

# State of Illinois

## Information and Technology Standard Terms and Conditions

### 1. TERMINATION

- 1.1 TERMINATION FOR CAUSE:** The State may terminate this Contract, in whole or in part, immediately upon notice to Vendor if: (a) the State determines that the actions or inactions of Vendor, its agents, employees, or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) Vendor has notified the State that it is unable or unwilling to perform the Contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this Contract, is in violation of a material provision of this Contract, or the State determines that Vendor lacks the financial resources to perform the Contract, the State shall provide written notice to Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the Contract without additional written notice or (b) enforce the terms and conditions of the Contract. Additional causes allowing for termination under this Section include but are not limited to: failure to perform the services or deliver the goods within the time specified; failure to perform any other material requirement; failure to make sufficient progress so as to endanger performance; or any other breach of Contract. Vendor shall not be entitled to any anticipated profits or unearned compensation as a result of a termination for cause.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages. In the event the State covers a resulting loss by contracting with an alternate vendor, Vendor shall be liable for any difference in cost between this Contract price and the replacement price for the remaining term, as well as any other damages, including delay damages. Vendor shall be liable to the State for all reasonable costs incurred by the State in enforcing any provision of this Contract, including attorneys' fees.

However, if, after termination, a court of competent jurisdiction determines that Vendor's actions were excusable under this Contract, then the rights and obligations of the Parties shall be the same as if the termination had been issued as a Termination for Convenience. The State may, in its sole discretion and for its sole benefit, elect to exercise this right if it determines that it is in the best interest of the State.

- 1.2 TERMINATION FOR CONVENIENCE:** The State may, for its convenience and with thirty (30) days' prior written notice to Vendor, terminate this Contract in whole or in part and without payment of any penalty or incurring any further obligation to Vendor.

Upon submission of invoices and proof of claim, Vendor shall be entitled to compensation for supplies and services provided in compliance with this Contract up to and including the date of termination.

- 1.3 OTHER TERMINATION:** The State may also terminate, in whole or in part, this Contract without advance notice pursuant to Section 1.5.

- 1.4 SUSPENSION:** The State may also suspend, in whole or in part, this Contract without advance notice pursuant to Section 1.5.
- 1.5 AVAILABILITY OF APPROPRIATION:** This Contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this Contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor or the Agency reserves funds, or (3) the Agency determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations or available funds for payment. Vendor will be notified in writing of the failure of appropriation or of a reduction or decrease and the Agency's election to terminate or suspend, in whole or in part, as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

## 2. STANDARD BUSINESS TERMS AND CONDITIONS

### 2.1 PAYMENT TERMS AND CONDITIONS:

- 2.1.1** Payment: All payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained on Vendor's invoices shall have no force or effect.
- 2.1.2** Minority Contractor Initiative: Any Vendor awarded a contract of \$1,000 or more under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) is required to pay a fee of \$15. The Comptroller shall deduct the fee from the first check issued to Vendor under the Contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.
- 2.1.3** No Work Prior to Execution: The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this Contract by the Parties even if the effective date of the Contract is prior to execution.
- 2.1.4** Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the Contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Illinois Department of Labor and are available on the Illinois Department of Labor's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting the Illinois Department of Labor at 217-782-6206 or (<http://labor.illinois.gov>) to ensure understanding of prevailing wage requirements.
- 2.1.5** Federal Funding: This Contract may be partially or totally funded with Federal funds. If Federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided to the awarded Vendor in the notice of intent to award.
- 2.1.6** Invoicing: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of this Contract, and the amount billed and expenses incurred are as allowed in this Contract. Invoices for supplies purchased, services performed, and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise, Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.
- 2.1.1.1** Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency's Illinois tax exemption number and federal tax exemption information.
- 2.1.1.2** Vendor shall invoice at the completion of the Contract unless invoicing is tied in this Contract to milestones, deliverables, or other invoicing requirements agreed to in the Contract.

**2.1.1.3** Vendor shall issue invoices separately for each order, with each invoice corresponding to a single order. Charges for multiple orders may not be combined into a single invoice.

Send invoices to:

Agency:	<a href="#">Click here to enter text</a>
Attn:	<a href="#">Click here to enter text.</a>
Address:	<a href="#">Click here to enter text.</a>
City, State Zip	<a href="#">Click here to enter text.</a>

**BB** For procurements conducted in BidBuy, the Agency may include in this Contract the BidBuy Purchase Order as it contains the Bill To address.

2.2 **ASSIGNMENT:** This Contract may not be assigned or transferred in whole or in part by Vendor without the prior written consent of the State.

2.3 **SUBCONTRACTING:** For purposes of this section, subcontractors are those with contracts with an annual value exceeding the small purchase maximum established under 30 ILCS 500/20-20 , and who are specifically hired to perform all or part of the work covered by this Contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this Contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this Contract. If required, Vendor shall provide a copy of any subcontracts within fifteen (15) days after execution of this Contract. All subcontracts must include the same certifications that Vendor must make as a condition of this Contract. Vendor shall include in each subcontract the Standard Illinois Certifications form available from the State. If at any time during the term of this Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to this Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses, the expected amount of money that each new or replaced subcontractor will receive pursuant to this Contract, and the general type of work to be performed. 30 ILCS 500/20-120.

2.3.1 Vendor shall be fully responsible for the performance of any subcontractors. Vendor shall supervise and guarantee the work of its subcontractors and shall ensure that all subcontractors comply with all requirements of this Contract just as if they were Vendor's own employees. If a subcontractor fails to perform or violates any Contract requirement, Vendor shall promptly remedy the issue (including, if necessary, by replacing the subcontractor). Vendor shall be liable for any acts, omissions, or breaches by its subcontractors or agents to the same extent as if performed by Vendor. The State's approval of any subcontractor does not relieve Vendor of its obligations under this Contract.

2.4 **AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain books and records relating to the performance of the Contract or subcontract and necessary to support amounts charged to the State pursuant the Contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by Vendor for a period of three (3) years from the later of the date of final payment under the Contract or completion of the Contract, and by the subcontractor for

a period of three (3) years from the later of final payment under the term or completion of the subcontract. If Federal funds are used to pay Contract costs, Vendor and its subcontractors must retain their respective records for five (5) years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Contract or any subcontract for which adequate books and records are not available to support the purported disbursement. Vendor or subcontractors shall not impose a charge for audit or examination of Vendor's or subcontractors' books and records. 30 ILCS 500/20-65. Vendor and its subcontractors shall upon reasonable notice appear before and respond to requests for information from the Illinois Works Review Panel. 30 ILCS 559/20-25(d).

