
- 6). Attachment F

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

BY THE STATE OF VERMONT:

Date: 3/1/11

Signature: [Signature]

Name: Andrew Pallito

Title: Commissioner
Agency/Dept.:
Agency of Human Services
Department of Corrections

BY THE CONTRACTOR:

Date: 2/25/2011

Signature: [Signature]

Name: Steve Chapin

Title: President
Pro-Tech Monitoring, Inc.
1838 Gunn Highway
Odessa FL 33556

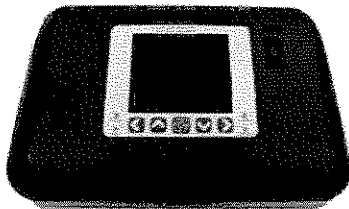
Phone:
e-mail:
Alternative Contact: (if any)

AHS Revised 07/21/08

**STATE OF VERMONT
CONTRACT FOR SERVICES**

**ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED**

Contractor will provide the following services for the State:

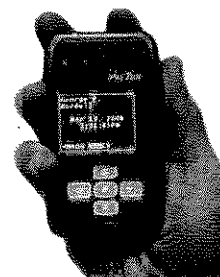
SMART XT 2 piece	Ankle Transmitter	Base Station	SMART ONE Wearable 1 pc
			
4.38"H x 2.6"W x 0.75"D 6 ounces	1.5"H x 1.5"W x 0.75"D 2.5 ounces	3.5"H x 10.5"W x 7.5"D 2 pounds	4.5"H x 2.5"W x 1.5"D 7.0 ounces

Pro-Tech's SMART® Ware line of integrated tracking products are designed to work together as a cohesive system. Because they are integrated, the State will be able to select the pieces that meet their needs. For example, select a transmitter and base unit for Radio Frequency (RF) supervision and add a receiver/dialer for offenders on GPS. The same transmitter works for both and the base unit that serves for RF becomes a charging station with landline in the two-piece GPS solution. These products and services not only meet, but exceed the requirements specified for the State's GPS Electronic Monitoring Program as posted by RFP on October 10, 2010. All items that we are proposing are registered with the FCC and can be verified on the FCC website (www.fcc.gov)

Active/Passive GPS Receiver Tracking Unit

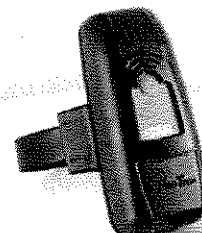
SMART® XT

The XT is our latest two-piece tracking device in a small, lightweight package about the size of a BlackBerry®. It incorporates all of the features of the Miniature Tracking Device (MTD), but utilizes new high gain antenna technology; a low power, high sensitivity GPS chipset for better reception; an accelerometer; color display; touch sensitive lighted buttons; and two-way voice communication capability—all packaged in an extremely rugged case that is even more durable than that of the MTD. Simply put, the XT is the newest, most capable tracking device in the industry. Plus, a built-in cell phone provides the capability for supervising officers to have direct voice communication with offenders and the SMART® XT works seamlessly with Pro-Tech's integrated suite of SMART® Ware products.



SMART ONE - Wearable MTD® (WMTD)

Known as the Wearable Miniature Tracking Device (WMTD), this one-piece device is proposed as a complement to our flagship SMART® XT two-piece device. The WMTD is the most widely used one-piece tracking device in the world and is currently tracking tens of thousands of offenders worldwide. We built it to a rugged design that is proven to measure up to the purpose for which it is intended. A robust unit, the WMTD has many built-in features to meet the exacting requirements of the State and may provide additional flexibility for the Department by providing both active and passive GPS tracking in a one-piece unit. Pro-Tech is the developer, the manufacturer, and the service provider for our entire SMART® Suite of products; which are not available on the open market and all of our GPS and RF units utilize the same user interface system, SMART® View.



The WMTD is an autonomous GPS device, capable of four supervision levels—Active, Passive, RF, (and Alert, of course). The unit contains a GPS receiver that gives it the capability of autonomously calculating its exact position using data transmitted by the U.S. Government's Global Positioning System satellites to establish and track an offender's location. Like the XT, the device will collect and records one GPS point every 30 seconds in compliance and one GPS point every fifteen seconds when in zone violation. It also uses the same strap and attachment mechanism as our ankle transmitter.

Bracelet Transmitter

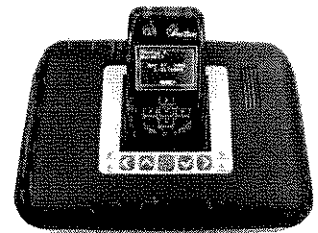
SMART® Ware is an integrated system; agencies can pick and choose the pieces they want to employ in their solution and it all works together. Our ankle transmitter works with both the SMART® XT as part of our two-piece GPS tracking device and with the SMART® Base as part of our SMART® RF solution. It attaches with a fiber-optic strap that is cut to size. The unit transmits an encoded signal every 15 seconds to verify its proximity to the tracking device. No specialized tools or fobs are required; simply connect the strap to activate. In the event the strap is disconnected or tampered with, the bracelet immediately transmits a tamper notification that is received by the XT, even if the tamper occurs while out of range. The Ankle Transmitter represents the latest available technology yet is proven, reliable, small and discrete. It has a one-year battery life that provides two weeks' notice of depletion and there is no maintenance required; no batteries to replace or bracelets to clean.



