



PARTICIPATING ADDENDUM

CLOUD SOLUTIONS 2016-2026

Lead by the State of Utah

Master Agreement #: AR3084

Contractor: **CARAHSOFT TECHNOLOGY CORPORATION**

Participating Entity: **STATE OF SOUTH CAROLINA**

Contract Number: **4400040279**

The following products or services are included in this contract portfolio:

- *This addendum allows for the purchase of **Imersis Software** and **T-MSIS Software** only.*

The following products or services are not included in this agreement:

SC Exclusions from this Participation Addendum.

- **IaaS**
- **PaaS**

Master Agreement Terms and Conditions:

1. **Scope:** This addendum covers **Cloud Solutions** led by the State of *Utah* for use by state agencies and other entities located in the Participating State **South Carolina** authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

Exhibit B attached hereto and made a part hereof is the **Mathematica SaaS Order Form, which as a part of this Participating Agreement** is to be executed by and binding upon Mathematica and the **Using Governmental Unit (DHHS ONLY)**.

2. **Participation:** Use of specific NASPO ValuePoint cooperative contracts by agencies, political subdivisions and Pursuant to Section 11-35-4810, South Carolina public procurement units, both state and local (as defined by S.C. Code Ann. § 11-35-4610(5), as amended) are authorized to participate in cooperative purchasing.

Pursuant to Section 11-35-510 of the South Carolina Code of Laws, ITMO is authorized to act as the statutory procurement agent for every state governmental body (as defined by S.C. Code Ann. § 11-35-310(18), as amended). Consistent with its statutory authority, ITMO is acting solely in a representative capacity and on behalf of such state governmental bodies.

Participation by local public procurement units (as defined by S.C. Code Ann. § 11-35-4610(3), as amended) in the Master Service Agreement is optional. By submitting an order and receiving delivery of an item pursuant to the Master Service Agreement, a local public procurement unit



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manifests its intent to be and is bound by the Master Service Agreement, including this addendum, unless the local public procurement unit has entered into a separate Participating Addendum.

Each SC Participant's obligations and liabilities are independent of any other SC Participant's obligations and liabilities. SC Participants are not obligated for any order submitted by another SC Participant and do not incur any liability with regard to any other SC Participant. ITMO is acting solely on behalf of SC governmental bodies and bears no liability for any damages that any party may incur with regard to the Master Service Agreement.

3. **Access to Cloud Solutions Services Requires State CIO Approval:** Unless otherwise stipulated in this Participating Addendum, specific services accessed through the NASPO ValuePoint cooperative Master Agreements for Cloud Solutions by state executive branch agencies are subject to the authority and prior approval of the State Chief Information Officer's Office. The State Chief Information Officer means the individual designated by the state Governor within the Executive Branch with enterprise-wide responsibilities for leadership and management of information technology resources of a state.
4. **Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor: Carahsoft Technology Corp.

Name:	Mariah Edwards
Address:	11493 Sunset Hills Road, Suite 100, Reston, VA 20190
Telephone:	703-889-9734
Fax:	
Email:	NASPO@Carahsoft.com

Participating Entity

Name:	Randy Barr, Sr., Procurement Director
Address:	1333 Main Street Suite 700
Telephone:	803-896-5232
Fax:	N/A
Email:	rbarr@mmo.sc.gov

PARTICIPATING ENTITY MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT:

These modifications or additions apply only to actions and relationships within the Participating Entity. The following changes are modifying or supplementing the Master Agreement terms and conditions:

Participating Entity must check one of the boxes below.

☐ No changes to the terms and conditions of the Master Agreement are required.



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[XX] The following changes are modifying or supplementing the Master Agreement terms and conditions.

5. **Order of Precedence:**

- a. A Participating Entity's Participating Addendum ("Participating Addendum"); A Participating Entity's Participating Addendum shall not diminish, change, or impact the rights of the Lead State with regard to the Lead State's contractual relationship with the Contractor under the Terms of Utah NASPO ValuePoint Master Agreement (includes negotiated Terms & Conditions)

These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to the Master Agreement as an Exhibit or Attachment. No other terms and conditions shall apply, including terms and conditions listed in the Contractor's response to the Solicitation, or terms listed or referenced on the Contractor's website, in the Contractor's quotation/sales order or in similar documents subsequently provided by the Contractor.

The solicitation language prevails unless a mutually agreed exception has been negotiated. Any different or additional provisions in purchase orders, invoices or similar documents issued by Participating Entity or Contractor at any time are unenforceable. Except as otherwise provided in this Participating Addendum, no modification to this Participating Addendum will be binding unless in writing and signed by an authorized representative of each party.

6. **Definitions:**

"Authorized Agent" All authority regarding the conduct of this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement. (S.C. Code Ann. § 11-35-2015)

"Authority" means the South Carolina State Fiscal Accountability Authority. (S.C. Code Ann. § 11-35-310(2))

"Procurement Officer" means the person, or his successor, identified as such in this Participating Addendum. (S.C. Code Ann. § 11-35-310(26))

"SC Participant(s)" means all participating South Carolina public procurement units (as defined by S.C. Code Ann. § 11-35-4610(5), as amended) or governmental bodies (as defined by S.C. Code Ann. § 11-35-310(18), as amended).



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"State" means the State of South Carolina and its Using Governmental Units. (S.C. Code Ann. § 11-35-310(34))

"You and Your" means contractor.

"Using Governmental Unit" means all South Carolina Public Procurement Units [11-35-4610(5)] eligible to purchase under this contract.

7. **Authority as Procurement Agent:** The Procurement Officer is an employee of the Authority acting on behalf of the Using Governmental Unit(s) pursuant to the Consolidated Procurement Code. Any contracts awarded as a result of this procurement are between the Contractor and the Using Governmental Units(s). The Authority is not a party to such contracts, unless and to the extent that the Authority is a using governmental unit, and bears no liability for any party's losses arising out of or relating in any way to the contract. (S.C. Code Ann. § 11-35-2015)
8. **South Carolina Prompt Payment Statute:** The obligations of any SC Participant are governed by Section 11-35-45 of the South Carolina Code of Laws, if the participant is a "governmental body," as that term is defined in Section 11-35-310(18).
9. **Federal Funding Requirements.** Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. When applicable, a Purchasing Entity will identify in the Order any alternative or additional requirements related to the use of federal funds. By accepting the Order, Contractor agrees to comply with the requirements set forth therein.
10. **SC Registered Distributor:** Vendor agrees to distribute its products to South Carolina public procurement units through vendors registered with the South Carolina Secretary of State as an authorized South Carolina vendor when available <http://www.scbos.sc.gov>. (S.C. Code Ann. § 11-35-4810(4))
11. **Open Trade:** During the contract term, including any renewals or extensions, Contractor will not engage in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300.
12. **Choice of Law:** The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation



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13. **Disputes:** (1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by the government regarding the Agreement is not a waiver of either the government's sovereign immunity or the government's immunity under the Eleventh Amendment of the United States Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. The government does not consent to the jurisdiction of any judicial or administrative tribunals in any other state or to any forum of alternative dispute resolution. (2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail.
14. **No Indemnity or Defense:** Any term or condition is void to the extent it requires the State to indemnify, defend, or pay attorney's fees to anyone for any reason. (S.C. Code Ann. § 11-35-2050)
15. **EFT Information:** The Contractor must furnish to the State Treasurer's Office information necessary for making a payment by electronic funds transfer (EFT). Additional information is available at the STO's website at <https://treasurer.sc.gov> (.) The Contractor is responsible for the currency, accuracy and completeness of the EFT information. Updating EFT information may not be used to accomplish an assignment of the right to payment, does not alter the terms and conditions of this contract, and is not a substitute for a properly executed contractual document. (S.C. Code Ann. § 11-35-45(c))
16. **Payment & Interest:**
 - (a) The State shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries unless they have been accepted by the Government.
 - (b) Unless otherwise provided herein, including the purchase order, payment will be made by electronic funds transfer (EFT). See clause titled "EFT Information."
 - (c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, or Chapter 6 of Title 29 (real property improvements) when applicable, which provides the Contractor's exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. Except as set forth in this paragraph, the State shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason.