- 2.5 **CONTINUING PERFORMANCE:** Time is of the essence with respect to Vendor's performance of this Contract. Vendor shall continue to perform its obligations while any dispute concerning the Contract is being resolved unless otherwise directed by the State.
- 2.6 **NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.
- 2.7 **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition (a "Force Majeure Event"). In the event of Vendor non-performance due to a Force Majeure Event, Vendor must promptly notify the State in writing describing the Force Majeure Event, the expected duration of the inability to perform, and any action being taken to mitigate the effect of the event. During the period of non-performance, the Vendor shall explore all reasonable alternatives to fulfill the Contract. The State may terminate this Contract in whole or in part without penalty if performance does not resume within thirty (30) days of the declaration. This provision shall not excuse: (a) late delivery of goods specifically manufactured or sourced for this Contract, if such goods are readily obtainable from other sources in a timely manner; or (b) any failure to implement disaster recovery or business continuity procedures where the implementation of such procedures would be reasonable, industry standard, or otherwise required by this Contract. This provision does not excuse Vendor's obligation to resume full performance when the Force Majeure Event no longer causes an inability to perform. If a Force Majeure Event causes a shortage of materials or resources, Vendor will allocate any available materials or resources to meet the State's requirements first before any allocation to other customers.
- 2.8 **CONFIDENTIAL INFORMATION:** Each Party to this Contract, including its agents and subcontractors, may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this Contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this Contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act ("FOIA") (5 ILCS 140), shall be considered public. Unless otherwise agreed by the Parties, and then only upon receipt of the State's prior written consent, Vendor and its subcontractors

shall not access or attain any personally identifiable information or sensitive information on or from the State's systems, and Vendor agrees that any such information is the confidential information of the State. In any event, Vendor shall implement and maintain reasonable security measures to protect any and all data, information, and records disclosed by the State under this Contract from unauthorized access, acquisition, destruction, use, modification, or disclosure. No confidential data collected, maintained, or used in the course of performance of this Contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of this Contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of this Contract, in a non-proprietary, readily usable format, promptly at the end of this Contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or that is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

2.9 **USE AND OWNERSHIP:** The parties shall respectively retain any pre-existing intellectual property ownership rights ("Preexisting I.P.") in effect at the time of Contract execution. However, any work product created under this Contract ("Work Product") will be the State's sole property if: (1) it is developed using the State's equipment, supplies, facilities, or trade secrets; or (2) it results from Vendor's work for the State under this Contract. Vendor shall not incorporate any of its Preexisting I.P. into Work Product, except as specifically agreed to by the parties in this Contract.

2.9.1 **WORK FOR HIRE:** To the extent permissible under applicable law, Work Product will be considered work made for hire pursuant to the U.S. Copyright Act, 17 U.S.C. §§ 101 et seq., and any foreign equivalent thereof.

2.9.2 **ASSIGNMENT OF RIGHTS:** Where Work Product contains no Vendor Preexisting I.P., to the extent if any that the State still does not own full right, title, and interest in and to the Work Product, Vendor hereby assigns to the State all of its ownership, right, title, and interest in and to all Work Product, without limitation.

2.9.3 **MORAL RIGHTS:** In addition to the foregoing transfers and allocations of rights, Vendor hereby irrevocably transfers and assigns to the State any and all "moral rights" Vendor may have in or with respect to the Work Product, excluding any Vendor Preexisting I.P. Vendor also hereby forever waives and agrees that it shall never, including after Contract termination, assert any moral right with respect to the Work Product. "Moral rights" include any rights to claim authorship of or credit on a work of authorship, to object to or prevent the modification or destruction of a work of authorship, or to withdraw from circulation or control the publication or distribution of a work of authorship, and any similar right, existing under judicial or statutory law of any country or subdivision of a country, or under any treaty, regardless of whether or not such right is described as a "moral right."

2.9.4 **BACKUP LICENSE:** To the extent, if any, that (i) the Parties agree in this Contract to allow Work Product to incorporate any Vendor Preexisting I.P., or (ii) to the extent the above assignment provision otherwise does not provide the State with full ownership, right, title, and interest in and to the Work Product, Vendor hereby grants the State a perpetual, irrevocable, fully paid, royalty-free, worldwide license to use, reproduce, create derivative works from, and publicly display and publicly perform the Work Product. Vendor grants this license under copyright, patent, and all other applicable forms of intellectual property law.

2.10 **(A) INDEMNIFICATION:** Vendor shall indemnify and hold harmless the State, its agencies, officers, employees, agents, and volunteers (collectively, "Indemnified Parties") from any and all liabilities, losses, damages, claims, demands, costs, settlements, judgments, and expenses (including attorneys' fees and expenses, whether in-house or contracted) that the Indemnified Parties may incur related to:

(a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants, or agreements;

(b) any act, activity, or omission of Vendor or any of its employees, representatives, subcontractors, or agents; or

(c) any actual or alleged death or injury to any person, damage to any real or personal property, or any other damage, harm, or loss claimed to result in whole or in part from negligent or wrongful acts or omissions of the Vendor, its employees, representatives, subcontractors, or agents;

(d) any actual or alleged claim that the products or services provided under this Contract infringe, misappropriate, or otherwise violate any intellectual property rights (including but not limited to patent, copyright, trade secret, or trademark rights) of a third party.

Vendor shall also defend (subject to the consent of the Office of the Attorney General ("OAG")) the State against any and all third-party claims related to this Contract. In accordance with Article VIII, Section 1(a) and (b) of the Constitution of the State of Illinois and 1973 Illinois Attorney General Opinion 78, the State may not indemnify private parties absent express statutory authority permitting the indemnification.

**(B) LIMITATION OF LIABILITY:**

(1) **Damage Cap.** Vendor's entire liability to the State for all claims arising under or related to this Contract will not exceed five (5) times the total sum paid and payable to Vendor under this Contract (the "Damage Cap"). The Damage Cap is cumulative for all claims and not per incident.