In giving full consideration to Pro-Tech Monitoring's obligation to the State and to the community, we recognize that this contract will necessitate an ongoing commitment and superior account management capabilities. For this reason, Pro-Tech Monitoring provides a lead account manager servicing the State's account. The Pro-Tech Monitoring account manager and support staff for the State are able to provide technical advice, troubleshooting, and evaluation and electronic monitoring best practices based on time-tested EM experience. Pro-Tech Monitoring acknowledges the potential need to offer court and deposition testimony should challenges arise from the use of one or all types of monitoring equipment. In support of the State, all said service is contained within the contract pricing.

SMART® Base (SBU)

The SMART Base is our state-of-the-art RF monitoring unit. Fitting right in with our integrated suite of products, it offers a charging/base station for the XT and brings a landline option for data communication. The XT drops into the unit for charging at a 45° angle for easy viewing of the display. It also serves as the RF Base unit for our WMTD. Like all Pro-Tech SMART Ware devices, the SMART Base is a proven, rugged design that utilizes a low power RF receiver to listen for the encoded signal from our ankle transmitter. The unit has a battery that provides 24 hours of backup power, allowing it to continue communication with the Data Center as normal, even in the absence of an AC power connection.



MEMS3000

The MEMS-3000 Digital Picture Verified Alcohol Monitoring System is a highly efficient monitoring system that integrates breath alcohol testing and video identity in a single home unit. The Alcohol Module combines the capabilities of a modern electronic monitoring system with the benefits of a remote setup. MEMS-3000 uses the Public Switched Telephone Network (PSTN) and a standard telephone to verify an individual's alcohol levels at a pre-defined location. It is designed to be extremely flexible with respect to the level of supervision provided, as well as the participant information that is collected and maintained for management reporting purposes. The electronic supervision level imposed can easily be adjusted by increasing or decreasing the number of breath alcohol tests required daily.

VOICE VERIFICATION

Pro-Tech's Voice Verification program is simple to use, fraud proof and flexible. The subject's enrollment, including data entry and voice signature capturing, as well as handling of incoming biometric event messages, is processed from the same Graphical User Interface (GUI). This integrated system concept simplifies and shortens monitoring personnel training and ongoing monitoring activity, thus contributing to the overall efficiency and effectiveness of the agency. The system is capable of handling both incoming and outgoing calls. Outgoing calls are random (distributed randomly within a time frame), automatic (performed automatically upon occurrence of pre defined events) or manual. The incoming calls are scheduled at specific time frames, with which the offender must comply. A smart Caller ID mechanism is utilized when Caller ID data is available.

Pro-Tech's EMS system uses proprietary voice verification technology developed by Persay, a leading communications company. Persay is a leading provider of advanced voice verification systems and solutions based on voice biometrics—used to verify that speakers are who they claim to be. The company's technology enables reliable and cost effective verification of callers by voice over the phone in just a few seconds. Persay's voice engine is used by global telecom carriers, call centers,

banks, and e-commerce sites, as well as in security conscious markets, such as law enforcement. Using Persay's voice engine, our multi-lingual program utilizes an integrated platform to establish a record of biometric information that is unique to a subject. Language and accent-independent, our multi-lingual program harnesses the biometric power of voice, the same way fingerprints, and iris scanning or other physiological and behavioral characteristics are used to verify identity. Subsequently, the system checks the biometric information from an individual claiming to be the subject against the subject's stored record.

SMART® VIEW SOFTWARE

This software maximizes the capabilities of our tracking system; providing powerful features for offender supervision that are tailored to the needs of the State. Our software has more analytic and administrative management tools than any other tracking software in the world today

SMART® View provides the capability to:

- ☐ Enter and modify offender information—enrollment, DC number, schedules, zones, profiles, offender photo, alerts, activations, case notes, and deactivations
- ☐ View offender tracking data on state-of-the art aerial and 3D maps
- ☐ Map both GPS and Tower-Based Tracking points
- ☐ Assign offender tracking devices and supervision levels with the click of the mouse; no phone call required
- ☐ Manage and document alerts and case actions taken by officers
- ☐ Query for detailed reports and program information
- ☐ Correlate offender tracks with crime scenes
- ☐ View one or multiple offenders on a single mapping screen
- ☐ Communicate with offenders
- ☐ Create standard, free-form, route, and global zones
- ☐ Attach schedules to zones, creating rules for offender behavior
- ☐ View the violation status of offenders in a color coded format
- ☐ Query the system for detailed reports and program information
- ☐ Search for GPS points of any tracked offender
- ☐ Manage and control equipment inventory
- ☐ Print data-rich reports to the screen or printer
- ☐ Export data in standard file formats
- ☐ Modify profiles, alerts, and notification protocols to meet agency needs

SMART® View is a web-based, secure, and integrated system that is accessible by designated officers from an Internet-capable computer (or any Internet-capable device). The software provides an interface between State staff at the user end and Pro-Tech's Data Center at the back end, providing advanced, remote offender management tools that maximize the capabilities of our tracking system. Users with valid usernames and passwords can login and use our system to enroll, schedule, map and review offender points; generate data-rich reports, and manage equipment inventory or run our Point Trax and Offender Trax utilities.