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(d) Amounts due to the State shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 ("an amount not to exceed fifteen percent each year"), as amended, unless otherwise required by Section 29-6- 30.

(e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. Section 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding.

(f) The State shall have all of its common law, equitable and statutory rights of set-off.

17. **Drug Free Work Place Certification:** Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended.
18. **Code of Conduct:** When the Contractor is working under provisions of this contract at facilities controlled by State agencies or other UGUs, Contractor agrees to follow and enforce the Code of Conduct Policy of these entities.
19. **Publicity:** Contractor shall not publish any comments or quotes by State employees, or include the State in either news releases or a published list of customers, without the prior written approval of the Procurement Officer.
20. **Statewide Term Contract – Contract Limitations:** No sales may be made pursuant to this contract for any item or service that is not expressly included in the Scope. No sales may be made pursuant to this contract after expiration of this contract. Violation of this provision may result in termination of this contract and may subject contractor to suspension or debarment.
21. **Relationship of Using Governmental Units:** Each Using Governmental Unit's obligations and liabilities are independent of every other Using Governmental Unit's obligations and liabilities. No Using Governmental Unit shall be responsible for any other Using Governmental Unit's act or failure to act.
22. **Item Substitution:** No Substitutes will be allowed on Purchase Orders received from South Carolina procurement units without written permission from the issuing procurement unit.
23. **Administrative Services Fee:**
 - (a) Procurement Services (PS) establishes and maintains master State contracts for the benefit of all South Carolina state and local public entities. These contracts allow all public entities both to maximize the State's purchasing power by aggregating their requirements and to benefit from increased efficiencies in the acquisition process. Procurement Services' cost for this central



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purchasing activity is offset by an administrative fee which each contractor includes in its contract pricing (though not separately itemized or invoiced) and is paid to the vendor by each participating public entity. The contractor collects the fee as a fiduciary for the State and remits the same as calculated in accordance with the clause titled "ADMINISTRATIVE SERVICES FEE - CALCULATION." The price stated in the contractor's bid or proposal must include all amounts necessary for contractor to meet this obligation.

(b) As used in this clause, the term "reporting period" means each full calendar quarter (Jan. - Mar., Apr. - Jun., Jul. - Sep., and Oct. - Dec.) and any remaining periods less than a full calendar quarter during the term of this contract. For each reporting period, contractor shall report to PS its total sales pursuant to this contract for the period and shall remit the fee to the PS Reports Manager. Payment for each reporting period is due no later than the last day of the month immediately following the end of the reporting period (Example: payment for the reporting period ending March 31 is due April 30). If the amount due for a reporting period is less than \$10.00, no payment is required. The procurement officer will provide contractor an information packet, including a detailed explanation of reporting and payment requirements, within fifteen (15) calendar days following contract award. You may contact the Reports Manager at:

Procurement Services Division
Attn: Reports Manager
1201 Main Street, Suite 600
Columbia, SC 29201
Phone: (803) 737-1254 (ask to speak to the Reports Manager)

Failure to receive the information packet does not relieve contractor from its obligations hereunder.

(c) Contractor shall submit a usage report for each reporting period, even if no payment is due for the reporting period. The usage report shall include any information requested by PS to verify the amount due. At a minimum, each usage report shall reflect the following information for the applicable reporting period: contractor's name, contract number, contract description, reporting period/quarter, total dollar value of sales (excluding sales taxes and showing any adjustments for credits or refunds), total number of units (if practicable), and the number, date, and amount of contractor's check to PS. Unless otherwise specified by the reports manager, the usage report shall be submitted electronically according to instructions in the information packet. If the reports manager requires the contractor to provide a more detailed usage report, the reports manager will work directly with the contractor to determine the appropriate content and format of the report.

(d) During the term of this contract and for a period of three years thereafter, PS or its authorized representatives shall be afforded access during normal business hours, upon five days' written notice, and no more than once annually to contractor's records (including, without limitation, bank



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statements, deposits, checks; invoices; correspondence; ledgers; receipts; transmittals) in order to audit all transactions involving goods sold, work performed, or fees due pursuant to this contract.

(e) Payments of the fee which are due and unpaid by the contractor (including amounts disclosed by audit) shall accrue interest as provided in the Payment and Interest clause for amounts due to the State. In addition to the fee and interest, contractor agrees to pay to PS its reasonable expenses of collection, including costs and attorneys' fees (and fees for inside counsel), whether or not PS commences legal action.

(f) If the contractor fails to (i) timely submit accurate usage reports; (ii) remit to PS the fee when due; or (iii) promptly and fully cooperate with an audit request, the State may, without prejudice to any other remedy available to the State, take any one or more of the following actions:

(1) direct the contractor to not accept any further orders under the contract until PS determines that the cause for such direction has been eliminated;

(2) terminate this contract;

(3) direct the contractor to not accept any further orders under any other master State contract established by PS until PS determines that the cause for such direction has been eliminated.

(g) For purposes of this clause, PS is intended as a third-party beneficiary of this contract

24. **Administrative Services Fee Calculation (MODIFIED):** For each reporting period, Contractor shall pay to PS a fee equal to **one and one quarter (1.25%) percent** of the total dollar amount (excluding sales taxes and adjusted for credits or refunds) of purchases made by any public procurement unit from Contractor pursuant to this contract.

25. **Taxes:** Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income or assets shall be the sole responsibility of the contractor. (S.C. Code Ann. Title 12, Chapter 36)

26. **Orders:** Purchasing Entities may place orders under this Participating Addendum by referencing the Participating Addendum Number on an Order. Each Order placed under this Participating Addendum is subject to the pricing and terms set forth herein, the Mathematica Products Order



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Form, and in the Master Agreement, including applicable discounts, reporting requirements, and payment of administrative fees to NASPO ValuePoint and Participating Entity, if applicable. The Purchasing Entity and the Contractor may agree to terms which clarify the parties' obligations under an applicable Order. Should the Purchasing Entity decide that terms must apply to an Order which conflict with this Participating Addendum or the Master Agreement, those applicable Order terms may control.

