

CONTRACT: PAYMENT CARD INDUSTRY DATA SECURITY STANDARD
COMPLIANCE CONSULTING SERVICES
CONTRACT #: 8001602
VENDOR: COALFIRE SYSTEMS, INC. VDR# 221845

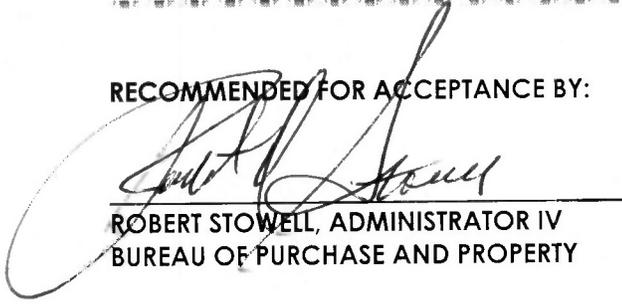
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SUBMITTED FOR ACCEPTANCE BY:


ROBIN PARKHURST, ADMINISTRATOR II
BUREAU OF PURCHASE AND PROPERTY

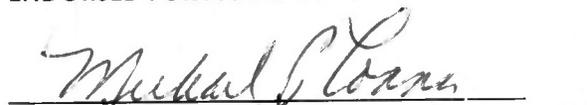
DATE 9/3/14

RECOMMENDED FOR ACCEPTANCE BY:


ROBERT STOWELL, ADMINISTRATOR IV
BUREAU OF PURCHASE AND PROPERTY

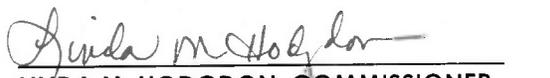
DATE 9/3/14

ENDORSED FOR ACCEPTANCE BY:


MICHAEL P. CONNOR, DEPUTY COMMISSIONER
DEPARTMENT OF ADMINISTRATIVE SERVICES

DATE 9/4/14

ACCEPTED FOR THE STATE OF NEW HAMPSHIRE UNDER THE AUTHORITY GRANTED TO ME BY NEW HAMPSHIRE REVISED STATUTES, ANNOTATED 21-I:14, XII.


LINDA M. HODGDON, COMMISSIONER
DEPARTMENT OF ADMINISTRATIVE SERVICES

DATE 9/8/14

CONTRACT AGREEMENT

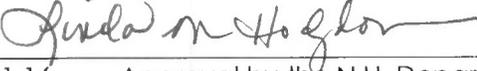
P-37

Subject: Agreement for PCI Compliance Consulting Services

AGREEMENT

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

GENERAL PROVISIONS

1.1 State Agency Name State of New Hampshire Administrative Services		1.2 State Agency Address State House Annex, Room 102 25 Capitol Street Concord, NH 03301	
1.3 Contractor Name Coalfire Systems, Inc.		1.4 Contractor Address 361 Centennial Parkway, Suite 150 Louisville, CO 80027	
1.5 Contractor Phone Number: 877-224-8077	1.6 Account Number	1.7 Completion Date August 31, 2017	1.8 Price Limitation \$255,450.00
1.9 Contracting Officer for State Agency Robin Parkhurst – Merchant Card Services Administrator		1.10 State Agency Telephone Number 603-271-7410	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Alan Ferguson – Executive Vice President	
1.13 Acknowledgement: State of Colorado, County of Boulder On August 20, 2014, 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]		REBECCA L NAVARRO NOTARY PUBLIC STATE OF COLORADO 	
1.13.2 Name and Title of Notary or Justice of the Peace Rebecca L Navarro Exp 8/15			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Linda M. Hodgdon, Commissioner	
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 CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached Agreement for Contractor Services, which is incorporated herein by reference and attached as Exhibit A ("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 Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor 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 Contractor 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 Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor 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 CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

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

6.2 During the term of this Agreement, the Contractor 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 Contractor 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 Contractor further agrees to permit the State or United States access to any of the Contractor'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 Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor notice of termination;

8.2.2 give the Contractor 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 Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor 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 Contractor 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. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor 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 Contractor 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 Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify (not to exceed the one and one-half (1.5X) times the total fees paid by Contractor under this Contract) 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 Contractor. 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 Contractor 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 Contractor 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. Contractor 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 Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor 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. Contractor 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 Contractor, or any subcontractor or employee of Contractor, 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 Contractor.