(2) **Consequential Damages.** Neither Party to this Contract will be liable to the other for any indirect, special, consequential or punitive damages ("Consequential Damages Exclusion").

(3) **Unlimited Liability.** Neither the Damage Cap nor the Consequential Damages Exclusion will apply to any of the following:

(i) Vendor's obligations under section 2.10(A), 2.10.1, 2.10.2, and 2.10.3;

- (ii) Infringement of rights in intellectual property;
- (iii) Gross negligence, willful misconduct, or fraud;
- (iv) Bodily injury, death, or damage to property;
- (v) Data breach, loss, or corruption; and
- (vi) Intentional repudiation of contract.

2.10.1 **ADDITIONAL VENDOR OBLIGATIONS:** In the event any actual or alleged claim that the products or services provided under this Contract violate any intellectual property rights, Vendor shall, at its own expense, promptly: (a) secure for the State the right to continue using the affected product, software or service; (b) replace or modify the affected product, software or service to make it non-infringing, provided such modification or replacement does not materially degrade any functionality; or (c) subject to the State’s consent, refund or forego: (i) the purchase price, if a product; or (ii) if a license fee or service, the fees paid or due to be paid for every month remaining in the term following the date after which the State ceases use of that software or service.

2.10.2 **DATA BREACH PREVENTION, NOTICE, AND REMEDIATION:** To the extent related to or in furtherance of the Vendor’s performance under this Contract, Vendor shall ensure the security, storage, and integrity of the State’s content, data, computers, networks, and systems (which may include the use of encryption technology to protect the State’s content and data including personally identifiable information and sensitive information) from unauthorized access. Vendor shall implement and maintain all appropriate safeguards to prevent unauthorized disclosure of, access to, or use of State data and any personally identifiable and sensitive information. For purposes of this Section, unauthorized disclosure of, access to, or use of data or personally identifiable or sensitive information is defined as a “Data Incident.”

In the event Vendor becomes aware of or suspects a Data Incident, Vendor shall: (1) promptly, and in no event greater than 24 hours (unless required to give notification earlier by law or State policy), give notice to the State of that Data Incident; and (2) provide the State with daily updates, or as requested by the State, regarding findings and actions to resolve the Data Incident to the State’s satisfaction. Notifications shall be sent via email to DoIT.Security@illinois.gov, with the subject line: “Breach Notification” as it relates to Data Incidents.

If the Data Incident results from Vendor’s breach of this Contract or negligent or unauthorized act or omission, including without limitation those of its subcontractors or other agents, Vendor shall: (1) compensate the State for any reasonable expenses related to notification of consumers, (b) provide credit monitoring service to any affected individual for one year or for any longer periods that may be required by law, and (c) provide remediation services to restore data and data integrity. Vendor shall give the State prompt access to any and all records related to any Data Incident as State may reasonably request. This Section does not limit the State’s other rights or remedies, if any, resulting from a Data Incident. Vendor shall reimburse the State for costs incurred by the State in responding to, and mitigating damages caused by, any such Data Incident, including all costs of notice and remediation. Vendor shall indemnify the State for all third-party

claims associated with Vendor's breach of the obligations stated in this Section, as well as any negligent or unauthorized act or omission related to any Data Incident, including without limitation those of its subcontractors or other agents.

- 2.10.3 **DATA LOSS AND DAMAGE TO STATE COMPUTER SYSTEMS:** Vendor shall adhere to all indemnification and liability obligations stated in this Contract and will remain liable where any damage or impairment to the State's computers, systems, and networks, or any loss or corruption of the State's data or content, is due to Vendor's negligent or intentional acts and omissions. Further, Vendor shall reimburse the State for any and all costs incurred by the State in restoring such data, content, computers, systems, or networks.
- 2.11 **INSURANCE:** Vendor shall, at all times during the term of this Contract and any renewals or extensions, maintain and provide a Certificate of Insurance naming the State as an additionally insured for all required bonds and insurance. Certificates may not be modified or canceled until at least thirty (30) days' notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability insurance in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto (Combined Single Limit Bodily Injury and Property Damage), in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in the amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.
- 2.12 **INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or joint venturer with the State. All payments by the State shall be made on that basis.
- 2.13 **SOLICITATION AND EMPLOYMENT:** Vendor shall not employ any person employed by the State during the term of this Contract to perform any work under this Contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this Contract.
- 2.14 **COMPLIANCE WITH THE LAW:** Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this Contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this Contract.
- 2.15 **BACKGROUND CHECK:** Vendor affirms that it checks the criminal records of all applicants for felony convictions and misdemeanor convictions involving a violent act or threat of violence within five (5) years prior to employment, where permitted by law.

Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendors and subcontractors, officers, employees, or agents performing services on State owned, leased, or controlled property. Vendor or subcontractor shall reassign immediately any such individual who, in the reasonable opinion of the State,

does not pass the background checks. The background checks shall be in compliance with all federal laws. The State further agrees as follows:

- Use of the information collected will be for the specific purpose of facilitating a background check;
- All information collected will be treated as confidential;
- The State will limit access to the information received and will properly store it in a reasonably secure manner;
- The State will promptly dispose in an appropriate manner all collected information when the purpose for which it was originally collected is no longer valid; and
- State must provide notice and consent forms. Vendor's and subcontractor's officers, employees, or agents performing services on state owned, leased, or controlled property not consenting shall be reassigned.

However, in no event can Vendor agree to waive the rights of its employees, nor can Vendor provide the State with any information protected by law, including but not limited to Vendor's background check data.

## 2.16 **APPLICABLE LAW:**

2.16.1 **PREVALILING LAW:** This Contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois.

2.16.2 **EQUAL OPPORTUNITY:** The Department of Human Rights' Equal Opportunity requirements are incorporated by reference. 44 ILL. ADM. CODE 750.

2.16.3 **COURT OF CLAIMS; ARBITRATION; SOVEREIGN IMMUNITY:** Any claim against the State arising out of this Contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any dispute arising out of this Contract. The State of Illinois does not waive sovereign immunity (including all rights provided in the State Lawsuit Immunity Act, 745 ILCS 5) by entering into this Contract.