Purchasers may place orders directly only through Contractor's approved Fulfillment Partners for products or services as authorized under this Participating Addendum. Only those Fulfillment Partners approved and listed during the term of Participating Addendum at Contractor's website are authorized to directly provide quotes, receive purchase orders, invoice Customers, and receive payment from purchasers on Contractor's behalf.

Except as otherwise set forth in the qualifying criteria, Contractor will not, directly or indirectly, restrict any Fulfillment Partner's participation or ability to quote pricing for a Customer. The approved Fulfillment Partners will not offer less favorable pricing discounts than the contract discounts established by Contractor under the Master Agreement. However, the Fulfillment Partner may offer any additional incremental discounts to Participating State/Entity, and such additional discounts if offered, may be provided in the discretion and as the sole legal obligation of the approved Fulfillment Partner to the Participating State/Entity.

The Master Agreement number and the State Contract Number must appear on every Purchase Order placed under this Participating Addendum.

27. Term of Contract: The term of this Participating Addendum shall begin on **July 01, 2026**. The term shall continue for a period ending on the Termination Date of the Master Agreement or when this Participating Addendum is terminated in accordance with the Master Agreement. **The term of this Participating Addendum is July 01, 2026 – June 30, 2027.**

28. Liability Insurance: (a) Without limiting any of the obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees or subcontractors.

(b) Coverage shall be at least as broad as:

(1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than **\$1,000,000 per occurrence. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit.** This contract shall be considered to be an "insured contract" as defined in the policy.



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29. Contractor's Liability Insurance – Information Security and Privacy:

[ASK QUESTIONS NOW: For products providing the coverages required by this clause, the insurance market is evolving. Our research indicates that the requirements stated herein reflect commercially-available insurance products. Any offeror having concerns with any specific requirements of this clause should communicate those concerns to the procurement officer well in advance of opening.]

(a) Without limiting any other obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, a policy or policies of insurance against claims which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees, subcontractors or any other entity for which the contractor is legally responsible.

(b) Coverage must include claims for:

(i) information security risks, including without limitation, failure to prevent unauthorized access to, tampering with or unauthorized use of a computer system; introduction of malicious codes, computer viruses, worms, logic bombs, etc., into data or systems; or theft, damage, unauthorized disclosure, destruction, or corruption of information in whatever form;

(ii) privacy risks, including (A) failure to properly handle, manage, store, dispose of, destroy, or otherwise control non-public personally identifiable information in any format; (B) loss of, unauthorized access to, or disclosure of confidential information; and (C) any form of invasion, infringement or interference with rights of privacy, including breach of security/privacy laws or regulations;

(iii) contractual liability for the contractor's obligations described in the clauses titled "Indemnification - Third Party Claims – Disclosure Of Information" and "Information Use And Disclosure;" and

(iv) errors, omissions, or negligent acts in the performance, by the contractor or by any entity for which the contractor is legally responsible, of professional services included in the work.

(c) If the work includes content for internet web sites or any publications or media advertisements, coverage must also include claims for actual or alleged infringement of intellectual property rights, invasion of privacy, as well as advertising, media and content offenses.

(d) If the work includes software, coverage must also include claims for intellectual property infringement arising out of software and/or content (with the exception of patent infringement and misappropriation of trade secrets)

(e) Coverage shall have limits no less than five million **(\$5,000,000.00) dollars per occurrence** and **ten million (\$10,000,000.00) dollars aggregate**.

(f) If the insurance required by this clause is procured on a form affording "claims-made" coverage, then (i) all limits stated above as "per occurrence" shall be understood to mean "per claim" or "per occurrence," as is consistent with the terms of the "claims-made" policy; and (ii) such claims-made insurance shall provide for a retroactive date no later than the date the contract is awarded.



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(g) All terms of this clause shall survive termination of the contract and shall continue until thirty (30) days past the final completion of the work, including the performance of any warranty work. In addition, contractor shall maintain in force and effect any "claims-made" coverage for a minimum of two (2) years after final completion of all work or services to be provided hereunder. Contractor shall purchase an extended reporting period, or "tail coverage," if necessary to comply with the latter requirement.

(h) Every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them, must be covered as additional insureds on the policy or policies of insurance required by this clause.

(i) For any claims related to this contract, the insurance coverage required by this clause shall be primary insurance as respects the State, every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them. Any insurance or self-insurance maintained by the State, every applicable Using Governmental Unit, or the officers, officials, employees and volunteers of any of them, shall be excess of the Contractor's insurance and shall not contribute with it.

(j) Prior to commencement of the work, the Contractor shall furnish the State with original certificates of insurance for every applicable policy effecting the coverage required by this clause. All certificates are to be received and approved by the Procurement Officer before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The State reserves the right to require complete, certified copies of all required insurance policies, including policy declarations and any endorsements required by this section, at any time.

(k) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify the State immediately upon receiving any information that any of the coverages required by this clause are or will be changed, cancelled, or replaced.

(l) Contractor hereby grants to the State and every applicable Using Governmental Unit a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or applicable Using Governmental Unit by virtue of the payment of any loss under such insurance as is required by this clause. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the State or Using Governmental Unit has received a waiver of subrogation endorsement from the insurer.

(m) Any deductibles or self-insured retentions must be declared to and approved by the State. The State may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention

30. **Assignment, Novation, And Change of Name, Identity, or Structure:** (a) Contractor shall not assign this contract, or its rights, obligations, or any other interest arising from this contract, or delegate any of its performance obligations, without the express written consent of the responsible procurement officer. The foregoing restriction does not apply to a transfer that occurs by operation

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of law (e.g., bankruptcy; corporate reorganizations and consolidations, but not including partial asset sales). Notwithstanding the foregoing, contractor may assign monies receivable under the contract provided that the state shall have no obligation to make payment to an assignee until thirty days after contractor (not the assignee) has provided the responsible procurement officer with (i) proof of the assignment, (ii) the identity (by contract number) of the specific state contract to which the assignment applies, and (iii) the name of the assignee and the exact address or account information to which assigned payments should be made. (b) If contractor amends, modifies, or otherwise changes its name, its identity (including its trade name), or its corporate, partnership or other structure, or its FEIN, contractor shall provide the procurement officer prompt written notice of such change. (c) Any name change, transfer, assignment, or novation is subject to the conditions and approval required by Regulation 19-445.2180, which does not restrict transfers by operation of law.

31. **Bankruptcy - General: (a) Notice:** In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Using Governmental Unit. This notification shall be furnished within two (2) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract. (b) Termination. This contract is voidable and subject to immediate termination by the State upon the contractor's insolvency, including the filing of proceedings in bankruptcy.
32. **Statewide Term Contract:** This PA is established as a term contract (as defined in Section 11-35-310(37)) available for use by all South Carolina public procurement units (as defined in Section 11-35-4610(5)). Use by state governmental bodies (as defined in Section 11-35-310(18)), which includes most state agencies, is mandatory except under limited circumstances, as provided in Section 11-35-310(37). See clause entitled "Acceptance of Offers 10% Below Price." Use by local public procurement units is optional. Section 11-35-4610(3) defines local public procurement units to include any political subdivision, or unit thereof, which expends public funds. Section 11-35-310(24) defines the term political subdivision as all counties, municipalities, school districts, public service or special purpose districts.
33. **Survival of Obligations:** The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Intellectual Property Indemnification, and any provisions regarding warranty or audit.
34. **CISG:** The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to this agreement.



