



**STATE OF MARYLAND**  
**MARYLAND STATE RETIREMENT AGENCY (AGENCY)**  
**SMALL PROCUREMENT SOLICITATION**  
**COMAR 21.05.07**

**PRINTING, SORTING, MAILING OF 1099-R FORMS**  
**SOLICITATION NO. SRA 20-10**

**ISSUE DATE: JULY 31, 2020**

**NOTICE TO CONTRACTORS**  
**THIS IS DESIGNATED AS A SMALL PROCUREMENT**

**NOTICE**

A Prospective Contractor that has received this document from a source other than eMaryland Marketplace Advantage (eMMA) <https://procurement.maryland.gov>, should register on eMMA. See **Section 1.3**.

**MINORITY BUSINESS ENTERPRISES ARE ENCOURAGED TO  
RESPOND TO THIS SOLICITATION.**

**STATE OF MARYLAND  
MARYLAND STATE RETIREMENT AGENCY  
KEY INFORMATION SUMMARY SHEET**

**Small Procurement Solicitation:** SERVICE: Printing, Sorting, Mailing of 1099-R Forms

**Solicitation Number:** SRA 20-10

**Solicitation Issue Date:** July 31, 2020

**Issuing Office:** Maryland State Retirement Agency

**Procurement Officer:** Margie J. Gordon, CPPB  
Maryland State Retirement Agency  
120 E. Baltimore Street, Room 1602  
Phone: 410-625-5656 Fax: 410-468-1703  
E-mail: procurement@sra.state.md.us

**Contract Manager:** Leshia Cornish-Covington  
Maryland State Retirement Agency  
120 E. Baltimore Street, Room 1614  
Phone: 410-625-5612 Fax: 410-468-1703  
E-mail: lcornishcovington@sra.state.md.us

**Proposals are to be sent to:** Maryland State Retirement Agency  
120 E. Baltimore Street, Room 1602,  
Baltimore, MD 21202  
Attention: Margie J. Gordon

**Proposal Due (Closing) Date and Time:** August 17, 2020 at 2:00 P.M. Local Time

**Procurement Type:** Small Procurement

**Contract Type:** Fixed-Price Contract (per COMAR 21.06.03.03.B (1))

**Contract Duration:** One (1) year, with no renewal options, effective on the Notice to Proceed Date.

## **SECTION 1 - GENERAL INFORMATION**

### **1.1 Background and Purpose**

The Maryland State Retirement Agency (Agency) is seeking a vendor to provide printing and mailing services to assist the Agency in its annual processing of up to 200,000 Internal Revenue Service (IRS) 1099-R forms. The creation of each IRS 1099-R requires that the Vendor read a data file provided by the Agency and map the data and applicable Agency messages in that file, to specific fields on the IRS 1099-R form.

The annual processing of 1099-R forms is a critical task subject to deadlines that cannot be extended or missed. The IRS requires that every IRS 1099-R form must be postmarked no later than January 31st of each year and may impose penalties of up to \$1,500,000 per year (\$100 per form processed late) for missing this deadline. The Vendor shall be responsible for paying any and all penalties levied by the IRS on the Agency for missing this deadline provided that the Agency has met its own deadlines as provided in the Scope of Work and Project Timeline (*See Exhibit A*).

To provide reasonable assurance that this deadline will not be missed, the Agency requires that the Vendor ensure that every IRS 1099-R form must be postmarked no later than the January 27th of each year. Additionally, the Agency requires that once the Vendor starts to print the IRS 1099-R forms, the Vendor delivers the completed IRS 1099-R forms to the Post Office each day until the printing has been completed. This “staggered” delivery helps the Agency manage the volume of incoming telephone calls generated by the receipt of the IRS 1099-R forms by the recipients. The Agency intends to make a single award as a result of this Solicitation. No portion of the services under this Contract may be subcontracted by the Contractor.

### **1.2 Procurement Officer and Contract Manager**

The Procurement Officer is the sole point of contact in the State for purposes of this Solicitation prior to the award of any Contract. The name and contact information of the Procurement Officer are indicated in the Key Information Summary Sheet (near the beginning of the Solicitation, after the Title Page and Notice to Vendors). The Agency may change the Procurement Officer at any time by written notice.