2.16.4 **OFFICIAL TEXT:** The official text of the statutes cited herein is incorporated by reference. An unofficial version can be viewed at ([www.ilga.gov/legislation/ilcs/ilcs.asp](http://www.ilga.gov/legislation/ilcs/ilcs.asp)).

2.17 **ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under Federal or State antitrust laws relating to the subject matter of this Contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State all of Vendor's rights, title, and interest in and to the claim or cause of action.

2.18 **CONTRACTUAL AUTHORITY:** The Agency that signs this Contract on behalf of the State of Illinois shall be the only State entity responsible for performance and payment under this Contract. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs in addition to an Agency, he/she does so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs a master Contract on behalf of State

agencies, only the Agency that places an order or orders with Vendor shall have any liability to Vendor for that order or orders.

- 2.19 **EXPATRIATED ENTITIES:** Except in limited circumstances, no business or member of a unitary business group, as defined in the Illinois Income Tax Act, shall submit a bid for or enter into a Contract with a State agency if that business or any member of the unitary business group is an expatriated entity.
- 2.20 **NOTICES:** Notices and other communications provided for herein shall be given in writing via electronic mail whenever possible. If transmission via electronic mail is not possible, then notices and other communications shall be given in writing via registered or certified mail with return receipt requested, via receipted hand delivery or via courier (UPS, Federal Express, or other similar and reliable carrier). Notices shall be sent to the individuals who signed this Contract using the contact information provided with the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change its contact information.
- 2.21 **MODIFICATIONS, SURVIVAL, AND ORDER OF PRECEDENCE:** Amendments, modifications, and waivers must be in writing and signed by authorized representatives of the Parties. However, to the extent this is a master Contract, no order placed against it may purport to amend the terms herein. Any provision of this Contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of any ambiguity, inconsistency, or conflict between provisions at issue, the following order of precedence will apply: (1) all provisions of this Contract, including any State Supplemental Terms included or attached in Section 3.1, but excluding any Vendor Supplemental Terms under Section 3.2; (2) any Vendor Supplemental Terms attached in Section 3.2 of this Contract; and (3) any additional Vendor documents to the extent specifically referenced within such attachments included in Section 3.2 ("Vendor Supplemental Terms") of this Contract.
- 2.22 **PERFORMANCE RECORD / SUSPENSION:** Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of this Contract. The State may consider Vendor's performance under this Contract and compliance with law and rule to determine whether to continue this Contract, suspend Vendor from doing future business with the State for a specified period of time, or whether Vendor can be considered responsible on specific future contract opportunities.
- 2.23 **FREEDOM OF INFORMATION ACT:** This Contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act ("FOIA") (5 ILCS 140) notwithstanding any provision to the contrary that may be found in this Contract.
- 2.24 **SCHEDULE OF WORK:** Any work performed on State premises shall be performed during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.
- 2.25 **NEW GOODS:** Any and all products furnished under this Contract shall be new, unused, not reconditioned, and most recent manufacture and not discontinued.

2.26 **SUBSTITUTION:** To the extent any product at issue under this Contract becomes discontinued or otherwise not available during any term of an order, the Vendor may propose to substitute an equivalent or better product at no additional cost to the State. Any substitutions of products shall be subject to the prior review and written approval of the State.

2.27 **WARRANTIES FOR EQUIPMENT, SOFTWARE, SERVICES, AND SUPPLIES:**

2.27.1 **Equipment Warranty.** Vendor warrants that any equipment or hardware furnished under this Contract, including any included microcode and firmware, will, for a period of three (3) years from the date of its delivery to the State: (a) materially conform to the standards, specifications, descriptions and documentation furnished by the State or furnished by Vendor and agreed to by the State, including but not limited to all specifications included or attached to this Contract; (b) be merchantable, of good quality and workmanship, and free from defects and fit and sufficient for the intended use; (c) comply with all federal and state laws and regulations pertaining to the manufacturing, packing, labeling, sale, and delivery of such equipment or hardware; and (d) be of good title and be free and clear of all liens and encumbrances. In the event of a breach of the warranty provided under this section, Vendor shall first make reasonable efforts to repair or replace any affected equipment or components thereof. If, following reasonable efforts, Vendor is unable to repair or replace the affected equipment, then Vendor will refund the amount paid for the affected equipment as depreciated on a straight-line basis over a five-year period.

2.27.2 **Software Warranty.** Vendor warrants that any software provided under this Contract: (1) will at the time of its delivery be materially error-free; (2) will not include any viruses, worms, Trojan horses, malware, backdoors, or other malicious code; and (3) will, for the greater of twelve (12) months or the period during which the State purchases support services, materially conform to the requirements of this Contract, including any statements of work, and, to the extent not inconsistent with the foregoing, the Documentation as it exists at the time of Contract execution. Vendor warrants that it will not modify or change any software to materially reduce the functionality of that software from that existing as of the Effective Date of this Contract.

2.27.2.1 In case of breach of this warranty, Vendor shall first make reasonable efforts to repair the software. If Vendor is unable to repair the software within thirty (30) days, or such longer period as agreed to by the State, Vendor may, with the State's consent, replace the software with software of substantially similar or superior functionality or refund all amounts paid by the State for the software.

2.27.2.2 "Documentation" means Vendor's training course materials, system specifications, hardware requirements, technical manuals, and all other user instructions regarding the capabilities, operation, installation, and use of the software or service including all online help files and other user instructions.

2.27.3 **Subscription Services Warranty.** To the extent that Subscription Services are provided under this Contract, Vendor warrants that it will provide those Subscription Services: (1) with reasonable professional skill and in accordance with the requirements of this Contract; and (2) to the extent

not inconsistent with the foregoing, in accordance with the Documentation as it exists at the time of this Contract's execution. If provided Subscription Services do not comply with this warranty: (a) Vendor will make reasonable efforts to correct the non-conformance; and (b) if Vendor is unable to correct the non-conformance within thirty (30) days or such longer period as agreed to by the State, then it shall notify the State, and the State, at its option, may terminate the Subscription Services and receive a refund of any pre-paid fees that will not be provided as a result of the termination.