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 the 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.

Exhibit A

Scope of Services

1. PARTIES:

This contract is entered into by and between the State of New Hampshire, Department of Administrative Services, (hereinafter referred to as "the State"), whose address is 25 Capitol Street, Concord, NH 03301, and Coalfire Systems, Inc., (hereinafter referred to as the "Contractor"), whose address and phone number are:

Coalfire Systems, Inc.
361 Centennial Parkway, Suite 150
Louisville, CO 80027
Tel: (877) 224-8077 or
(303) 554-6333

THE PARTIES AGREE AS FOLLOWS:

2. EFFECTIVE DATE, DURATION

This Contract shall take effect on September 1, 2014, or upon the Commissioner of the Department of Administrative Services' approval of said contract, whichever is later (the "effective date"). This contract shall terminate August 31, 2017 unless terminated earlier in accordance with the terms of this contract, see Section 10 below. The agreement may be renewed for an additional term of two years upon terms and conditions as the parties may mutually agree subject to approval by the Commissioner of Administrative Services.

3. STAFFING REQUIREMENTS

The Contractor shall identify all staff assigned to perform services under this Contract utilizing the form provided in Exhibit E. This staff shall have verifiable experience and expertise to perform the PCI assessment and possible remediation support services as defined herein. Any changes to the Contractor's project staff shall require prior written notice by the Contractor, and prior written approval of the State. The Contractor's replacement project staff shall have comparable or greater skills as the staff being replaced and shall be subject to the following:

- 3.1.** The State reserves the right to require removal or reassignment of the project staff found unacceptable to the State
- 3.2.** The State may conduct reference and background checks on the project staff. The State reserves the right to reject any of the Contractor's project staff as a result of such reference checks
- 3.3.** Any reference checks and background checks conducted by the State shall be conducted in a lawful manner and the results will be subject to the confidentiality provisions.
- 3.4.** The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining prior written approval of the State. Notwithstanding any use of approved subcontractors, the Contractor shall be the prime Contractor and shall be responsible for all work performed.
- 3.5.** The Contractor must identify any subcontractors that would be working on this project with the Contractor's staff. These subcontractors are subject to the same rules as the Contractor's project staff.
- 3.6.** The Contractor must be in good standing for the project duration, the Contract shall be terminated immediately if the selected Contractor is dropped from the PCI SSC listing of QSA companies or is placed on remediation status.

The Contractor may be required to sign a Confidentiality or Nondisclosure Agreement with the State and/or the individual Agencies at any time during the term of the contract.

4. SERVICES

In addition to the requirements set forth within those documents referenced in Section 13 below, and hereby incorporated by reference, the Contractor agrees to provide the following Payment Card Industry Data Security Standard ("PCI DSS") services:

- 4.1.** The Contractor shall provide a Qualified Security Assessor ("QSA") to perform all elements of the scope of work.
- 4.2.** The Contractor shall be onsite at the State's Agencies to conduct PCI DSS consultant services as required.
- 4.3.** The Contractor shall determine what system components are governed by PCI DSS by gaining a complete understanding of the State's payment card processing environment including, but not limited to, all system components, network components, servers (web, application, database, authentication, mail, proxy, network time protocol, domain name server), firewalls, switches, routers, wireless access points, network appliances, security appliances, payment applications (purchased, custom, internal and external/internet), applicable manual and automated business processes, and in-house and contracted personnel duties.
- 4.4.** The Contractor shall determine what PCI DSS requirements are applicable to the State.
- 4.5.** The Contractor shall verify technical information provided by the State on a reasonable basis as required under the terms of PCI DSS.
- 4.6.** The Contractor shall identify and analyze the State's current information security controls including a review of the policies, processes and procedures to include documentation, system and network device configuration details, and network and application architecture guidelines.
- 4.7.** The Contractor shall, in accordance with PCI Security Assessment Procedures, perform any necessary examinations and sampling of system components and compensating controls deemed subject to PCI DSS compliance requirements.
- 4.8.** The Contractor shall provide necessary guidance to the State as required to achieve PCI compliance while using independent judgment to confirm the standards have been complied with.
- 4.9.** The Contractor shall determine all areas where the State may be non-compliant with PCI DSS standards, and the extent of non-compliance (critical, important, or minor).
- 4.10.** The Contractor shall identify issues of concern, communicate potential deficiencies or lack of controls that may result in failure to comply with the PCI standards or which may present a general security risk. Each area of concern must be documented with its level of non-compliance (critical, important, or minor).
- 4.11.** The Contractor shall have an internal Quality Assurance/Quality Control mechanism that will ensure the quality of the QSA's work product prepared in support of the PCI Requirements and Security Assessment Procedures.

- 4.12. The Contractor shall provide any and all necessary on-going consultant services to support annual PCI DSS compliance requirements during the term of the contract.
- 4.13. The Contractor shall assist the State in strengthening its cardholder data environment by consulting on remediation and /or compensating controls to address all discovered areas of non-compliance and control weaknesses during the assessment.
- 4.14. The Contractor shall prepare any and all necessary documentation required to demonstrate PCI compliance that the State will in turn submit to the acquiring bank and payment card brands by 8/11/15, and by 8/11 of each subsequent year during the term of the contract.
- 4.15. Merchant PCI Assessments: – At any time during this contract, the State may request and the Contractor shall provide a PCI Assessment for: (i) a new State agency (merchant) who seeks to begin to process merchant cards; (ii) an existing State merchant who proposes to modifying their current system/ application; and (iii) network or other infrastructure changes that impact the cardholder data environment. The purpose of the PCI Assessment shall be to validate the merchant / state is fully compliant with the PCI DSS prior to accepting merchant cards and/or modifying their existing system / application. Upon request for said services from the State, the Contractor shall prepare and submit a detailed cost proposal to the State in accordance with the payment terms in Exhibit B within 7 business days.

5. PROJECT DELIVERABLES

5.1. WORK PLAN & SCHEDULE

Within 15 calendar days of the award of the contract, the Contractor shall submit a final detailed Work Plan for accomplishing the tasks described in the Scope of Services for the first year of the contract. The Contractor shall submit Work Plans for the subsequent years of the contract on or before the anniversary date of the contract for each subsequent year. The Work Plan shall include all of the Contractor's major work activities and shall address all major tasks and subtasks. Sufficiently detailed milestones dates and responsibilities for meeting the major tasks and subtasks shall be identified. The Work Plan shall also indicate the manpower efforts and commitments of time needed from the State's staff in order to facilitate the Contractor's work.

In performing the task described above, the Contractor is expected to define the level of specificity needed to accomplish the work. Implementation of the Work Plan by the Contractor shall commence upon authorization by the State.

5.2. ADVISORY SERVICES & WEB BASED TOOL

The Contractor shall provide compliance validation services, including telephone and onsite advisory services as required to facilitate the preparation and any required remediation in achieving and maintaining PCI-DSS compliance. The advisory services should assist the State Agencies in developing a remediation plan if required to address any possible non-compliance issues that may have been uncovered in the preliminary assessment and provide telephone, E-mail and onsite advisory services as required throughout any remediation process to facilitate full compliance achievement as required by the PCI-DSS standard. Hours of operation for onsite services will be as determined by each State Agency.

The Contractor shall provide onsite advisory services in an efficient, scheduled manner to allow for efficient use of Agency resources. The Contractor shall provide

sufficient secure web-based tools to allow for day-to-day administrative management of each Agency's compliance process. Advisory services shall include, at a minimum, facilitating discussions as needed with the State's processor/acquirer and/or card brands regarding the PCI-DSS compliance assessment.