SMART® View is easy to use, utilizing the clickable drop-down menus popularized by Microsoft®, offenders are enrolled, zoned, ruled, scheduled, activated, mapped, tracked, and deactivated in just minutes. Offender information can be entered, modified, or deleted right in the GUI and location information can be viewed as a sequence of points or "played" like a video.

Pro-Tech will provide an adequate supply of all accessories—including tools, straps, pin trays, and tamper plugs—necessary for installation and operation of Pro-Tech equipment. These accessories will be provided and re-stocked for the State, as needed, at no additional charge. Replacement batteries are not considered an accessory since Pro-Tech batteries are not replaceable in the field. When the batteries are near depletion, the officer is notified and the unit is simply swapped out and returned to Pro-Tech following our RMA process.

Start-Up and Ongoing Training

Pro-Tech Monitoring agrees to provide in-depth and on-site training for designated State personnel within the timeframe specified by the State. Our trainers will work with State personnel until personnel are proficient and comfortable with system hardware and software, both relating to installation, usage, troubleshooting, and deactivation. We will provide the skills and knowledge necessary to implement and manage the program and will give a thorough review of the entire operation of the system. A standardized, comprehensive training program and user manuals are available and will be submitted to State personnel. Said training program and manuals can be changed according to specific State concerns and requirements. All training materials are also available on-line on the Pro-Tech Monitoring website.

Project Management

For implementation and transition, we will assign an advanced team who are experienced in new contract implementations to conduct the program planning, equipment installations, and training. For the State this team will be comprised of our Eastern Team Coordinator, Tom Doire, and two account managers from the Eastern Team—Joshua Shepard and Aaron Brown. Tom Doire will be the project manager for the State's implementation. Please also keep in mind that in order to ensure smooth sailing in the State's field, Pro-Tech staff are working behind the scenes to set the agency up in our system, ensure accurate delivery of equipment, design a training curriculum, make needed adjustments or customizations, set up accurate billing, and provide support to ensure a smooth transition.

The initial project team who will be assigned to the State upon contract execution is as follows:

- ☐ Steve Chapin, President
- ☐ Ilan Tamari-Kadosh, Chief Financial Officer
- ☐ Chris Defant, Vice President of Engineering
- ☐ David Segal, Vice President of Software Development
- ☐ Paul Drews, Vice President of Sales
- ☐ Hope Beall, Vice President of Customer Support
- ☐ Lisa Zuransky, Manager of Customer Support Operations
- ☐ Chris Miyashiro, Eastern Regional Sales Manager
- ☐ Mark Melichar, Technical Support Manager
- ☐ Tom Doire, Eastern Team Coordinator
- ☐ Joshua Shepard, Assigned Account Manager
- ☐ Aaron Brown, Account Manager

Initial meetings will be conducted with State representatives and Pro-Tech's Regional Sales Manager, to develop a comprehensive implementation plan including but not limited to:

1. Detailed "Project Plan"
2. Training schedule
3. Equipment delivery dates
4. Determine method of handling equipment
 - Return merchandise
 - Sales orders
 - Inventory reductions/additions
5. Additional services as deemed necessary

An Account Manager will be assigned to the State for the implementation phase of the contract. The Account Manager position shall be directly responsible for overall operational performance of the contract, including account management, troubleshooting, training and any other responsibilities agreed upon by the State and Pro-Tech.

This person will be the primary contact for everyone in the State. The Account Manager has access to all the resources within Pro-Tech and can draw staff as needed from any of our teams. This individual will create a real, measurable value for the State by delivering outstanding service, demonstrating domain expertise, focusing on agency relationships, effectively managing change and mobilizing skilled teams to address key requests to positively impact customer satisfaction.

Value to the Organization: The Account Manager is responsible for developing partnerships with State staff, and government officials to ensure long-term, successful relationships for Pro-Tech by supporting and managing expectations.

Primary Responsibilities Include: The Account Manager will oversee the project through all phases from initial set-up through implementation and will assist with ongoing program support. The goal is to provide excellent customer service to the State by efficiently and accurately documenting and completing tasks associated with day-to-day requests within established service levels and committed timeframes. This individual will be responsible for effectively facilitating meetings, client presentations and project meetings with the agencies, third-party vendors and/or internal resources while positively representing Pro-Tech.