- 2.27.4 **Supplies Warranty.** Vendor warrants that any supplies furnished under this Contract will: (a) conform to the standards, specifications, drawing, samples, or descriptions furnished by the State or furnished by Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations, and ordinances pertaining to the manufacturing, packing, labeling, sale, and delivery of the supplies; and (d) be of good title and be free and clear of all liens and encumbrances. Vendor agrees to reimburse the State for any losses, costs, damages, or expenses, including without limitations, reasonable attorney's fees and expenses, arising from any failure of the supplies to meet such warranties.
- 2.27.5 **Professional Services Warranty.** Vendor warrants that all professional services required or provided under this Contract, including those of its subcontractors, will be performed (a) in accordance with this Contract; (b) by trained and competent personnel; (c) in a timely, workmanlike manner; and (d) in accordance with industry best practices for services of this kind. If the State notifies Vendor of a breach of this warranty, Vendor shall re-perform such services in compliance with the warranty within a reasonable period of time not to exceed twenty (20) business days, or the time period agreed to by the Parties in writing. In the event the Vendor does not comply with the warranty within the above referenced timeframe, the State shall be entitled to terminate services and receive a refund of all Vendor fees associated with the services. Vendor shall monitor performance of each individual assigned to perform work under this Contract and shall immediately reassign any individual who does not perform in accordance with this Contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the Contract or State policies.
- 2.27.6 **No Restrictions on Use Warranty.** Vendor represents and warrants that it shall not deliver to the State any third-party product or service, including open-source software, that would require the State to accept and be bound by any third-party terms and conditions, except to the extent such software and its terms and conditions are agreed upon by the State and expressly identified in an exhibit attached to this Contract. Vendor further warrants that there are no legal or contractual restrictions that would prevent or interfere with the State's use of any goods or services provided under this Contract. For example, Vendor warrants that the State's use of software or data provided by Vendor will not be restricted by any license to a third party that Vendor has not disclosed, and that Vendor has the full right to grant the rights and licenses agreed to in this Contract.

- 2.27.7 **Warranty Transfer.** Vendor shall ensure that all third-party warranties applicable to anything provided, provisioned, performed, incorporated, or made available under this Contract are transferred to the State at the time of delivery (“Pass-Through Warranties”). Vendor will deliver and assign all documentation and registration needed to enforce those warranties. Pass-Through Warranties are in addition to Vendor’s own warranties and shall not diminish or limit the State’s rights or the Vendor’s obligations under this Contract. In the event Vendor fails to effectuate a successful pass-through of the third-party warranties, Vendor shall honor those warranties in addition to their own. Vendor shall assist the State in pursuing any remedy under the Pass-Through Warranties. The warranty obligations of Vendor shall survive the State’s inspection, testing, acceptance, and payment under the Contract. The warranty obligations of Vendor shall also, subject to the terms and conditions of this Contract and the Illinois Procurement Code, survive termination of this Contract.
- 2.27.8 **No Diminishment of Warranties.** The warranties set forth in this Contract are in addition to any warranties provided by law or elsewhere in this Contract. Unless expressly permitted under this Contract or otherwise required by law, nothing shall be construed to limit Vendor’s liability for breaching any warranty. If any goods or services fail to meet the above warranties, upon notice from the State, Vendor shall, without cost to the State, promptly correct or re-perform the deficient services, or repair or replace the nonconforming goods, so that they conform to the Contract requirements. If repair or replacement is not timely or practicable, or if re-performance cannot correct the deficiency, the State may at its option either accept a reasonable equitable adjustment in price or deliverables, or require a refund for the nonconforming goods/services or elect to terminate the Contract. The State’s rights under this section are not exclusive and do not waive or limit any other rights or remedies afforded to the State by law or under this Contract
- 2.27.9 **Continuing Warranties:** All representations and warranties of Vendor shall persist for their intended term length and shall survive the completion of services, delivery of goods, and termination or expiration of this Contract. Vendor acknowledges that the State is relying on these representations and warranties in entering into this Contract.
- 2.28 **REPORTING, STATUS AND MONITORING SPECIFICATIONS:** Vendor shall immediately and without any delay notify the State of any event that may have a material impact on Vendor’s ability to perform this Contract, including, but not limited to, significant financial difficulties, loss of key personnel, acquisition by another company, or other material change.
- 2.29 **EMPLOYMENT TAX CREDIT:** Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.
- 2.30 **SUPPLEMENTAL TERMS:** Notwithstanding any provision to the contrary in Vendor’s supplemental terms and conditions, or in any licensing agreement attached hereto:
- 2.30.1 The procuring Agency and the State do not waive sovereign immunity (including all rights provided in the State Lawsuit Immunity Act, 745 ILCS 5);

- 2.30.2 The procuring Agency and the State do not consent to be governed by the laws of any state other than Illinois;
- 2.30.3 The procuring Agency and the State do not consent to be represented in any legal proceeding by any person or entity other than the Illinois Attorney General or his or her designee;
- 2.30.4 The procuring Agency and the State shall not be bound by the terms and conditions contained in any click-wrap agreement, click-wrap license, click-through agreement, click-through license, end user license agreement, or any other agreement or license contained or referenced in the software or any quote provided by Vendor, except as attached to this Contract;
- 2.30.5 The procuring Agency and the State shall not indemnify Vendor or its subcontractors (including any equipment manufacturers or software companies);
- 2.30.6 Vendor shall indemnify the procuring Agency and the State pursuant to the terms and conditions of the Indemnification and Liability clauses of this Contract;
- 2.30.7 Vendor's liability shall be governed by the terms and conditions contained in the Indemnification and Liability clauses of this Contract; and
- 2.30.8 Vendor must ensure that all information technology, including electronic information, software, systems and equipment, developed or provided under this Contract complies with the applicable requirements of the Illinois Information Technology Accessibility Act Standards (as published at [www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa)). 30 ILCS 587.
- 2.31 **SECURITY REQUIREMENTS:** The State of Illinois has specific security requirements for information and systems. Vendor must ensure these requirements are fully understood and allocate sufficient project time and resources to address the security requirements.

An information security risk assessment, data classification and system categorization process, and the submission of a system security plan must be completed and submitted to the Department of Innovation and Technology, Division of Information Security prior to the commencement of system development or solution delivery activities. Vendor must participate with the risk assessment and data classification and system categorization process. The formal risk assessment and data classification and system categorization process will be administered by the Illinois Department of Innovation and Technology, Division of Information Security. Vendor program and project management personnel must ensure the coordination of these activities with State of Illinois program and project management personnel.