Prior to engagement, the Contractor shall disclose and provide a copy of any and all user agreements and /or indemnification requirements that may be presented to State staff with access to any on-line tools or software applications provided by the Contractor.

5.3. REPORT ON COMPLIANCE

The Report on Compliance must be a formal report that is prepared in accordance with the PCI Security Standards Council's security audit procedures, containing:

- Contact Information and Report Date
- Executive Summary
- Description of Scope of Work and Approach Taken
- Findings and Observations

The Report on Compliance shall be written to encompass all State Agencies accepting payment cards or such subset of State Agencies as may be directed by the State from time to time. A single statewide Report on Compliance shall be presented to Bank of America Merchant Services.

The Contractor shall provide and an Executive Officer of the State shall sign a Completed Attestation of Compliance (AOC) form that shall accompany the Report on Compliance for filing with Acquirer. The AOC shall include such assertions as required by card brands to ensure the accuracy and completeness of the Report on Compliance.

5.3.1. PRELIMINARY DRAFT OF REPORT ON COMPLIANCE

After the initial PCI assessment, the Contractor will prepare a Preliminary Draft of the Report on Compliance that will be presented to the State for review. If required, the State will complete any necessary remediation before completion by Contractor of a final Report on Compliance is presented. The State may if necessary request remediation support services from the Contractor, this will solely be at the discretion of the State.

5.3.2. FINAL REPORT ON COMPLIANCE

After the preliminary Report on Compliance has been reviewed by the State, any necessary remediation shall be completed by the State and the Contractor shall conduct re-validation procedures as required by the PCI SSC to satisfy the QSA such remediation was completed fully. The final Report of Compliance will be prepared by the Contractor and presented to the State at least five (5) days prior to being presented to Bank of America Merchant Services and the payment card brands.

5.3.3 MEETINGS AND DELIVERABLES

There shall be regular weekly status meetings between the Contractor and State staff during the course of the compliance assessment to measure progress against the work plan and related milestones.

The Contractor shall submit weekly status reports to the State. All status reports must be in writing and at a minimum include the following:

- Project status related to the Project Work Plan and Milestones
- Accomplishment during the week being reported
- Planned activities for the upcoming weekly period
- Future activities
- Issues and concerns requiring resolution: e.g.
 - a) Summary of issues logged with Contractor's recommendations on issues
 - b) Summary of risks logged, with Contractor's recommendations on the risks

5.4. POST ASSESSMENT EXECUTIVE REPORT

After all Agency assessments have been completed, the Contractor will be requested to draft a Post Assessment Executive Report that will be presented to the State DAS Merchant Card Services (MCS) office and/or executives.

The report shall include, but, is not limited to:

- High level summary of overall State PCI compliance
- High level summary of control strengths and weaknesses
- High level summary of applied compensating controls that were put in place to address areas of non-compliance and recommended long term solutions.
- High level summary of short and long term changes the State should consider (and fund) to reduce overall PCI exposure and future costs.

6. MEETINGS AND STATUS REPORTS

There shall be regular weekly status meetings between the Contractor and State staff during the course of the compliance assessment to measure progress against the Work Plan and related milestones.

The Contractor shall submit weekly status reports. All status reports shall be prepared in formats approved by the State, unless otherwise agreed by the parties in writing. Status reports shall include, at a minimum, the following:

- Project status related to the Project Work Plan & Milestones
- Accomplishment during the week being reported
- Planned activities for the upcoming weekly period
- Future activities
- Issues and concerns requiring resolution

7. ORAL PRESENTATION

On or about the time of submission of the final Report on Compliance, the Contractor shall be required, at the State's sole discretion, to make an oral presentation(s) to the Agencies included in the audit along with senior executive staff.

8. ACCESS AND RETENTION OF RECORDS

8.1. Access to Records

The Contractor shall provide the State, or any authorized agents, access to any records, or copies of said records, necessary to determine contract compliance.