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35. **Compliance with Laws:** During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs.
36. **Default:** (a) (1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to: (i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;; or (iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause). (2) The State's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure. (b) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated. However, the Contractor shall continue the work not terminated. (c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor. (d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule. (e) If this contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Procurement Officer and as applicable to the supplies and/or services, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which the State has an interest. (f) The State shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders. (g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly



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subject to the contractor's rights under the Disputes clause. (h) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract.

37. **Ethics Certificate:** Contractor certifies that the Contractor has and will comply with, and has not and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended ("Ethics Act"). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or influence of action of public official; Section 8-13-755 and 8-13-760, regarding restrictions on employment by former public officials; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342; regarding restrictions on contributions by Contractor to candidate who participated in awarding of contract. The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed.
38. **Indemnification - Third Party Claims – General (MODIFIED):** Notwithstanding any limitation in this agreement, and to the fullest extent permitted by law, Contractor shall defend and hold harmless Indemnitees for and against any and all suits or claims of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which are attributable to bodily injury, death, or to injury to or destruction of tangible property directly from the performance of this Agreement that is alleged to have resulted, in whole or in part, from the negligence or willful misconduct of the Contractor or its subcontractors, directors, officers, employees or authorized agent; however, if an Indemnitee's negligent act or omission is subsequently determined to be the sole proximate cause of a suit or claim, the Indemnitee shall not be entitled to indemnification hereunder. Contractor shall be given timely written notice of any suit or claim. Contractor's obligations hereunder are in no way limited by any protection afforded under workers' compensation acts, disability benefits acts, or other employee benefit acts. This clause shall not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist. The obligations of this paragraph shall survive termination, cancelation, or expiration of the parties' agreement. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance. As used in this clause, "Indemnitees" means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees.
39. **Indemnification – Third Party Claims – Disclosure of Information (MODIFIED):**
 - (a) Without limitation, Contractor shall defend and hold harmless Indemnitees from and against any and all suits, claims, investigations, or fines (hereinafter "action") of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which arise out of or in connection with a compromise or a disclosure of government



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information which has been appropriately defined by the Purchasing Entity as confidential (as defined in the clause titled Information Security - Definitions) caused in whole or in part by any act or omission of contractor, its subcontractors at any tier, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, and whether or not such action is brought by a third party or an Indemnitee, but only if the act or omission constituted a failure to perform some obligation imposed by the contract or the law. Contractor's obligations under this section shall not extend to the Indemnitee's disclosure, in whole or in part, of its confidential government information.

(b) Indemnitee must notify contractor in writing within a reasonable period of time after Indemnitee first receives written notice of any action. Indemnitee's failure to provide or delay in providing such notice will relieve contractor of its obligations under this clause only if and to the extent that such delay or failure materially prejudices contractor's ability to defend such action. Indemnitee must reasonably cooperate with contractor's defense of such actions (such cooperation does not require and is without waiver of an Indemnitee's attorney/client, work product, or other privilege) and, subject to Title 1, Chapter 7 of the South Carolina Code of Laws, allow contractor sole control of the defense, so long as the defense is diligently and capably prosecuted. Indemnitee may participate in contractor's defense of any action at its own expense. Contractor may not, without Indemnitee's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action unless such settlement, compromise or consent (i) includes an unconditional release of Indemnitee from all liability related to such commenced or threatened action, and (ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, an Indemnitee or otherwise adversely affect an Indemnitee. Indemnitee's consent is necessary for any settlement that requires Indemnitee to part with any right or make any payment or subjects Indemnitee to any injunction.

(c) Notwithstanding any other provision, contractor's obligations pursuant to this clause are without any limitation whatsoever. Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of the contract. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.

(d) "Indemnitee" means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees.

40. **Indemnification- Intellectual Property (MODIFIED):** (a) Without limitation and notwithstanding any provision in this agreement, Contractor shall, upon receipt of notification, defend and indemnify the State, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all actions, proceedings or claims of any nature (and all damages, settlement payments, attorneys' fees (including inside counsel), costs, expenses, losses or liabilities attributable thereto) by any third party asserting or involving an IP right related to an acquired item. State shall allow Contractor to defend such claim so long as the defense is diligently and capably prosecuted. State shall allow Contractor to settle such claim so long as (i) all settlement payments are made by Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall reasonably cooperate with Contractor's defense of such claim. (b) In the event an injunction or order shall be obtained against State's use of any acquired item, or if in Contractor's opinion, the acquired item is likely to become the subject of a claim of infringement

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or violation of an IP right, Contractor shall, without in any way limiting the foregoing, and at its expense, either: (1) procure for State the right to continue to use, or have used, the acquired item, or (2) replace or modify the acquired item so that it becomes non-infringing but only if the modification or replacement does not adversely affect the specifications for the acquired item or its use by State. If neither (1) nor (2), above, is practical, State may require that Contractor remove the acquired item from State, refund to State any charges paid by State therefor, and take all steps necessary to have State released from any further liability. (c) Contractor's obligations under this paragraph do not apply to a claim to the extent (i) that the claim is caused by Contractor's compliance with specifications furnished by the State unless Contractor knew its compliance with the State's specifications would infringe an IP right, (ii) that the claim is caused by Contractor's compliance with specifications furnished by the State if the State knowingly relied on a third party's IP right to develop the specifications provided to Contractor and failed to identify such product to Contractor, or (iii) any failure by the State to adhere to applicable specifications for Acquired Items, including any modification, alteration, or failure to update the Acquired Items. (d) As used in this paragraph, these terms are defined as follows: "IP right(s)" means a patent, copyright, trademark, trade secret, or any other proprietary right. "Acquired item(s)" means the rights, goods, or services furnished under this agreement. "Specification(s)" means a detailed, exact statement of particulars such as a statement prescribing materials, dimensions, and quality of work. (e) Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of this Agreement.

41. **Information Security – Definitions (MODIFIED):** The following definitions are used in those clauses that cross reference this clause. **Compromise** means disclosure of any information hereunder which is marked or identified as confidential to unauthorized persons, or a violation of the security policy of a system in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object may have occurred. Without limitation, the term "**compromise**" includes copying the data through covert network channels, or copying the data to unauthorized media, or disclosure of information in violation of any obligation imposed by this contract. **Data** means a subset of information in an electronic format that allows it to be retrieved or transmitted. **Government information** means information (i) provided to Contractor by, or generated by Contractor for, the using governmental unit, or (ii) acquired or accessed by Contractor as a result of performing the Work. Without limiting the foregoing, government information includes any information that Contractor acquires or accesses by software or web based services, which includes, without limitation, any metadata or location data. Government information excludes unrestricted information. **Information** means any communication or representation of knowledge such as facts, statistics, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual. **Information system** means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information. **Public information** means any specific information, regardless of form or format, that the State has actively and intentionally disclosed, disseminated, or made available to the public. Information is not public information solely because it may be subject to inspection pursuant to an unfulfilled public records request. **Metadata** means (i) any Data that is created from Purchasing Entity Data which results in an anonymized output that does not identify a Purchasing Entity or its individual Data in any manner, and (ii) product usage data, diagnostics data, and