If not specifically addressed in other Vendor Information Technology Requirements, Vendor must adhere to State of Illinois technology and security Policies, Procedures, and Standards (<https://doit.illinois.gov/initiatives/cybersecurity/policies.html>).

Vendor must also adhere to a minimum security baseline as identified in the National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 5, Security and Privacy Controls for Federal Systems and Organizations (<https://doi.org/10.6028/NIST.SP.800-53r5>), or as most recently

updated). If not specifically addressed in other Vendor Information Technology Requirements, Vendors must assure the adoption of, at minimum, the low security control baselines. Exceptions to this requirement must be approved by the Illinois Department of Innovation and Technology, Division of Information Security.

Cloud solutions must adhere to recommendations of the Cloud Security Alliance. Vendors may find guidance and cross-referencing to the NIST 800-53, Revision 5, or as most recently updated with the Cloud Security Alliance controls at CSA ([cloudsecurityalliance.org](http://cloudsecurityalliance.org)).

Throughout the term of this Contract, Vendor shall supply a current list of all non-proprietary/open-source software used in their solution. Vendor must also include the version and Open Source Initiative (OSI) approved license type used for any open source software. If Open Source uses non-OSI approved licensing Vendor must include and provide licensing terms and conditions for State review.

Vendor shall ensure any products, subscriptions, and/or services made available under this Contract will interface with the State's identity and access management solutions if authentication is required for access to the system.

Vendor shall ensure any products, subscriptions, and/or services will log activity in accordance with the State's Minimum Logging Requirements (Appendix S1) for the term of the Contract.

Vendor shall obtain and provide logs within 24 hours of request from State of Illinois in a non-proprietary, readily usable format.

Vendor shall ensure remediation begins within 24 hours of discovery for all critical and high (CVSS 7.0 and higher) vulnerabilities, as well as any additional vulnerabilities as determined by the State of Illinois.

Vendor must provide notice to the State of Illinois within 24 hours of the discovery of any critical and high (CVSS 7.0 and higher) vulnerabilities.

State and Federal laws, rules, and regulations as well as industry-specific guidelines require specific and often enhanced security controls on information and systems. The State of Illinois is required to comply with the below laws, standards, and regulations. Vendors must ensure compliance with the below as appropriate based upon the formal risk assessment to include a data classification and system categorization process.

- Illinois Identity Protection Act (5 ILCS 179)
- Illinois Personal Information Protection Act (815 ILCS 530)
- The Family Educational Rights and Privacy Act ("FERPA") (20 U.S.C. § 1232g; 34 CFR Part 99)
- Federal Bureau of Investigations Criminal Justice Information Services ("CJIS") Security Policy, version 5.5, issued June 26, 2016
- Federal Centers for Medicare & Medicaid Services ("CMS") MARS-E Document Suite, Version 2.0 Catalog of Minimum Acceptable Risk Security and Privacy Controls for Exchanges November 10, 2015.

- Federal Centers for Medicare & Medicaid Services Information Security Acceptable Risk Safeguards (“ARS”) CMS Minimum Security Requirements Version 2.0 September 20, 2013.

## 2.32 DATA CENTER LOCATION AND ACCESS:

2.32.1 **Data Center Location:** The physical location of any data center utilized by Vendor, made available, or used by any products, services, and subscriptions under this Contract where State Data (as defined in Section 2.33 of this Contract) is stored or processed shall be within the contiguous United States, unless otherwise specifically agreed in advance by the State in writing at any time throughout the duration of the Contract.

2.32.2 **Data Access:** Vendor as well as any product, service, and subscription made available under this Contract shall only transmit, receive, process, or access State data that contains confidential, sensitive, or personal information: (i) to the extent permitted by the State under this Contract; and (ii) then only within the contiguous United States, unless otherwise specifically agreed in advance by the State in writing at any time throughout the duration of the Contract.

2.33 **DATA USE:** Use of any data provided by the State, generated in the course of performing services under this Contract, or otherwise obtained from the State (collectively "State Data"), whether by Vendor or any product, service, or subscription made available under this Contract, is strictly limited to fulfilling its obligations under this Contract and for no other purpose without the prior written consent of the State. State Data does not include Vendor's proprietary data or information developed independently without reference to State Data. All other use of State Data, including but not limited to sharing, selling, or utilizing State Data for purposes not otherwise explicitly stated in this Contract, is expressly forbidden.

2.34 **PERMITTED USE OF ARTIFICIAL INTELLIGENCE (AI):** Vendor and any product, service or subscription made available under this Contract shall not utilize any Artificial Intelligence (“AI”) system, model, tool, or functionality in the performance of its obligations under this Contract, including the development, delivery, support, or the modification, upgrade, or enhancement of any product, service, or deliverable, or any component thereof, provided under this Contract (“AI Use”), except where such AI Use is both expressly: (i) disclosed to the State by Vendor and (ii) specifically authorized in writing by the State. For the avoidance of doubt, no AI Use shall be inferred or implied as permitted under this Agreement; all permitted uses must be expressly and specifically stated herein.

2.34.1 **Additional Limitation:** Subject to the other restrictions herein, any State authorization provided for AI Use shall be strictly limited to the scope and purposes described in this Contract. Vendor shall not expand or modify its AI Use in any material respect beyond any existing State authorization provided without the prior written consent of the State, and such consent shall be subject to applicable law, rule, regulation, and policy.

2.34.2 **Notice Requirement:** Vendor shall promptly notify the State in writing of any material change in the AI systems used, including but not limited to version changes, shifts in model architecture, or changes in training data sources. Vendor shall provide prompt written notice to the State in the

event any product, service, or subscription made available under this Contract adopts the use of AI in whole or in part.