The following are requirements of the Account Manager:

- Define the project
- Define general working times
- List tasks in the project
- Organize tasks into phases

- Schedule tasks
 - Set deadlines and constrain tasks
 - Identify risks to the project
 - Identify milestones
- To notify the State of any changes, constraints or unforeseen developments that will delay the expected date of scheduled tasks at the earliest date such issues become known.
 - To provide weekly status reports of tasks identified within the Project Plan.
 - Assist in the development of implementation and operational procedure guidelines as well as periodic project progress reports and validity studies throughout the operational phase as requested.
 - Visit local law enforcement groups, visits will include focusing on agency training opportunities, relationship building, process improvements, product enhancements, expectations management and other applicable subjects.
 - Successfully conduct regular proactive agency meetings keeping them up to date on new products, enhancements, process improvements, new services, key issues and resolutions.
 - Take appropriate actions necessary to regularly affirm perceived agency value.
 - Consistently identify, negotiate and manage local law enforcement agencies expectations to ensure a high level of satisfaction and retention.
 - Assist Field Account Manager as needed.
 - Effectively maintain and set-up system features, run utilities and address technical issues to ensure agency expected output is achieved.
 - Routinely research and monitor issues associated with various Pro-Tech software applications and take appropriate action to ensure satisfaction. Effectively coordinate potential system enhancements or upgrades.
 - Actively develop and manage project plans in accordance with agency needs.
 - Regularly monitor the status of the State's requests, escalate as needed, and communicate status of requests to the State within established timeframes, ensuring management awareness of key issues impacting their satisfaction.
 - Agency liaison and manager for issues requiring internal Pro-Tech resources in order to ensure the State's expectations are met.

After initial implementation phases are completed and local agencies are using the equipment the following staff will be available for the post implementation of delivery services.

1. Account Manager to handle day to day management of the account
2. Full access to all of the Monitoring Center/Customer Service Center which include:
 - a. Customer Service Supervisors
 - b. Customer Service Representatives
 - c. Customer Support Center Manager
3. Director of Customer Support
4. Additional Trainers as needed
5. Inventory Control Specialist (Shipping, Receiving and Repair)
6. Accounts Payable Specialist
7. Software Team (Maintenance and Development)
8. Hardware Team (Maintenance, Firmware and Research)
9. Access to all Senior Level Executives
 - a. CEO
 - b. CFO
 - c. CTO
 - d. Senior V.P. Operations

Monitoring Center

Pro-Tech's Monitoring Center is available at no additional charge 24/7/365. The State will be given a specific toll-free telephone number and a distribution email address that will reach all team members so that somebody will always be available to address any questions. Included on that email distribution list is Lisa Zuransky, Manager of Customer Support Operations. This team has management oversight and tight reporting lines. Our communications protocols are set up for team AM's to respond for an unavailable member. The Eastern Team's email distribution list includes the addresses of all team members: <mailto:eamernteam@ptm.com>. This system ensures a fast response to every email request and inquiry, despite travel schedules, vacations, etc. In addition to the Eastern Team, all levels of our organization are available to our client agencies at any time, including our executives, engineers, and technical support manager.

Pro-Techs Monitoring Center personnel have provided services to criminal justice professionals for many years, and are familiar with the needs of our customers, and are fully aware of the necessity for a dependable, effective program. The

Monitoring Center will continue to provide the latest technology, most dependable service, and provide twenty-four (24) hour customer service and support. We maintain sufficient support staff to travel to customer locations for routine visits and/or technical, emergency and training requirements.

Pro-Techs mission is to provide superior levels of quality, service, support, and state-of-the-art equipment and technology for electronic monitoring programs, while meeting the specific needs of the individual municipal, state, and federal agencies to maximize the success of their programs. We believe that these programs and objectives deliver a clear and resounding testament to our commitment of excellence to our clients and to the criminal justice field. Pro-Tech has dedicated itself not only to the provision of superior services and equipment, but also to providing the criminal justice professionals we serve with state of the art technology necessary to effectively and efficiently manage their ever increasing caseloads.

Training

A comprehensive 2 day training program will be provided for all State employees involved in the Electronic Monitoring Program. It is recommended that all officers and supervisors who will be working with the Electronic Monitoring Program be present at the training session in order to completely understand the monitoring/tracking systems and related components. The training sessions will be of sufficient time and scope to properly train all personnel. Additional training will be provided as requested as part of the contract. Pro-Tech will provide a more specific training itinerary designed in accordance with the number of staff required to be trained. Additionally, training manuals will be provided for on-going reference and assistance.

Maintenance and Repair

Pro-Tech agrees to provide maintenance of the equipment for the length of the contract at no additional cost. All of our equipment is extremely rugged; designed and built for sustained service in the field. Repairs should not be an issue and Pro-Tech will keep the equipment and spares in good operating condition. However, if any device needs repair, the unit should be swapped out and promptly returned to Pro-Tech for replacement.



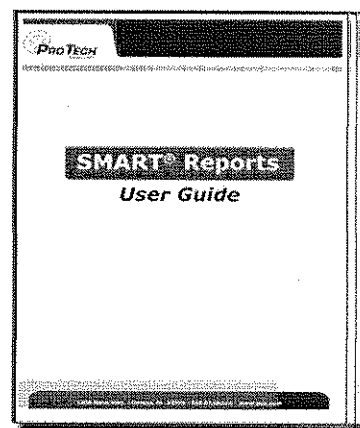
Spares

Pro-Tech will provide the State with a 20% inventory of backup/replacement equipment, as well as, any necessary installation supplies and replacement parts on site at no additional cost. We know that growing programs may need more equipment on a moment's notice and as the largest GPS and EM provider in the world, we maintain a large inventory of all tracking products and accessories that can be shipped overnight if demand exceeds the provided spare inventory.