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performance information that the Contractor collects or otherwise generates from the Purchasing Entity's use of the services. These outputs are generated only for lawful business purposes such as product/service improvement, training, developing algorithms for machine learning, industry benchmarking, and analytics. **Software** means any computer program accessed or used by the Using Governmental Unit or a third party pursuant to or as a result of this contract. **Third party** means any person or entity other than the Using Governmental Unit, the Contractor, or any subcontractors at any tier. **Unrestricted information** means (1) public information acquired other than through performance of the work, (2) information acquired by Contractor prior to contract formation, (3) information incidental to your contract administration, such as financial, administrative, cost or pricing, or management information, and (4) any ideas, concepts, know-how, methodologies, processes, technologies, techniques which Contractor develops or learns in connection with Contractor's performance of the work. **Web-based service** means a service accessed over the Internet and acquired, accessed, or used by the using governmental unit or a third party pursuant to or as a result of this contract, including without limitation, cloud services, software-as-a-service, and hosted computer services.

42. Information Security – Safeguarding Requirements (MODIFIED):

(a) Definitions. The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions. In addition, as used in this clause—

Clearing means removal of data from an information system, its storage devices, and other peripheral devices with storage capacity, in such a way that the data may not be reconstructed using common system capabilities (i.e., through the keyboard); however, the data may be reconstructed using laboratory methods.

Intrusion means an unauthorized act of bypassing the security mechanisms of a system.

Media means physical devices or writing surfaces including but not limited to magnetic tapes, optical disks, magnetic disks, portable hard drives, "thumb" drives, large scale integration memory chips, and printouts (but not including display media, e.g., a computer monitor, cathode ray tube (CRT) or other (transient) visual output) onto which information is recorded, stored, or printed within an information system.

Safeguarding means measures or controls that are prescribed to protect information.

Voice means all oral information regardless of transmission protocol.

(b) Safeguarding Information. Without limiting any other legal or contractual obligations, contractor shall implement and maintain reasonable and appropriate administrative, physical, and technical safeguards (including without limitation written policies and procedures) for protection of the security, confidentiality, and integrity of the government information appropriately marked and deemed as confidential in its possession. In addition, contractor shall apply security controls when the contractor reasonably determines that safeguarding requirements, in addition to those identified in paragraph (c) of this clause, may be required to provide adequate security, confidentiality and integrity in a dynamic environment based on an assessed risk or vulnerability.



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(c) Safeguarding requirements and procedures. Contractor shall apply the following basic safeguarding requirements to protect government information from unauthorized access and disclosure:

(1) Protecting information on public computers or Web sites: Do not process government information on public computers (e.g., those available for use by the general public in kiosks, hotel business centers) or computers that do not have access control. Government information shall not be posted on Web sites that are publicly available or have access limited only by domain/Internet Protocol restriction. Such information may be posted to web pages that control access by user ID/password, user certificates, or other technical means, and that provide protection via use of security technologies. Access control may be provided by the intranet (versus the Web site itself or the application it hosts).

(2) Transmitting electronic information. Transmit email, text messages, blogs, and similar communications that contain government information using technology and processes that provide the best level of security and privacy available, given facilities, conditions, and environment.

(3) Transmitting voice and fax information. Transmit government information via voice and fax only when the sender has a reasonable assurance that access is limited to authorized recipients.

(4) Physical and electronic barriers. Protect government information by at least one physical and one electronic barrier (e.g., locked container or room, login and password) when not under direct individual control.

(5) Sanitization. At a minimum, clear information on media that have been used to process government information before external release or disposal. Overwriting is an acceptable means of clearing media in accordance with National Institute of Standards and Technology 800-88, Guidelines for Media Sanitization, at http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88_with-errata.pdf

(6) Intrusion protection. Provide at a minimum the following protections against intrusions and compromise:

(i) Current and regularly updated malware protection services, e.g., anti-virus, antispyware.

(ii) Prompt application of security-relevant software upgrades, e.g., patches, service packs, and hot fixes.

(7) Transfer limitations. Transfer government information only to those subcontractors that both require the information for purposes of contract performance and provide at least the same level of security as specified in this clause.

(d) Subcontracts. Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement requirements at least as secure as those imposed by this clause on, any other person or entity that contractor authorizes to take action related to government information.



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(e) Other contractual requirements regarding the safeguarding of information. This clause addresses basic requirements and is subordinate to any other contract clauses or requirements to the extent that it specifically provides for enhanced safeguarding of information or information systems.

43. **Information Security – Location of Data (MODIFIED):** Notwithstanding any other provisions, contractor is prohibited from processing, storing, transmitting, or accessing government information, as defined in the clause titled Information Security - Definitions, outside the continental United States. For clarity, this obligation is a material requirement of this contract and applies to subcontractors at any tier. Notwithstanding the foregoing, as applicable, the Purchasing Entity may be required to select the location of data processing, storing, transmitting, or access, which this Participating Addendum only allows to be within the continental United States.

44. **Information Use and Disclosure (MODIFIED):** Except to the extent necessary for performance of the work, citizens should not be required to share information with those engaged by the government in order to access services provided by the government and such information should be used by those engaged by the government only to the extent necessary to perform the work acquired; accordingly, this clause addresses basic requirements for the Contractor's use and disclosure of government information, which expressly includes, but is not limited to, information provided by or obtained from the citizens. Anonymizing information does not resolve the foregoing concern. This clause should be broadly interpreted to effectuate this intent. Every obligation in this clause is material. Absent express reference to this clause, this clause supersedes any other clause to the extent of any inconsistency unless and to the extent the other clause provides greater protection for government information.

(a) Definitions. The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

(b) Legal mandates. Contractor shall be permitted to use, disclose, or retain government information to the limited extent necessary to comply with any requirement imposed on Contractor by law. If it is necessary for Contractor to use, disclose, or retain government information in order to comply with a law, Contractor shall provide UGU with written notice, including a description of the circumstances and applicable law, in advance of such use, disclosure or retention except to the extent expressly prohibited by law.

(c) Flow down. Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement requirements that are substantially similar to the requirements of this clause on, any other person or entity that contractor authorizes to take action related to government information.

(d) Collecting Information. Contractor must gather and maintain government information only to the minimum extent necessary to accomplish the work.

(e) Rights, Disclosure and Use. Except as otherwise expressly provided in this solicitation, Contractor agrees NOT to either (1) use or disclose government information when appropriately marked as confidential, or (2) retain government information after termination or expiration of this contract. Contractor acquires no rights in any government information except the limited rights to use,



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disclose and retain the government information in accordance with the terms of this solicitation. To the extent reasonably necessary to perform the work, Contractor may: (i) use (including access, process, transmit, and store) and maintain the government information itself; and (ii) disclose government information to persons having a need-to-know (e.g., subcontractors). Notwithstanding the foregoing, Metadata may specifically be used to improve the service being offered to a Purchasing Entity under an applicable Order and all use of Metadata shall survive any termination or expiration of this Participating Addendum or any applicable Order.