8.2. Contractor Authored Documents

A copy of all documentation created by the Contractor in the course of its services under this contract shall be provided to the State in hard and/or soft copy, including, but, not limited to the following:

- Card Holder Data (CHD) flows
- Network and/or CHD topology
- Documented non-compliance, gaps and/or material control weaknesses
- Remediation and/or compensating controls
- Agency Specific PCI Assessment Reports and findings
- Documentation of Observations and Examinations

8.3. Retention Period

The Contractor shall retain records for a period of three years after either the completion date of this contract or the conclusion of any claim, litigation or exception relating to this Contract taken by the State or a third party. Such records shall be available for PCI SSC's review as part of its normal QSA Quality Assurance review process.

9. SUBCONTRACTING

In addition to the provisions of Section 12 of the P-37 related to assignment and subcontracting of contractual rights and obligations, the Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

10. CONTRACT TERMINATION

10.1. Bankruptcy or Receivership

Voluntary or involuntary bankruptcy or receivership by the Contractor may be cause for termination at the election of the State.

10.2. Good Standing with the PCI Security Standards Council

The Contractor must be in good standing with the PCI Security Standards Council ("PCI SSC") as a QSA for the project duration; the Contract may, at the State's discretion be terminated immediately if the Contractor is dropped from the PCI SSC listing of QSA companies or is placed on remediation status.

10.3. Material Breach

The non-breaching party may terminate this contract in whole or in part after thirty (30) days' written notice, as described in the Form P-37 General Terms and Conditions Section 8, in the event of the breaching party's failure to perform a material obligation of this contract.

10.4. Written Notice by State

The State may terminate this Contract in whole or in part at any time by giving the Contractor thirty (30) days' written notice. In the event of Termination via written notice by the State, the Contractor shall, except as otherwise directed by the State in writing, cease all work under this Contract and provide an invoice detailing all Services performed. The contract price earned for the subject year shall be on a prorated basis according to the rate schedules set forth in Exhibit B, up to and including the date of termination.

11. LIAISON AND SERVICE OF NOTICES

All project management and coordination on behalf of the State shall be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that shall provide the single point of contact for management and coordination of Contractor's work. All work performed pursuant to this contract shall be coordinated between the State's liaison and the Contractor's liaison.

State Liaison:

Robin Parkhurst
Merchant Card Services, Department of Administrative Services
25 Capitol St, Concord NH 03301, 603-271-7410
Robin.Parkhurst@nh.gov

Contractor Liaison:

Matthew Carroll
Regional Sales Manager – New England
400 Donald Lynch Blvd, Suite 104, Marlborough, MA 10123
(508) 630-7120 ext. 7331
Matt.Carroll@coalfire.com

The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints shall first be directed to the liaison.

12. 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 following table sets forth the responsible parties for each level of the dispute resolution and the corresponding time allotment for resolution at each level.

Level	The Contractor	The State	Cumulative Time Allotted
Primary	Ms. Bhavana Sasne 508 630 7120 x7326 Bhavana.sasne@coalfire.com	Robin Parkhurst, Administrator Department of Administrative Services 603-271-7410 Robin.Parkhurst@nh.gov	5 business days
Secondary	Mr. Shannon Swanson 703 720 4000 x7221 Shannon.swanson@coalfire.com	Michael Connor, Deputy Commissioner Department of Administrative Services 603-271-6899 Michael.Connor@nh.gov	10 business days
Third	Mr. Joe Krause 508 630 7120 x7312 Joe.krause@coalfire.com Matthew Carroll 508 630 7120 x7331 Matt.carroll@coalfire.com	Linda Hodgdon, Commissioner Department of Administrative Services 603-271-3201 Linda.Hodgdon@nh.gov	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.