The Contract Manager is the State representative for this Contract who is primarily responsible for Contract administration functions after Contract award. The name and contact information of the Contract Manager are also indicated in the Key Information Summary Sheet (near the beginning of the Solicitation, after the Title Page and Notice to Vendors). The Agency may change the Contract Manager at any time by written notice.

### **1.3 eMaryland Marketplace Advantage**

In order to receive a contract award, a vendor must be registered on eMMA. Registration is free. Go to <https://procurement.maryland.gov>, click on “Login and Register” under Quick Links to begin the process, and then follow the prompts.

### **1.4 Questions**

Questions to the Procurement Officer shall be submitted via e-mail prior to the Proposal due date to the following e-mail address: [procurement@sra.state.md.us](mailto:procurement@sra.state.md.us). Please identify in the subject line the Solicitation Number and Title.

Time permitting, answers to all substantive questions that are not clearly specific only to the requestor, will be distributed to all vendors that are known to have received a copy of the Solicitation in sufficient time for the answer to be taken into consideration in the Proposal.

### 1.5 Proposals Due (Closing) Date and Time

Proposals must be received by the Procurement Officer at the Procurement Officer's address and no later than the Proposal Due date and time indicated in the Key Information Summary Sheet (near the beginning of the Solicitation, after the Title Page and Notice to Vendors) in order to be considered. Requests for extension of this time or date will not be granted.

Contractors may either mail or hand-deliver Proposals. For U.S. Postal Service deliveries, any Proposal that has been received at the appropriate mailroom, or typical place of mail receipt, for the respective procuring unit by the time and date listed in the Solicitation will be deemed to be timely. **Proposals may not be submitted by e-mail or facsimile.**

### 1.6 Revisions to the Solicitation

If it becomes necessary to revise this Solicitation before the due date for Proposals, the Agency shall endeavor to provide addenda to all prospective Contractors that were sent this Solicitation or which are otherwise known by the Procurement Officer to have obtained this Solicitation. In addition, addenda to the Solicitation will be posted on <https://procurement.maryland.gov>.

Failure to acknowledge receipt of an addendum does not relieve the Contractor from complying with the terms, additions, deletions, or corrections set forth in the addendum.

### 1.7 Cancellations

The Agency reserves the right to cancel this Solicitation.

### 1.8 Protest/Disputes

Any protest or dispute related, respectively, to this Solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

### 1.9 Mandatory Contractual Terms

By submitting a Proposal in response to this Solicitation, a Contractor, if selected for award, shall be deemed to have accepted the terms and conditions of this Solicitation and the Contract, attached hereto as **Attachment D**. Any exceptions to this Solicitation or the Contract, may result in having the Proposal deemed unacceptable, or classified as not reasonably susceptible of being selected for award. **The Agency reserves the right to accept or reject any exceptions.**

### **1.10 Contract Affidavit**

All Offerors are advised that if a Contract is awarded as a result of this Solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as

**Attachment E** of this Solicitation. This Affidavit must be provided within five (5) Business Days of notification of recommended award. For purposes of completing Section “B” of this Affidavit (Certification of Registration or Qualification with the State Department of Assessments and Taxation), a business entity that is organized outside of the State of Maryland is considered a “foreign” business.

### **1.11 Non-Disclosure Agreement**

#### 1.11.1 Non-Disclosure Agreement (Contractor)

All Contractors are advised that this Solicitation and any Contract(s) are subject to the terms of the Non-Disclosure Agreement (NDA) contained in this Solicitation as **Attachment C**. This Agreement must be provided within five (5) Business Days of notification of recommended award; however, to expedite processing, it is suggested that this document be completed and submitted with the Bid.

### **1.12 Subcontractors**

There will be no subcontracting participation allowed for this Solicitation.

### **1.13 Small Procurement Designation**

The procedures set forth in COMAR 21.05.07 to obtain services for this Solicitation are reasonably expected by the Procurement Officer to cost \$50,000 or less.