(f) Return. Notwithstanding the UGU's failure to perform, the pendency of a dispute, or as otherwise agreed upon by the parties, Contractor agrees to promptly deliver to the UGU (or destroy, at the UGU's option) all government information in its possession as and upon written request of UGU (provided that, if the contract has not expired or been terminated, Contractor shall be excused from the performance of any work reasonably dependent on Contractor's further access to such government information).

(g) Privacy Policy & Applicable Laws. Without limiting any other legal or contractual obligations imposed by this contract or the law, Contractor shall (a) comply with its own privacy policies and written privacy statements relevant to the work, and (b) comply with (1) all laws applicable to Contractor regarding government information, and (2) all laws and standards identified in the clause, if included, entitled Information Use and Disclosure – Standards.

(h) Actions Following Disclosure. As soon as practicable upon discovery of a compromise or improper use of government information, Contractor shall take such action as may be necessary to preserve forensic evidence and eliminate the cause of the compromise or improper use. As soon as practicable, but no later than forty-eight hours after discovery, Contractor shall notify of the compromise or improper use, including a description of the circumstances of the use or compromise. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide the UGU all information necessary to enable the UGU to fully understand the nature and extent of the compromise or improper use.

45. Limitation on Liability(MODIFIED):

(1) Contractor's liability for damages to any Using Governmental Unit shall not **exceed two (2) times the Order amount.**

(2) The foregoing limitation shall apply to each Using Governmental Unit independently.

(3) The parties waive claims against each other for (i) exemplary or punitive damages and (ii) special or consequential damages.

(4) The foregoing limitations shall not apply: (a) to claims for physical damage to real or tangible personal property, (b) to claims regarding bodily injury or death, (c) to claims arising from reckless or intentional misconduct, (d) Indemnification-Third Party Claims-Disclosure of Information, or (e) Indemnification-Intellectual Property.

(5) The absence in any subcontract of a similar clause limiting contractor's liability shall not effectively increase the obligation of the Using Governmental Unit beyond what it would have been had the subcontract contained such a clause.

(6) The Using Governmental Unit's liability for damages, if any, shall in no event exceed 2 times the Order amount. Nothing herein shall be construed to waive any law or clause regarding the availability or appropriation of funds, sovereign immunity, or any other immunity, restriction, or limitation on payment or recovery provided by law.



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46. **Purchase Orders:** Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The using governmental unit shall order any supplies or services to be furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g., quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order.
47. **TERMINATION FOR CONVENIENCE -- INDEFINITE DELIVERY / INDEFINITE QUANTITY CONTRACTS**
Unless the termination so provides, a termination for convenience shall not operate to terminate any purchase orders issued prior to the effective date of termination.
48. **Termination for Convenience(MODIFIED):** (1) Termination. The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State. The Procurement Officer shall give sixty (60) days' written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective. (2) Contractor's Obligations. The contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work as applicable. If this Participating Addenda is terminated, the contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so. (3) Right to Supplies. The the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Procurement Officer: (a) any completed supplies; and (b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. Utilization of this Section in no way implies that the State has breached the contract by exercise of the Termination for Convenience Clause. (4) Compensation. (a) The contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by Section 11-35-1830 bearing on such claim. If the contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph. (b) The Procurement Officer and the contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by the State, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated; (c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph: (i) contract prices for supplies or services accepted under the contract; (ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services; (iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph; (iv) any other reasonable costs that have resulted from the



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termination. The total sum to be paid the contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated. (d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles. (5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not (i) affect the State's right to require the termination of a subcontract, or (ii) increase the obligation of the State beyond what it would have been if the subcontract had contained an appropriate clause. (6) Should the State exercise their right to terminate an Order for convenience prior to an acceptance of work validly performed under that applicable Order, the State agrees to work with the Contractor in good faith to accept that work so that the Contractor may have a valid claim for payment.

49. **Third Party Beneficiary:** This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third-party beneficiary or otherwise.
50. **Waiver:** The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract. Any waiver must be in writing.
51. **Notices:** Notwithstanding anything contained in the Master Agreement to the contrary, all notices required or permitted under this Participating Addendum will be in writing and will be deemed given: (a) when delivered personally; (b) when sent by confirmed facsimile or electronic mail; (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a commercial express courier specifying next day delivery, with written verification of receipt. All communications will be sent to the addresses set forth Section 5 of this Participating Addendum or such other address as may be designated by a party by giving written notice to the other party pursuant to this paragraph, or, in the absence of such an address from Customer, to the address to which the last invoice under this Participating Addendum was sent before notice is served.

Notwithstanding the foregoing, notices regarding changes in pricing, Software license terms, policies or programs may be by e-mail or fax.
52. **Submission Of Participating Addendum to Naspo Valuepoint:** Upon execution, Contractor shall email a copy of this Participating Addendum and any amendments hereto to NASPO ValuePoint at pa@naspovaluepoint.org. While Participating Entity will maintain the official record of this Participating Addendum, the Parties agree that this Participating Addendum, as amended, may be published on the NASPO ValuePoint website.



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53. **Subcontractors:** All contactors, dealers, and resellers authorized in the State of **[South Carolina]**, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.
54. **Orders (MODIFIED):** Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order. The Purchasing Entity and the Contractor may agree to terms which clarify the parties' obligations under an applicable Order. Should the Purchasing Entity decide that terms must apply to an Order which conflict with this Participating Addendum or the Master Agreement, those applicable Order terms may control.
55. **Safeguarding Information: All government data,** to include Protected Health Information, shall be encrypted in transit (when sent over an unsecured, untrusted network, to include sent over email) and at rest. Any government data or Protected Health Information stored on portable devices must be encrypted. When applicable, Personally Identifiable information shall be safeguarded in accordance with 45 CFR 155.260 (2024, as amended). Portable devices include all transportable devices that perform computing or data storage, manipulation or transmission including, but not limited to, portable hard or removable hard drives, diskettes, CDs, DVDs, USB flash drives, laptops, PDAs, smartphones (such as iPhones, Androids, or other type devices), cell phones, portable audio/video devices, and personal organizers. Safeguarding of information shall be in accordance with applicable state and federal laws and regulations and shall restrict access to, and use and disclosure of, such information in compliance with said laws and regulations.
56. **Lawsuit Notification and Cooperation:** Contractor shall notify the UGU of any class action lawsuits asserted or brought against Contractor, which are pending or known to Contractor as of the date of submission of the Proposal **(July 1st, 2026)** as well as any asserted or brought against the Contractor after the date of submission of the Proposal and prior to the termination of the Contract. Contractor also agrees to cooperate with the UGU and provide data, information, and documentation necessary to pursue or defend litigation involving UGU against any party other than Contractor.
57. **Debarment Non-Procurement/Screening Requirements:** Contractor agrees to comply with all applicable provisions of 2 CFR Part 180 (2024, as amended) as supplemented by 2 CFR Part 376 (2024, as amended), pertaining to debarment and/or suspension and to require its Subcontractors to comply with these same provisions to ensure that no party receiving funds from this Contract are listed on the government-wide exclusions in the System for Award Management (SAM).