- 2.35 **DISCLOSURE OF PERMITTED AI USE:** Vendor shall disclose, or shall otherwise ensure the disclosure of, the nature and extent of AI contributions and involvement in relation to any and all permitted uses of AI under this Contract (“AI Disclosures”). AI Disclosures must be provided in a clear, prominent, and contextually appropriate manner.
- 2.35.1 **Real-Time User Interface Disclosure:** AI systems that contain a user interface must clearly identify the interaction as AI-driven, state the model’s name as well as its role and limits, and provide a conspicuous on-screen link or control for deeper detail.
- 2.35.2 **Backend or Embedded AI Functionality:** Where AI systems made available under this Contract lack a direct user interface, Vendor ensure shall ensure AI Disclosures are provided to the relevant end-user or product owner prior to purchase.
- 2.35.3 **AI-Generated Output Labelling:** All deliverables and content wholly or partly produced by AI or derived from AI generated content shall be unmistakably marked in a contextually appropriate manner as determined by the State so the State and users can readily distinguish such content from purely human-authored content.
- 2.36 **LEGAL COMPLIANCE OF AI:** Vendor shall ensure that all deliverables, products, subscriptions, services, or content that that are themselves AI, or embed AI, or rely on AI provided under this Contract are compliant with applicable law.

### 3 SUPPLEMENTAL PROVISIONS

#### 3.1 STATE SUPPLEMENTAL PROVISIONS

Agency Definitions

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Required Federal Clauses, Certifications and Assurances

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Public Works Requirements (Construction and/or Maintenance of a Public Work).

PREVAILING WAGE ACT: This Contract calls for the construction of a “public work” within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 et seq. (the “Prevailing Wage Act”). “Public works” means all fixed works constructed or demolished by any public body or paid for wholly or in part out of public funds and as otherwise defined under the Prevailing Wage Act. 820 ILCS 130/2. “Construction” means all work on public works involving laborers, workers or mechanics. This includes any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented. 820 ILCS 130/2. The Prevailing Wage Act requires vendors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current “prevailing rate of wages” (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Illinois Procurement Code, 30 ILCS 500/25-60 (the “Code”), requires vendors that are awarded certain service contracts to pay service workers no less than the general prevailing wage rates of hourly wages (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Illinois Department of Labor (“IDOL”) publishes the prevailing wage rates on its website at <http://labor.illinois.gov>. IDOL revises the prevailing wage rates, and Vendor and any subcontractors have an obligation to check IDOL’s website for revisions to prevailing wage rates. Please refer to the IDOL website. Vendor and any subcontractors rendering services under this Contract must comply with all requirements of the Prevailing Wage Act and Code, including but not limited to, all wage requirements and notice and record keeping duties.

Prevailing Wage (applicable to: (i) contracts for any janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, or security services, if valued at more than \$200 per month or \$2,000 per year, or (ii) all printing contracts). 30 ILCS 500/25-60.

PREVAILING WAGE ACT: This Contract is a service contract or printing contract subject to the prevailing wage requirements of the Code, 30 ILCS 500/25-60. The Prevailing Wage Act requires vendors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current “prevailing rate of wages” (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Code requires vendors that are awarded certain service contracts to pay service workers no less than the general prevailing wage rates of hourly wages (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. IDOL publishes the prevailing wage rates on its website at <http://labor.illinois.gov>. IDOL revises the prevailing wage rates, and Vendor and any subcontractors have an obligation to check IDOL’s website for revisions to prevailing wage rates. Please refer to the IDOL website. Vendor and any subcontractors rendering services under this Contract must comply with all requirements of the Prevailing Wage Act and Code, including but not limited to, all wage requirements and notice and record keeping duties.

- EMPLOYMENT OF ILLINOIS WORKERS ON PUBLIC WORKS (30 ILCS 570/0.01 et seq.): In a period of excessive unemployment rates, State vendors (1) constructing or building any public works or (2) cleaning-up and disposing on-site of hazardous waste, and that clean-up or on-site disposal is funded or financed in whole or in part with State funds or funds administered by the State, are required to employ at least 90% Illinois laborers on such project. For purposes of this statute: "Illinois laborer" refers to any person who has resided in Illinois for at least 30 days and intends to become or remain an Illinois resident; and "public works" means any fixed work construction or improvement for the State of Illinois or any political subdivision of the State if that fixed work construction or improvement is funded or financed in whole or in part with State funds or funds administered by the State of Illinois. 30 ILCS 570/1. For projects involving clean-up and on-site disposal of hazardous waste, emergency response or immediate removal activities are excluded. This requirement applies to all labor whether skilled, semi-skilled, or unskilled, whether manual or non-manual.

A period of excessive unemployment rates is defined as any month immediately following two consecutive calendar months during which the level of unemployment in the State of Illinois has exceeded 5% as measured by the United States Bureau of Labor Statistics in its monthly publication of employment and unemployment figures.

Any public works project financed in whole or in part by federal funds administered by the State of Illinois is covered under the provisions of this requirement, to the extent permitted by any applicable federal law or regulation. 30 ILCS 570/3.

Vendors may receive an exception from this requirement by submitting a request and supporting documents certifying that Illinois laborers are either not available or are incapable of performing the particular type of work involved. The certification must: (a) be submitted to the Agency within the first quarter of the Contract term; (b) provide sufficient support that demonstrates the exception is met; (c) be signed by an authorized signatory of Vendor; and (d) be approved by the Agency.

- ILLINOIS WORKS JOBS PROGRAM ACT (30 ILCS 559/20-1 et seq.): For a contract that utilizes appropriated capital funds in whole or in part, involves the construction of a public work, as defined in the Prevailing Wage Act (820 ILCS 130/2), and has with an estimated total project cost of \$500,000 or more, Vendor must comply with the Illinois Works Apprenticeship Initiative (30 ILCS 559/20-20 to 20-25) and all applicable administrative rules. The "estimated total project cost" is a good faith approximation of the costs of the entire project. The goal of the Illinois Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. For contracts executed after July 28, 2023, and before January 1, 2024, of this goal, at least 25% of the labor hours of each prevailing wage classification performed by apprentices shall be performed by graduates of the Illinois Works Preapprenticeship Program, the Illinois Climate Works Preapprenticeship Program, or the Highway Construction Careers Training Program. For contracts executed on or after January 1, 2024, of this goal, at least 50% of the labor hours of each prevailing wage classification performed by apprentices shall be performed by graduates of the Illinois Works Preapprenticeship Program, the Illinois Climate Works Preapprenticeship Program, or the Highway Construction Careers Training Program. Vendor may seek from the Department of Commerce and Economic Opportunity ("DCEO") a waiver or reduction of this goal in certain circumstances pursuant to 30

ILCS 559/20-20(b). Vendor must ensure compliance for the life of the entire project, including during the term of the Contract and after the term ends, if applicable, and will be required to report on and certify its compliance.