Contractor Reports

Our SMART® View software includes a powerful report generator—SMART® Reports—that allows users to generate reports directly from the system database through our secure Internet site. The database is updated in real time (no batching) to ensure that all data is accurate and timely when viewed and/or downloaded by State personnel. Each of the reports can be queried, sorted, or filtered by any field contained in the report or by data parameters, as applicable. Reports can be generated by entering date/time ranges for requested GPS offender data. Equipment status, offender status, and violations are just a few of the data rich reports that our system will easily generate with up-to-date information for State personnel.

More than 100 reports have already been defined; several of which were custom developed in formats designed specifically for Pro-Tech customers and we provide our SMART® Reports User Guide online for quick access. Our system offers reports under the following categories:



- WMTD Battery Violations
- Device Call History
- Enrollments and Discharges
- Equipment Shipped (received or in transit)
- Equipment Summary (activated inventory)
- Hardware Tracking (received and returns)
- Incomplete Offender Hardware Assignment
- Offender Hardware Assignment History

- Pending Activation/Deactivation
- Recall Report
- Returns Report
- Spare Equipment (activate and inactive)
- System Usage
- WMTD Equipment Detail

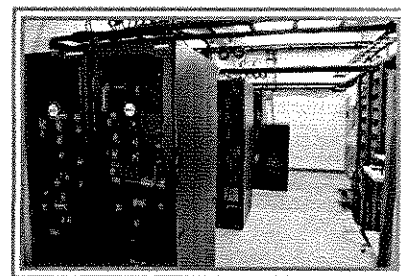
As with all of our reports, the Daily Alarm Summary, Monthly System Performance, Annual Summary and Ad Hoc Reports utilize data taken from our database in real time to ensure that it is current when viewed and/or downloaded by State personnel. Each of the reports can be queried, sorted, or filtered by any field contained in the report or by data parameters as applicable in RFP #10-DC-8200.

CENTRAL HOST SYSTEM

The State needs a reliable and service-oriented tracking and monitoring solution; the hallmark of Pro-Tech's service. We distinguish between our Monitoring Center and our Surveillance Data Center because they are physically separate, serving separate and distinct purposes. Both are secure physical areas with limited access, located within Pro-Tech's headquarters in Odessa, Florida. In both Centers, all systems operate around the clock, 365 days per year: hardware and software, communications, and building support services—such as electrical power.

Surveillance Data Center

Pro-Tech's Surveillance Data Center (SDC) is where all offender data is downloaded, housed, and stored on our system servers. Think of it as a refrigerated vault full of servers and security systems that hum away day in and day out—accessed only by the software and IT engineers who maintain the machines, connections, and backup systems. The web servers for SMART® View software are part of this cluster. The system provides 100% redundancy to avoid any downtime due to hardware or software issues.



Pro-Tech's primary service provider for Data Center communication is Verizon Wireless, one of the most reliable facilities-based networks in the world. In addition, we have multiple backup providers at both our primary and backup facilities, including Bell Atlantic, AT&T, Bright House Cable (VoIP) and an additional layer of redundancy provided by our AT&T and T-Mobile wireless phones in the event that all landlines go down. Pro-Tech's redundant phone and data line connections are multiple paths from separate telecom providers with the primary service being dual-fiber connections.

100 % Redundancy - Surveillance Data Center

Pro-Tech's computer management system uses two redundant, secure, load-sharing facilities. Both Data Centers operate 24 hours per day and 365 days per year. Periodic maintenance is performed on the backup system and then "hot-swapped" into production with no down-time to the customer. Both Data Center facilities have at least two levels of backup power (UPS, diesel generators, and/or multiple power feeds) and multiple Internet service providers. The investment in, and implementation of, these technologies and practices has enabled us to operate with 99.99999% documented availability over the past seven years. In the event a Data Center goes off line, the other load sharing Data Center continues to provide service without interruption to customers.