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58. **Non-Disclosures(MODIFIED)**: All materials and information formally and appropriately designated as Confidential Information shall be treated as such by each party, and both parties agree to take all necessary steps to safeguard the confidentiality of such materials or information in conformance with Federal and State statutes and regulations, and in particular, in accordance with 42 CFR Part 431, Subpart F (2024, as amended), and UGU' regulations, S.C. Code Ann. Regs. 126-170 (2011, as amended), as amended. Contractor agrees not to release any information provided by UGU or any information generated by the Contractor without the express written consent of UGU and further agrees not to use the data or materials for any other purpose other than its performance for UGU under this Contract.

Contractor further agrees to have any of its employees, agents, or representatives who may be required to work with such data in the performance of Contractor's work for UGU individually educated about and responsible for compliance with the confidentiality standards, including any personal screening of its personnel by the UGU for security purposes and to execute upon request a non-disclosure agreement in favor of the State and/or the United States Department of Health and Human Services.

59. **Restrictions for Lobbying**: In accordance with 31 U.S.C. 1352, funds received under this Contract may not be expended to pay any person for influencing or attempting 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 any of the following covered Federal actions: the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. This restriction is applicable to all Subcontractors and shall be included in all subcontracts which shall be in a format deemed appropriate by the Contractor.
60. **Safety Precautions**: The State and U.S. Department of Health and Human Services (U.S. DHHS) assume no responsibility with respect to accidents, illness, or claims arising out of any work undertaken with the assistance of funds paid under the Contract. Contractor shall take necessary steps to insure or protect itself and its personnel.
61. **Use of Ownership of Information and Documentation(MODIFIED)**
- (a) **Reproduction of Documentation**: All documentation (hardcopy and electronic media) and printed materials provided by Contractor to UGU, other than those materials produced pursuant to this Contract, may be reproduced by UGU, provided that such reproduction is made solely for the internal use of employees of UGU and further provided that no charge is made to anyone for such reproduction except where provided for by law, such as the Freedom of Information Act (FOIA), or as required by auditors.
 - (b) **Document Inspection and Retention**: During normal business hours and upon reasonable notice to the Contractor, the U.S. DHHS, Government Accountability Office, the Comptroller General, the Office of the Attorney General, South Carolina Fiscal Accountability Authority, the South Carolina State Auditor, and UGU staff, through any authorized representative(s), shall have the right at all reasonable times to enter into Contractor's premises, or other such places where



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duties under the contract are being performed, to inspect, monitor, assess, audit, or otherwise evaluate the work performed or being performed under this Contract. They shall have the right to audit, examine and make copies, excerpts or transcripts from all records unless otherwise precluded by federal or State law; contact and conduct private interviews with Contractor employees and do on-site reviews of all matters relating to this Contract.

Contractor shall maintain an accounting system with the supporting fiscal records adequate to assure that all claims for funds are in accordance with the Contract and all applicable laws, regulations and policies, both State and Federal. Contractor shall assure that all Contractor books, documents, papers, accounting records, or other evidence pertaining to costs incurred under this Contract will be maintained for a period of at least five (5) years after the final payment under this Contract and that UGU, the Office of the Attorney General, the South Carolina State Auditor, U.S. DHHS, Government Accountability Office, and the Comptroller General or any of their duly authorized representatives shall have access to any such books for the purpose of making audits, examinations, excerpts, and transcripts for no less than five (5) years after the date of final payment under this Contract or a resolution of audit findings, whichever is later.

Contractor agrees to retain all financial records and programmatic records, supporting documents, and statistical records for a period of five (5) years after the last payment is made under the Contract including any amendments and/or extensions to the Contract. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of five (5) year period, the records shall be retained a minimum of three (3) years after the completion of all actions and resolutions of all issues which arise from it, or until the end of the regular five (5) year period, whichever is later.

62. **Ownership of Data(MODIFIED):** As agreed upon in an applicable Order between the parties, all property rights, including software, data, and other records entered into any data base of the State or supplied to Contractor, publication rights in the interim, draft, and final reports and other documentation (hardcopy and electronic media) produced by Contractor in connection with the work provided for under this Contract, shall rest with the U.S. DHHS and the State.

"Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder including but not limited to, all reports, surveys, plans, charts, test data, program documentation, recordings (sound and/or video), pictures, drawings, analyses, graphic representations, printouts, notes and memoranda, and documents whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

"Metadata" shall mean (i) any Data that is created from Purchasing Entity Data which results in an anonymized output that does not identify a Purchasing Entity or its individual Data in any manner, and (ii) product usage data, diagnostics data, and performance information that the Contractor collects or otherwise generates from the Purchasing Entity's use of the services. These outputs are generated only for lawful business purposes such as product/service improvement, training, developing algorithms for machine learning, industry benchmarking, and analytics.



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As agreed upon in an applicable Order between the parties, the State has the right to all working papers, reports, charts, programs, and other material during the course of this solicitation.

Contractor may not publish or copyright any data without prior approval, unless otherwise stated herein. The State and the Federal Government shall have the right to publish, duplicate, use and disclose all such data in any legal manner, and for any lawful purpose whatsoever, and may authorize others to do so.

63. **No Contractor Utilization of Workers Outside of the United States:** Neither Contractor nor any of its Subcontractors may use workers located outside of the United States of America or its territories to perform Contractor's duties under the Contract.
64. **Applicable Laws and Regulations:** Contractor agrees to comply with all applicable federal laws and regulations including constitutional provisions regarding due process and equal protection of the laws and including, but not limited to:
- All applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. §7401, et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251, et seq.).
 - Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. §2000d et seq.) and regulations issued pursuant thereto, (45 CFR Part 80, 2024 as amended), which provide that Contractor must take adequate steps to ensure that persons with limited English skills receive free of charge the language assistance necessary to afford them meaningful and equal access to the benefits and services provided under this Contract.
 - Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. §2000e) in regard to employees or applicants for employment.
 - Section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. §794), which prohibits discrimination on the basis of disability in programs and activities receiving or benefiting from federal financial assistance, and regulations issued pursuant thereto (45 CFR Part 84, 2024, as amended).
 - The Age Discrimination Act of 1975, as amended, (42 U.S.C. §6101 et seq.), which prohibits discrimination on the basis of age in programs or activities receiving or benefiting from federal financial assistance.
 - The Omnibus Budget Reconciliation Act of 1981, as amended P.L. 97-35, § 1908(a)(2), 95 Stat. 483, 542 (1981), which prohibits discrimination on the basis of sex and religion in programs and activities receiving or benefiting from federal financial assistance.



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- The Americans with Disabilities Act, (42 U.S.C. §12101 et. seq.), and regulations issued pursuant thereto.
- Title IX of the Education Amendments of 1972, (20 U.S.C. § 1681 et seq.).
- The Hatch Act, as amended, (5 U.S.C. § 1501-1508), and regulations issued pursuant thereto.
- Section 6002 of the Solid Waste Disposal Act of 1965 as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6962).

UGU is currently subject to the information security requirements defined by both state and federal statutes. All systems maintained by Contractor that transport, maintain, and/or store data are also subject to some or all of these information security requirements, as determined by the scope of the contracted services and clearly identified by the Purchasing Entity as applicable to the particular scope of work and therefore the Order.