**QUALITY ASSURANCE:**

**QUALITY ASSURANCE SYSTEM:** Vendor will provide and maintain a quality assurance system, acceptable to the State, addressing any Services provided under this Contract. Prior to Contract execution, Vendor shall provide to the State copies of its procedures, practices, processes, or similar documents evidencing Vendor's quality assurance system sufficient to permit the State to determine its acceptability. Starting from the effective date of the Contract and on an ongoing basis during the Contract term, Vendor shall tender to the State quarterly reports detailing and providing explanatory metrics on Vendor's performance under the Contract, including information provided in accordance with its quality assurance system for any Deliverables resulting from services performed. Vendor will keep records evidencing inspections and their results and will make these records available to the State during performance of this Contract and for three years after Contract termination.

**MEETINGS AND REPORTS:** The State may schedule periodic and regular status meetings or reports (e.g., weekly or monthly) where Vendor will provide updates on deliverables, timelines, and any issues affecting performance. Upon the State's request, Vendor's project manager and relevant key personnel shall meet with State representatives to review progress, address concerns, and ensure compliance with the Contract requirements.

**DEFICIENCIES:** If the State finds deficiencies in Vendor's performance, the State may provide written notice to Vendor to take corrective action. Failure to remedy performance issues to the State's satisfaction may be grounds for termination as provided in Section 1.3. Additionally, the State reserves the right to suspend Contract performance (in whole or part) by written notice to Vendor in order to protect the State's interests, pending resolution of performance or compliance concerns. In the event of suspension, Vendor will cease the specified activities and resume only upon written direction from the State. Suspension shall not give rise to any claim by Vendor for damages, lost profits, or additional compensation, except that the State may, as approved and received under this Contract, pay for conforming goods delivered and services performed up to the effective date of suspension.

**GOOD FAITH DISPUTE RESOLUTION:** In the event of any dispute or controversy between the Vendor and the State arising out of or relating to this Contract, the Parties will attempt in good faith to resolve such dispute informally. The Vendor shall, at the State's request, escalate all issues internally and shall meet and confer within ten (10) business days (or another time as the State specifies) to attempt to reach an equitable resolution. A failure by Vendor to escalate such an issue upon request or otherwise fail or refuse to meet with the State to discuss such an issue may, at the State's sole discretion, be considered a material breach of this Contract.

**MISCELLANEOUS TERMS AND CONDITIONS APPLICABLE TO ANY STATEMENTS OF WORK (“SOW”):** Notwithstanding any provision to the contrary in any SOW attached as part of this Contract:

Any and all change orders, as well as any changes to fees, scope, or project timeline, shall be subject to internal State approvals and the requirements must follow the limitations of applicable laws and regulations, including but not limited to the Illinois Criminal Code (720 ILCS 5/33E-9) and the Illinois Procurement Code (30 ILCS 500).

Vendor will comply with all applicable laws and regulations, including but not limited to those related to data security and privacy, in performing any services under this Contract and will implement all necessary measures and use all reasonable care in accessing or handling any of the State’s data or systems.

For any services provided, Vendor may not substitute key personnel, proposed by Vendor at the commencement of a project or in its response to a solicitation, whichever occurs first, without the State’s prior written approval. Any personnel proposed for substitution shall be substantially equal in ability and qualifications.

Vendor shall maintain an organizational structure and staffing levels sufficient to meet project demands at all times. Vendor must obtain State approval prior to replacing or reassigning any Key Personnel. Replacement staff must possess equal or superior qualifications.

If the State determines a resource is not performing in a satisfactory manner or that a resource cannot perform the objectives of the Contract, the State will provide the Vendor written notice of said situation with directions that the resource is to be withdrawn at the timeframe specified in the notice.

When a resource vacancy arises from the States’s approval of the vendor’s request to withdraw a resource or the State’s determination of underperformance and the State decides the resource needs to be replaced, the State will contact the Vendor in writing to request a replacement candidate. The Vendor will have ten (10) days to provide a new candidate for State approval. Replacement staff must possess equal or superior qualifications to the original resource.

**ACCEPTANCE AND REJECTION OF DELIVERABLES:**

Unless otherwise specified in an applicable Statement of Work (“SOW”):

**ACCEPTANCE TESTING PROCEDURE.** The State will have forty-five (45) days from its receipt of a Deliverable to perform testing to determine whether that Deliverable complies in all material respects with applicable Contract specifications and Documentation. Upon completion of testing, the State shall promptly give Notice to Vendor that it has accepted the Deliverable (“Acceptance Notice”) or that it has identified discrepancies with the applicable specifications or Documentation (“Rejection Notice”). Any such Rejection Notice will contain a written list of discrepancies that must be corrected. No Deliverable will be considered accepted unless the State has issued Vendor a written Acceptance Notice with respect to that Deliverable. The State’s

Issuance of an Acceptance Notice shall not affect any rights related to any product or service provided under this Contract that would attach beyond the State’s acceptance of such product or service.

**PROCEDURE FOLLOWING REJECTION.** Upon receipt of a Rejection Notice, the Vendor shall within twenty (20) days undertake, at no additional cost to the State, all reasonable efforts to complete all necessary corrections, repairs, and modifications as will permit the Deliverable to be ready for retesting and review, following which the testing and evaluation process shall restart as set forth above. If the State determines that the Deliverable as revised still does not comply in all material respects with the applicable specifications or Documentation, the State may either: (1) afford Vendor the opportunity to continue the correction and modification process as set forth above at no additional cost to the State; or (2) depending on the nature and extent of the failure, in the State’s sole judgment, terminate this Contract in whole or in part. The foregoing correction and modification process may be repeated until the Deliverable is accepted or the State elects to terminate the Contract as provided above. In the event of a termination under this section, Vendor shall refund to the State, within ten (10) business days of notice of termination, all sums paid to Vendor by the State under this agreement for the Deliverable, including any related prepaid amounts.

Appendix S1 Minimum Logging Requirements

State Cloud Appendix—Attached Below

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Agency Specific Terms and Conditions

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Other (describe)

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### 3.2 **VENDOR SUPPLEMENTAL PROVISIONS**

**[\*LIST ANY VENDOR DOCUMENTS HERE AND ATTACH BELOW; OR ELSE NOTE “N/A”\*]**