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**SECTION 2 – MINIMUM QUALIFICATIONS**

**2.1 Contractor Minimum Qualifications**

The Contractor must provide proof with its Proposal that the following Minimum Qualifications have been met:

2.1.1 The Contractor must be a professional firm that has at least three (3) years’ experience performing services similar to the Printing, Sorting, Mailing of 1099-R Forms services as further described in this Solicitation. As proof of meeting this requirement, the Contractor shall provide with its Proposal a brief description/summary of 3 services similar to those described in this Solicitation, that it has provided within the past five (5) years, and references from these services that may attest to the Contractor’s experience in providing these similar services.

2.1.2 The Contractor shall host at their own secure website (not a third party). The Contractor’s secure website must be in accordance with requirements as specified in Section 3.3.1 and also must comply with Section 3.3.1 SOC 2 Type II Audit Report. As proof of this requirement, the Contractor shall affirm its capability in writing that its secure website is in accordance with Section 3.2.1.1.

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## **SECTION 3 – SCOPE OF WORK**

### **3.1 Scope of Work - Requirements**

#### **General Requirements:**

##### **3.1.1 Agency Responsibilities**

The Agency shall:

- 3.1.1.1 Appoint a Contract Manager and a Daily Contact. The Contract Manager shall be responsible for oversight of the services provided pursuant to this Agreement. The Contract Manager shall coordinate and manage all activity, services, and deliverables associated with this Agreement. The Agency may replace the Contract Manager with written notice to the Contractor. The Daily Contact will be available on a daily basis to address day-to-day operations and concerns regarding this Agreement.
- 3.1.1.2 Supply the Vendor with a mock-up for the current year IRS 1099-R form (see Exhibit A, Attachment #1 for example).
- 3.1.1.3 Supply the Vendor with the “Instructions for Recipient”, to be printed on the reverse side of the IRS Form 1099-R (see Exhibit A, Attachment #2 for example).
- 3.1.1.4 Provide the Vendor with the specifications and the specific wording to be printed on the #10 (non-standard) secure window envelopes (see Exhibit A, Attachments #3 and #4 for examples).
- 3.1.1.5 Supply the Vendor with an Agency specified file format, along with a data placement map for the current year IRS 1099-R form (see Exhibit A, Attachments #5 and #6 for examples).
- 3.1.1.6 Provide the Vendor with an ASCII Text Test Data File, which is a file created by the Agency, and provided to the Vendor to facilitate the Vendor’s initial programming. The ASCII Text Test Data File also provides the Vendor with data to use in the creation of test IRS 1099-R forms for review by the Agency. The ASCII Text Test Data File will allow the Vendor to complete the necessary programming, and related tasks to create complete and accurate IRS 1099-R forms. The Test Data File will contain data to create up to 500 “test” IRS 1099-R forms.
- 3.1.1.7 Review and provide timely feedback to the Vendor upon the receipt of its mock-up of the current year IRS 1099-R form, including the “Instructions to Recipient”.
- 3.1.1.8 Review and provide timely feedback to the Vendor upon the receipt of its mock-up of the customized #10 (non-standard) secure window envelope.
- 3.1.1.9 Approve, when in the Agency’s sole opinion, that it has met the Agency’s standards, the IRS 1099-R form, and Front and Back (Instructions to Recipient) developed by the Vendor.

- 3.1.1.10 Approve, when in the Agency's sole opinion, that it has met the Agency's standards, the customized #10 (non-standard) secure window envelope developed by the Vendor.
- 3.1.1.11 Review and provide timely feedback of test IRS 1099-R tax forms created by the Vendor based upon the Agency's test ASCII Text Data File.
- 3.1.1.12 Approve, when in the Agency's sole opinion, that it has met the Agency's standards, the test IRS 1099-R tax forms created by the Vendor.
- 3.1.1.13 Provide the Vendor with an estimated count of the numbers of IRS 1099-R forms and envelopes required.
- 3.1.1.14 Provide the Vendor with an ASCII Production Data File for printing of the final IRS 1099-R forms.
- 3.1.1.15 Review and provide feedback to the Vendor upon the receipt of sample IRS 1099-R forms created from the Production Data File. The Production Data File is a file created by the Agency and provided to the Vendor to be used in the creation of the ACTUAL IRS 1099-R Forms that will be delivered to the Payees.
- 3.1.1.16 Approve, when in the Agency's sole opinion, that it has met the Agency's standards, the production IRS 1099-R tax forms created by the Vendor.
- 3.1.1.17 Provide written authorization to the Vendor to print and mail the IRS 1099-R forms.
- 3.1.1.18 Provide, as needed, and on a bi-weekly basis until April 15th of the Contract year, the Vendor with data file(s) containing additional records to be printed and returned to the Agency for mailing.
- 3.1.1.19 Pay for the postage necessary to mail all of the completed IRS 1099-R forms delivered by the Vendor to the US Post Office, or to the Agency.