These include but are not limited to:

- **Centers for Medicaid and Medicare Services (CMS) Guidance and Standards**
 - <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/3-MARS-E-v2-0-Catalog-of-Security-and-Privacy-Controls-11102015.pdf>
 - <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/#MinimumAcceptableRiskStandards>
 - <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Harmonized-Security-and-Privacy-Framework-ERA-Supp-v-1-0-08012012-a.pdf>
- **FIPS 140-2 Level 2**
 - <https://csrc.nist.gov/csrc/media/publications/fips/140/2/final/documents/fips1402.pdf>
- **SP NIST 800-53 Rev 4**
 - <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
- **FISMA**
 - <http://csrc.nist.gov/drivers/documents/FISMA-final.pdf>
- **HIPAA**
 - <http://www.hhs.gov/ocr/privacy/hipaa/administrative/combined/index.html>
- **HITECH OMNIBUS**
 - <http://www.hhs.gov/ocr/privacy/hipaa/administrative/omnibus>
- **IRS Publication 1075**
 - <http://www.irs.gov/pub/irs-pdf/p1075.pdf>
- **Patient Protection and Affordable Care Act (PPACA) or (ACA)**
 - <http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf>



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- **Social Security Administration – Technical System Security Requirements**
 - <http://mn.gov/commerce-stat/pdfs/2018-ssa-info-exchange-req-pro.pdf>

UGU is subject to the information security requirements defined by both state and federal statutes. All systems maintained by Contractor that transport, maintain, and/or store data owned and/or managed by UGU are also subject to some or all these information security requirements, as determined by the scope of the contracted services. As applicable, these requirements shall be clearly identified by the Purchasing Entity as applicable to the particular scope of work and therefore the Order.

These include but are not limited to:

- No Surprises Act (NSA)
- 21st Century Cures Act
- Cybersecurity Act of 2015 (CSA), Section 405(d), Aligning Health Care Industry Security Approaches
- Health Insurance Portability and Accountability Act, (HIPAA), as amended
- Health Information Technology for Economic and Clinical Health (HITECH Act), as amended
- American Rescue Plan Act (ARPA)
- Inflation Reduction Act (IRA)
- Patient Protection and Affordable Care Act (PPACA) or (ACA), as amended
- Federal Information Security Modernization Act (FISMA), as amended
- 42 CFR Part 431 - State Organization and General Administration (State Medicaid Programs)
- Social Security Act (42 USC §1396) specifically Titles XIX (Medicaid) and XXI (CHIP)
- HHS Information Systems Security and Privacy Policy (IS2P)
- CMS Information Systems Security & Privacy Policy (IS2P2)
- HHS Notice of Benefit and Payment Parameters
- NIST SP 800-53, Rev. 5
- NIST SP 800-53B
- NIST SP 800-171, Rev. 3
- NIST FIPS 140, as amended
- CMS Acceptable Risk Controls for Affordable Care Act (ACA), Medicaid, and Partner Entities (ARC-AMPE), as amended
- Social Security Administration – Technical System Security Requirements, as amended
- South Carolina Department of Information Security and Privacy Standards (SCDIS-200), as amended

The undersigned for each Party agrees that this Participating Addendum is a valid and legal agreement binding on the Party and enforceable in accordance with the Participating Addendum's terms and that the undersigned is duly authorized and has legal capacity to execute and deliver this Participating Addendum and bind the Party hereto.

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IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity: State of South Carolina	Contractor: Carahsoft Technology Corp.
Signature: 	Signature: 
Name: Randy Barr, Sr.	Name: Madeline Hall
Title: Procurement Director – State Term IT Contracts	Title: Contracts Manager
Date: 	Date: June 29, 2026

[Additional signatures may be added if required by the Participating Entity]

For questions on executing a participating addendum, please contact info@naspovaluepoint.org.

**Please email fully executed PDF copy of this document to
PA@naspovaluepoint.org
to support documentation of participation and posting in
appropriate data bases.**

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Exhibit A

Purchase Order Attachment

Acceptance of Offers 10% Below Statewide Mandatory [Term] Contract Price

Instructions: If an agency purchases any item available on the Term Contract identified below from a business (an Alternate Vendor) other than the Term Contract Contractor and the total price of the purchase order exceeds \$500, then the procurement officer making the purchase must attach this form to the purchase order issued to the Alternate Vendor. The agency procurement officer must complete the following four blanks: the number and description of the applicable Term Contract, the number of the agency's Purchase Order, and the name of Term Contract Contractor that you offered an opportunity to match.

Term Contract Solicitation No.	Term Contract Description
Term Contract Contractor	Purchase Order No.

Agreement

By signing this document, Alternate Vendor is entering into a contract with the agency named above regarding the items referenced on Purchase Order identified above. Regarding the items acquired with the Purchase Order, Alternate Vendor agrees to be bound by all the terms and conditions of the Term Contract Solicitation identified above. Alternate Vendor has received and read a copy of the Term Contract Solicitation identified above. The Purchase Order may be used to elect only those options expressly allowed in the Term Contract Solicitation. Possible options might include quantity, item, delivery date, and payment method. Any contract resulting from this Purchase Order is limited to the documents identified in the clause entitled Contract Documents & Order of Precedence.

NAME OF ALTERNATE VENDOR	STATE VENDOR NO.
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(full legal name of business entering this contract)	(Register to Obtain S.C. Vendor No. at www.procurement.sc.gov)
AUTHORIZED SIGNATURE (person authorized to enter binding contract on behalf of Alternate Vendor)	TITLE (business title of person signing)
PRINTED NAME (printed name of person signing above)	DATE SIGNED

Certification of Compliance

I certify as follows: (1) every item acquired with the Purchase Order is priced at or below the Term Contract price for the same item; (2) the Term Contract Contractor identified above declined to meet the prices stated on the Purchase Order after being offered a reasonable opportunity to meet the price stated on the Purchase Order; and, (3) this purchase complies with Section 11-35-310(37), which is reprinted below.

AUTHORIZED SIGNATURE (procurement officer authorized to issue purchase order and sign certification)	TITLE (business title of person signing)
PRINTED NAME (printed name of person signing above)	DATE SIGNED

Section 11-35-310(37) of the South Carolina Code of Laws reads as follows: ""Term contract" means contracts established by the chief procurement officer for specific supplies, services, or information

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technology for a specified time and for which it is mandatory that all governmental bodies procure their requirements during its term. As provided in the solicitation, if a public procurement unit is offered the same supplies, services, or information technology at a price that is at least ten percent less than the term contract price, it may purchase from the vendor offering the lower price after first offering the vendor holding the term contract the option to meet the lower price. The solicitation used to establish the term contract must specify contract terms applicable to a purchase from the vendor offering the lower price. If the vendor holding the term contract meets the lower price, then the governmental body shall purchase from the contract vendor. All decisions to purchase from the vendor offering the lower price must be documented by the procurement officer in sufficient detail to satisfy the requirements of an external audit. A term contract may be a multi term contract as provided in Section 11-35-2030."

----- PURCHASE ORDER ATTACHMENT (MAY 2024) -----