13. SCOPE, AMENDMENT AND INTERPRETATION

13.1. Contract

This contract consists of the following documents ("Contract Documents") in order of precedence:

- a. State of New Hampshire Terms and Conditions, General Provisions Form P-37 and its corresponding Exhibits and Attachments
- b. State of New Hampshire RFB# 1641-14
- c. Coalfire Systems, Inc. Response to RFB#1641-14

13.2. Entire Agreement

The documents referenced in 13.1 above contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

13.3 Certificate of Insurance

The Contractor shall at its sole expense, obtain and maintain in force and shall require any subcontractor or assigned to obtain and maintain in force, including for the benefit of the State the following insurance:

1. General Liability Insurance. The vendor shall carry comprehensive liability in accordance with Section 14 of the P-37 contract or \$1,000,000 per occurrence and \$1,000,000 umbrella.
2. Professional Liability (Errors and Omissions) in the amount of \$2,000,000 per occurrence.
3. Cyber Theft Liability in the amount of \$2,000,000 per occurrence.

4. Electronic Data Loss (EDL) in the amount of \$2,000,000 per occurrence.
5. Workers' Compensation as stated in Section 15 of the P-37 contract.

Exhibit B Pricing and Payment

Invoicing - Payment shall be paid, via check or electronic payment, within thirty (30) days after receipt of a properly documented invoice. Payment shall be remitted to the address set forth in Section 1.4 of the Form P-37 unless otherwise directed by the Invoice.

The Contractor shall issue an invoice for its standard (non-remediation) PCI services during the year, according to the project milestone deliverables listed below.

The Contractor shall be paid in five Installments based on Deliverables:

Deliverable	Description	Expected Due Date	% of Fee
Work Plan & Schedule	For each year during the term of the Contract, the Contractor shall submit a detailed work plan according to the Specifications in Exhibit A	15 days after the effective date of the contract and mutually agreeable in subsequent year during the term of the Contract	10% \$4,575.00
Preliminary Report on Compliance	For each year during the term of the Contract the Contractor shall submit a preliminary Report on Compliance according to the Specifications in Exhibit A	After initial PCI DSS assessment, Contractor will draft and present a preliminary Report on Compliance for the State. Along with this, the State will complete all necessary remediation steps to ensure PCI DSS Compliance. This will include remediation support services from the Contractor. This must be done 30 days prior to the Final Report on Compliance.	40% \$18,300.00
Final Report on Compliance	Each year on August 11	After the Preliminary Report on Compliance and remediation steps are completed, the Contractor will re-evaluate to ensure that the State is PCI DSS Compliant. The Contractor will prepare and deliver the Final Report on Compliance and Attestation of Compliance to the State.	35% \$16,012.50
Post Assessment Executive Report and	For each year during the term of the Contract, the Contractor shall submit a Post Assessment Executive	This report should include but is not limited to: High level overall State PCI DSS	10% \$4,575.00

Oral Presentation	Report and will present this report according to specifications in Exhibit A.	Compliance, summary of strengths & weaknesses, summary of applied compensating controls that were put in place to address areas of non-compliance and recommend long term changes and summary of short and long term changes the State should consider to reduce overall PCI exposure and future costs.	
Contractor Authored Documents	For each year during the term of the Contract, the Contractor shall provide copies of the Contractor Authored Documents according to the specifications in Exhibit A.	A copy of all documentation created by the Contractor in the course of its services under this contract shall be provided to the State in hard and/or electronic copy.	5% \$2,287.50

The Contractor shall be paid the follow amounts for PCI Services (non-remediation):

Ref#	Agency Processing Payment Cards	Cost Year 1	Cost Year 2	Cost Year 3	Agency Totals
1	Administration of the Courts	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
2	Agriculture Department, Markets and Food	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
3	HHS Office of Reimbursements	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
4	Corrections Department	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
5	Education Department	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
6	Environmental Services Department	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
7	Fish & Game Department	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
8	Joint Board of Licensure	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
9	Labor, Department of	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
10	Liquor Commission	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
11	Lottery Commission	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
12	Nursing, Board of	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
13	Pease Development Authority	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
14	Resources & Economic Development	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
15	Safety Department	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 18,000.00
16	Secretary of State	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 18,000.00
17	Transportation Department	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 6,750.00
	Totals Per Year and Total Award	\$ 45,750.00	\$ 45,750.00	\$ 45,750.00	\$ 137,250.00

Optional Remediation Service Rates: Invoices for remediation services shall be invoiced separately according to the hourly rate schedule set forth below. The State reserves the right to accept or decline remediation support services.