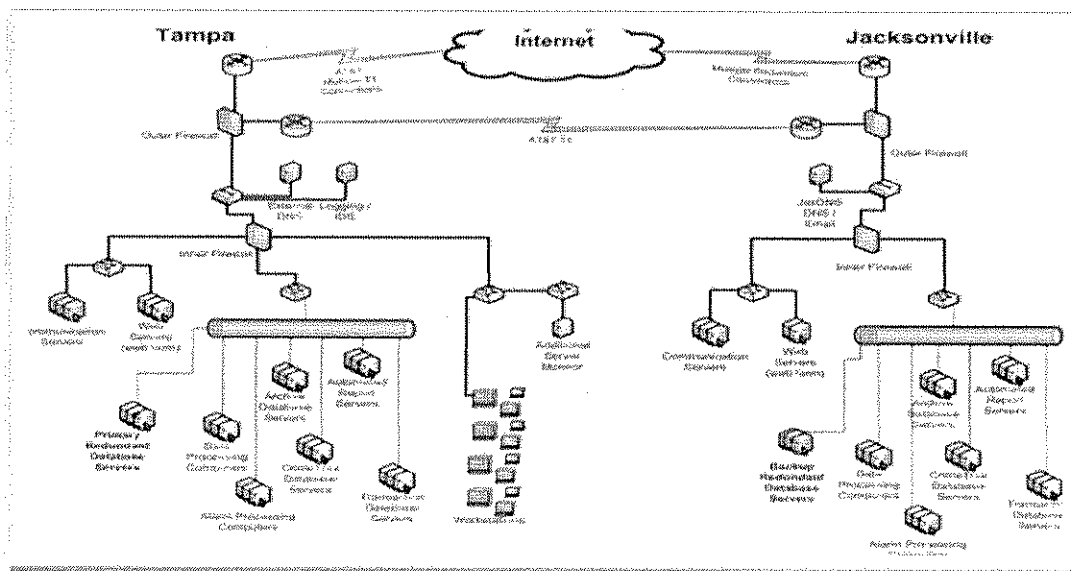
All tracking and crime scene correlation information is stored permanently, giving our customers permanent access to their offender tracking information via our SMART® View software or exported data file. Our primary SDC in Odessa, FL, contains all of the data storage devices, servers, computers, modems, and equipment necessary to simultaneously track and monitor 100,000 offenders and can easily be expanded as needed. The Center is ventilated and equipped with a hot redundancy system and dual controllers. To accommodate communication from thousands of devices daily, Pro-Tech employs 96 phone lines, an OC12 fiber connection and eight T1 Trunks for data and backup voice communications.

Redundancy – Backup Data Center

The capability of our primary Data Center is augmented by our redundant backup and load sharing facility located at Peak 10 in Jacksonville, Florida, where further data storage redundancy is provided by two additional RAID 10 arrays, each with 38 drives. These are all high speed, high capacity SCSI drives, representing terabytes of data storage.

We elected to lease facility space from Peak 10 to house our backup Data Center because it offers the necessary security and facility infrastructure. Only Pro-Tech personnel are authorized access to our system at Peak 10. Full system backups are performed everyday at both facilities and every year prior to hurricane season, we switch all operations to our backup facility to ensure readiness.

The Jacksonville location is desirable because the telephone company's Network Operations Center (NOC) for Jacksonville is located in Atlanta, whereas the NOC for Odessa, FL is located in Orlando. The separation of NOCs virtually eliminates the possibility of a total network failure at both facilities simultaneously. As the industry leader, we believe this provides Pro-Tech and, more importantly, our customers with unequaled uptime capability.



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**ATTACHMENT B
PAYMENT PROVISIONS**

1. Contractor agrees to invoice the State for services on a monthly basis. The Contractor agrees to render an invoice to the State by fifteen (15) days following the last day of the month in which the service was provided. The State will not be liable for payments for any service invoiced after the 15-day limit.
2. The State's payment terms for Contractor invoice(s) are net-30.
3. In consideration of the services to be provided by Contractor, the State agrees to pay Contractor as follows:

Equipment	Daily rate per unit
Active GPS two piece XT	\$5.00
Active GPS one piece WMTD	\$4.85
Passive GPS one piece WMTD	\$3.85
Passive GPS cellular XT	\$4.00
Passive GPS landline MTD	\$3.50
RF/ House Arrest Landline	\$1.77
RF/House Arrest Cellular	\$3.78
Alcohol Monitoring Breath MEMS	\$4.05
Biometric Voice Monitoring	\$0.98

Pricing includes all associated costs related to offender monitoring and staff training. In addition, Contractor agrees to provide the State with a 20% spare inventory, as well as, an adequate supply of all accessories including tools, straps, pin trays, and tamper plugs necessary for installation and operation of Pro-Tech equipment. Pricing fees are based on a firm, fixed rate and includes all associated fees and will remain in effect for the duration of the contract.

It is expected that as part of the daily lease rates utilizing the Pro-Tech Monitoring equipment, unscheduled downtime of the Pro-Tech monitoring system will be limited to no more than 3% per month for the life of the contract. Should the monitoring system experience unscheduled downtime in excess of 3%, the Contractor will provide the State with credits based on the following criteria:

< 3%	N/A
> 3% < 6%	5% credit based on total monthly fees billed for that month
> 6% < 10%	8% credit based on total monthly fees billed for that month
> 10%	12% credit based on total monthly fees billed for that month

Unscheduled downtime does not apply to events outside of the clients control, i.e. flooding, storms, etc.

Additionally, it is hereby agreed and understood that this contract has no minimum amount. The Contractor's services will be required on an "as needed" basis.

4. Contractor shall submit all invoices to:

Alan Cormier, Field Services Operations Manager
Department of Corrections
103 South Main St.
Waterbury VT 05671

STATE OF VERMONT
CONTRACT FOR SERVICES

ATTACHMENT C
CUSTOMARY PROVISIONS FOR CONTRACTS AND GRANTS

1. **Entire Agreement.** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If appropriations are insufficient to support this Agreement, the State may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriation authority. In the case that this Agreement is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to fund this Agreement from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The Party shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this Agreement.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverage is in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence

\$1,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Professional Liability: Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under this Agreement, with minimum coverage of \$N/A per occurrence, and \$N/A aggregate.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and if this Subrecipient expends \$500,000 or more in federal assistance during its fiscal year, the Subrecipient is required to have a single audit conducted in accordance with the Single Audit Act, except when it elects to have a program specific audit.

The Subrecipient may elect to have a program specific audit if it expends funds under only one federal program and the federal program's laws, regulating or grant agreements do not require a financial statement audit of the Party.

A Subrecipient is exempt if the Party expends less than \$500,000 in total federal assistance in one year.

The Subrecipient will complete the Certification of Audit Requirement annually within 45 days after its fiscal year end. If a single audit is required, the sub-recipient will submit a copy of the audit report to the primary pass-through Party and any other pass-through Party that requests it within 9 months. If a single audit is not required, the Subrecipient will submit the Schedule of Federal Expenditures within 45 days. These forms will

be mailed to the Subrecipient by the Department of Finance and Management near the end of its fiscal year. These forms are also available on the Finance & Management Web page at: <http://finance.vermont.gov/forms>

- 10. Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
- 11. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
- 12. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. Taxes Due to the State:

- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. Child Support: (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

Notwithstanding the foregoing, the State agrees that the Party may assign this agreement, including all of the Party's rights and obligations hereunder, to any successor in interest to the Party arising out of the sale of or reorganization of the Party.

16. **No Gifts or Gratuities**: Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.
17. **Copies**: All written reports prepared under this Agreement will be printed using both sides of the paper.
18. **Certification Regarding Debarment**: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

Attachment C – AHS Revised 01/11/11

STATE OF VERMONT
CONTRACT FOR SERVICES

ATTACHMENT E
BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("AGREEMENT") IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT, AGENCY OF HUMAN SERVICES OPERATING BY AND THROUGH ITS DEPARTMENT OF CORRECTIONS ("COVERED ENTITY") AND PRO-TECH MONITORING, INC. ("BUSINESS ASSOCIATE") AS OF MARCH 1, 2011 ("EFFECTIVE DATE"). THIS AGREEMENT SUPPLEMENTS AND IS MADE A PART OF THE CONTRACT TO WHICH IT IS AN ATTACHMENT.

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") including the Standards for the Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 ("Privacy Rule") and the Security Standards at 45 CFR Parts 160 and 164 ("Security Rule"), as amended by subtitle D of the Health Information Technology for Economic and Clinical Health Act.

The parties agree as follows:

1. **Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164.

The term "Services" includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR 160.103 under the definition of Business Associate.

The term "Individual" includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

The term "Breach" means the acquisition, access, use or disclosure of protected health information (PHI) in a manner not permitted under the HIPAA Privacy Rule, 45 CFR part 164, subpart E, which compromises the security or privacy of the PHI. "Compromises the security or privacy of the PHI" means poses a significant risk of financial, reputational or other harm to the individual.

2. **Permitted and Required Uses/Disclosures of PHI.**

- 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services, as specified in the underlying contract with Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

- 2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 8 and 16 or (b) as otherwise permitted by Section 3.

3. **Business Activities.** Business Associate may use PHI received in its capacity as a "Business Associate" to Covered Entity if necessary for Business Associate's proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as "Business Associate" to Covered Entity for Business Associate's proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written agreement from the

person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person notifies Business Associate, within three business days (who in turn will notify Covered Entity within three business days after receiving notice of a Breach as specified in Section 5.1), in writing of any Breach of Unsecured PHI of which it is aware. Uses and disclosures of PHI for the purposes identified in this Section must be of the minimum amount of PHI necessary to accomplish such purposes.

4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. With respect to any PHI that is maintained in or transmitted by electronic media, Business Associate shall comply with 45 CFR sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards) and 164.316 (policies and procedures and documentation requirements). Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. **Documenting and Reporting Breaches.**
 - 5.1 Business Associate shall report to Covered Entity any Breach of Unsecured PHI as soon as it (or any of its employees or agents) become aware of any such Breach, and in no case later than three (3) business days after it (or any of its employees or agents) becomes aware of the Breach, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.
 - 5.2 Business Associate shall provide Covered Entity with the names of the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR §164.404(c), and, if requested by Covered Entity, information necessary for Covered Entity to investigate the impermissible use or disclosure. Business Associate shall continue to provide to Covered Entity information concerning the Breach as it becomes available to it.
 - 5.3 When Business Associate determines that an impermissible acquisition, use or disclosure of PHI by a member of its workforce does not pose a significant risk of harm to the affected individuals, it shall document its assessment of risk. Such assessment shall include: 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low risk of harm. When requested by Covered Entity, Business Associate shall make its risk assessments available to Covered Entity.
6. **Mitigation and Corrective Action.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible use or disclosure of PHI, even if the impermissible use or disclosure does not constitute a Breach. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by Covered Entity, Business Associate shall make its mitigation and corrective action plans available to Covered Entity.
7. **Providing Notice of Breaches.**
 - 7.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees or agents was responsible constitutes a Breach as defined in 45 CFR §164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individuals whose PHI was the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of notice and related remedies shall be borne by Business Associate.
 - 7.2 The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to Covered Entity.
 - 7.3 The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business associate is doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures for individuals to ask questions or

obtain additional information, as set forth in 45 CFR §164.404(c).