Services	Year 1		Year 2		Year 3	
	Hourly On-Site ¹	Hourly Off-Site	Hourly On-Site ¹	Hourly Off-Site	Hourly On-Site ¹	Hourly Off-Site
Remediation Support Services during annual PCI assessment	\$200	\$200	\$200	\$200	\$200	\$200
Remediation Support Services outside of annual PCI Assessment	\$200	\$200	\$200	\$200	\$200	\$200

¹All travel and living expenses are included

In no event shall the total cost exceed the price limitation section 1.8 of the P-37 standard contract form.

Exhibit C Special Provisions

There are no special provisions to this Contract.

Exhibit D Project Schedule
Contract Year One

Task	Milestone	Due Date	Assignee
1.	Conduct – Pre-engagement meeting with Contractor and Project Team	11/3/14	Contractor
2.	Conduct – Kick-Off meeting with Contractor and Agencies	11/3/14	Contractor
3.	Work Plan and Schedule (<i>Project Deliverable</i>)	11/3/14	Contractor
4.	Conduct PCI Assessments	11/4/14 – 3/31/15	Contractor
5.	Submit weekly status reports and conduct weekly status meetings with SoNH Project Team	11/4/14 – 8/06/15	Contractor
6.	Submit Preliminary Report on Compliance and recommendations to SoNH Project Team (<i>Project Deliverable</i>)	4/30/15	Contractor
7.	Remediation of preliminary findings (if possible)	5/29/15	State
8.	Reassess and finalize Report on Compliance and recommendations	6/30/15	Contractor
9.	Submit Attestation of Compliance and Report on Compliance to Bank of America Merchant Services (copy to client) (<i>Project Deliverable</i>)	08/06/15 ROC/AOC Due 08/11/15	Contractor
10.	Conduct presentation of Report on Compliance and recommendations to Project Executive Team and Provide Contractor Authored Documents (<i>Project Deliverables</i>)	08/24/15 – 09/04/15	Contractor

Exhibit E Contractor Staffing

Contract Year: one Two Three

On-Site Staffing Plan

Ref#	Classification	Name	Title	Specific Role
1	QSA	Shannon Swanson	PCI Director, Northeast	Project Manager & QSA
2	QSA	Bhavana Sasne	Consultant	QSA
3				
4				
5				
6				
7				
8				
9				
10				

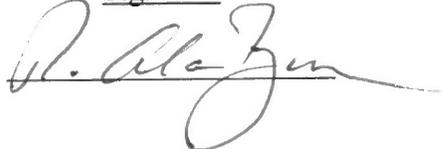
Off-Site Staffing Plan

Ref#	Classification	Name	Title	Specific Role	Off-Site Location	Hours of Availability
1	QSA	Matt Getzelman	PCI Practice Director	Lead QSA	CO	
2	QSA	Joe Krause	Managing Director	Quality Assurance	MA	
3	Project Manager	Christen Faubel	East Region PM	Project Management	NY	
4						
5						
6						
7						
8						
9						
10						

COALFIRE SYSTEMS, INC.

INCUMBENCY CERTIFICATE

I, Charles J. Friedman, Corporate Secretary of Coalfire Systems, Inc., a Delaware corporation (the "Company"), do hereby certify on behalf of the Company that the following named individual is a duly elected officer of the Company, holding the office set forth opposite his name. The signature opposite the name and title of such officer is his true and correct signature:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
R. Alan Ferguson	Executive Vice President	

IN WITNESS WHEREOF, I have signed this certificate and affixed the seal of the Company as of the 20th day of August, 2014.

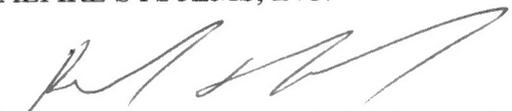
COALFIRE SYSTEMS, INC.

By: 
Charles J, Friedman, Corporate Secretary

I, Howard Sankel, hereby certify that I am the duly elected Chief Financial Officer of the Company and that the following is the name and specimen signature of the duly elected Corporate Secretary of the Company, Charles J. Friedman:


Charles J. Friedman, Corporate Secretary

COALFIRE SYSTEMS, INC.

By: 
Howard Sankel, Chief Financial Officer

Corporation Division

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Date: 9/2/2014

Filed Documents

(Annual Report History, View Images, etc.)

Business Name History

Name	Name Type
Coalfire Systems, Inc.	Legal
Coalfire Systems, Inc.	Home State

Corporation - Foreign - Information

Business ID:	616727
Status:	Good Standing
Entity Creation Date:	7/16/2009
State of Business.:	DE
Principal Office Address:	361 Centennial Parkway Suite 150 Louisville CO 80027
Principal Mailing Address:	No Address
Last Annual Report Filed Date:	1/24/2014
Last Annual Report Filed:	2014

Registered Agent

Agent Name:	Business Filings Incorporated
Office Address:	9 Capitol Street Concord NH 03301
Mailing Address:	

Important Note: The status reflected for each entity on this website only refers to the status of the entity's filing requirements with this office. It does not necessarily reflect the disciplinary status of the entity with any state agency. Requests for disciplinary information should be directed to agencies with licensing or other regulatory authority over the entity.

State of New Hampshire
Merchant Card Services
RFB# 1641-14
Bid Tab - July 31, 2014

Description	Coalfire	SecureState	Grant Thornton
Total Contract Price for Three Years for PCI Audit	\$137,250.00	\$294,015.00	\$1,346,566.84
Year 1 On Site Remediation during PCI Audit 4 hours x Rate =	\$800.00	\$1,000.00	\$720.00
Year 1 Off Site Remediation during PCI Audit 16 hours x Rate =	\$3,200.00	\$3,440.00	\$2,880.00
Year 2 On Site Remediation during PCI audit 4 hours x Rate =	\$800.00	\$1,000.00	\$720.00
Year 2 Off Site Remediation during PCI audit 16 hours x Rate =	\$3,200.00	\$3,440.00	\$2,880.00
Year 3 On Site Remediation during PCI audit 4 hours x Rate =	\$800.00	\$1,000.00	\$720.00
Year 3 Off Site Remediation during PCI audit 16 hours x Rate =	\$3,200.00	\$3,440.00	\$2,880.00
Year 1 On Site Remediation outside of PCI Audit 4 hours x Rate =	\$800.00	\$1,000.00	\$840.00
Year 1 Off Site Remediation outside of PCI Audit 48 hours x Rate =	\$9,600.00	\$10,320.00	\$2,880.00
Year 2 On Site Remediation outside of PCI Audit 4 hours x Rate =	\$800.00	\$1,000.00	\$840.00
Year 2 Off Site Remediation outside of PCI Audit 48 hours x Rate =	\$9,600.00	\$10,320.00	\$2,880.00
Year 3 On Site Remediation outside of PCI Audit 4 hours x Rate =	\$800.00	\$1,000.00	\$840.00
Year 3 Off Site Remediation outside of PCI Audit 48 hours x Rate =	\$9,600.00	\$10,320.00	\$2,880.00
Grand Total (Basis of Award)	\$180,450.00	\$341,295.00	\$1,368,526.84

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Entity Dashboard

Coalfire Systems Inc. 361 CENTENNIAL PKWY
 DUNS: 073417060 CAGE Code: 6MK29 LOUISVILLE, CO, 80027-1280 ,
 Status: Active UNITED STATES

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[Entity Record](#)

[Core Data](#)

[Assertions](#)

[Reps & Certs](#)

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[Service Contract Report](#)

[BioPreferred Report](#)

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[Active Exclusions](#)

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Entity Overview

Entity Information

Name: Coalfire Systems Inc.
Business Type: Business or Organization
POC Name: Leslie Kaniecki
Registration Status: Active
Activation Date: 01/09/2014
Expiration Date: 01/07/2015

Exclusions

Active Exclusion Records? No

SAM | System for Award Management 1.0

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