- 7.4 Business Associate shall notify individuals of Breaches as specified in 45 CFR §164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of Vermont, Business associate shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR §164.406.
8. **Agreements by Third Parties.** Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written agreement to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 14. Business Associate must enter into the written agreement before any use or disclosure of PHI by such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
9. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
10. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
11. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.
12. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges) upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
13. **Termination.**
- 13.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 17.7.
- 13.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to

the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

14. Return/Destruction of PHI.

- 14.1 Business Associate in connection with the expiration or termination of this Contract shall return or destroy, at the discretion of the Covered Entity, all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.
- 14.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.

15. Penalties and Training. Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in training regarding the use, confidentiality, and security of PHI.

16. Security Rule Obligations. The following provisions of this Section apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

- 16.1 Business Associate shall implement and use administrative, physical, and technical safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312 with respect to the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.
- 16.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written agreement to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written agreement before any use or disclosure of Electronic PHI by such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.
- 16.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report as soon as it becomes aware of any such Security Incident, and in no case later than three (3) business days after it becomes aware of the incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.
- 16.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

17. Miscellaneous.

- 17.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise the terms of the Contract continue in effect.
- 17.2 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 17.3 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 17.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 17.5 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.
- 17.6 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity under this Contract even if some of that information relates to specific services for which Business Associate may not be a "Business Associate" of Covered Entity under the Privacy Rule.
- 17.7 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 14.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 11 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

Attachment E – AHS Revised 08/31/10

STATE OF VERMONT
CONTRACT FOR SERVICES

ATTACHMENT F
AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or field office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base:** The Contractor providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, will provide relevant descriptive information regarding its agency, programs and/or contact and will adhere to the "Inclusion/Exclusion" policy of Vermont's United Way/Vermont 211. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at www.vermont211.org

3. **Medicaid Program Contractors:**

Inspection of Records: Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (DHHS) and the Government Accounting Office (GAO) to:

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and
Inspect and audit any financial records of such Contractor or subcontractor.

Subcontracting for Medicaid Services: Having a subcontract does not terminate the Contractor, receiving funds under Vermont's Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the Contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the Contractor or subcontractor's performance is inadequate. The Contractor agrees to make available upon request to the Agency of Human Services; the Department of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the Contractor and service providers.

Medicaid Notification of Termination Requirements: Any Contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice will follow the Department of Vermont Health Access, Managed Care Organization enrollee notification requirements.

Encounter Data: Any Contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

Federal Medicaid System Security Requirements Compliance: All contractors and subcontractors must provide a security plan, risk assessment, and security controls review document within three months of the start date of this agreement (and update it annually thereafter) to support audit compliance with 45CFR95.621 subpart F, *ADP (Automated Data Processing) System Security Requirements and Review Process*.

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency.** The Contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the Contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.
5. **Voter Registration.** When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The Contractor will assure a drug-free workplace in accordance with 45 CFR Part 76.
7. **Privacy and Security Standards.**

Protected Health Information: The Contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The Contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPAA) and its federal regulations.

Substance Abuse Treatment Information: The confidentiality of any alcohol and drug abuse treatment information acquired by or provided to the Contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

Other Confidential Consumer Information: The Contractor agrees to comply with the requirements of AHS Rule No. 08-048 concerning access to information. The Contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 V.S.A. §1612 and any applicable Board of Health confidentiality regulations. The Contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

Social Security numbers: The Contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The Contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual in the performance of services connected with this agreement, who provides care, custody treatment, transportation, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The Contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the Contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the Contractor shall also check the Central Child Protection Registry. (See 33 V.S.A. §4919(a)(3) & 33 V.S.A. §6911(c)(3)).
9. **Reporting of Abuse, Neglect, or Exploitation.** Consistent with provisions of 33 V.S.A. §4913(a) and §6903, any agent or employee of a Contractor who, in the performance of services connected with this agreement, has contact with clients or is a caregiver and who has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall make a report involving children to the Commissioner of the Department for Children and Families within 24 hours or a report involving vulnerable adults to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living within 48 hours. This requirement applies except in those instances where particular roles and functions are exempt from reporting under state and federal law. Reports involving children shall contain the information required by 33 V.S.A. §4914. Reports involving vulnerable adults shall contain the information required by 33 V.S.A. §6904. The Contractor will ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.
10. **Intellectual Property/Work Product Ownership.** All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this grant - shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor's materials.

11. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will

advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

The Contractor will ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

12. **Computing and Communication:** The Contractor shall select, in consultation with the Agency of Human Services' Information Technology unit, one of the approved methods for secure access to the State's systems and data, if required. Approved methods are based on the type of work performed by the Contractor as part of this agreement. Options include, but are not limited to:

1. Contractor's provision of certified computing equipment, peripherals and mobile devices, on a separate Contractor's network with separate internet access. The Agency of Human Services' accounts may or may not be provided.
2. State supplied and managed equipment and accounts to access state applications and data, including State issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act (HIPAA) standards.

The State will not supply e-mail accounts to the Contractor.

13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.

14. **Non-discrimination.** The Contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.

The Contractor will also not refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity under Title 9 V.S.A. Chapter 139.

15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.