**3.1.2 Contractor Responsibilities**

The Contractor shall

- 3.1.2.1 Appoint an Account Manager and a Daily Contact. The Account Manager shall be responsible for oversight of services provided pursuant to this Agreement. The Daily Contact will be available on a daily basis to address day-to-day operations and concerns regarding this Agreement. The Account Manager shall coordinate and manage all activity, services, and deliverables associated with this Agreement. The Account Manager shall not be replaced or removed from this position without the written consent of the Contract Manager. The Account Manager must have the authority to resolve all problems associated with this Agreement, including billing matters, personnel issues, etc., as they arise.
- 3.1.2.2 Sign a Data Security Agreement with the Agency and ensure that all data provided to the Vendor is safeguarded and used only for the purpose intended, the creation of IRS 1099-R forms.



- 3.1.2.3 Provide a secure environment to safeguard all of the completed IRS 1099-R forms through delivery to the US Post Office or Agency (Note: Agency reserves the right to inspect the premises of Vendor to evaluate the acceptability of the Vendor's secure environment).
- 3.1.2.4 Provide a secure website environment to transmit and receive data files to and from the Agency.
- 3.1.2.5 Create a customized (Agency specified) 3-up, perforated, two-sided IRS 1099-R form on a high quality laser printer and produce, upon Agency authorization, the number required by the Agency (estimated at 200,000).
- 3.1.2.6 Create a customized #10 (non-standard) secure window envelope needed for the mailing of the printed IRS 1099-R forms and produce, upon Agency authorization, the number required by the Agency (estimated at 200,000).
- 3.1.2.7 Complete the necessary computer programming to translate the data in the Agency's data files into the Vendor's software environment used to print the IRS 1099-R forms. The files contain variable data, including messages of explanation that must be printed on select forms.
- 3.1.2.8 Provide test prints for the Agency to review. If the Agency identifies any printing errors, reprints will be provided by the Contractor, until accepted by the Agency.
- 3.1.2.9 Update the customized 1099-R form, "Instructions for Recipient", and the customized #10 (non-standard) secure window envelopes as needed. The IRS modifies the 1099-R form and instruction page annually. (See IRS website for details).
- 3.1.2.10 Barcode the Agency supplied addresses, to meet U.S. Post Office requirements.
- 3.1.2.11 Verify the Agency supplied addresses in the Production Data File against the U.S. Postal Service National Change of Address (NCOA) database and update addresses as necessary.
- 3.1.2.12 Deliver to the Agency a sample of up to one hundred (100) IRS 1099-R forms inserted in envelopes from the Production Data File for the Agency to review. An electronic file of the Agency specified sample, should also be provided via the secure website (i.e., encrypted Adobe PDF file).
- 3.1.2.13 Comply with all current United States Postal service requirements, including, but not limited to, Coding Accuracy Support System ("CASS") certification.
- 3.1.2.14 Provide the Agency with a file containing all of the addresses changed, as a result of, the NCOA match process. The file of address changes should be in Excel format and shall include the addressee's name, last four digits of the social security number, account number, the complete address provided by the Agency in the Production Data File, and the complete address provided from the NCOA match.
- 3.1.2.15 Provide the Agency with any IRS 1099-R forms with addresses that failed the NCOA database match for processing (e.g., inconsistent data between zip code and state).

- 3.1.2.16 Provide the Agency with a file (or files) of all of the IRS 1099-R forms that were printed. This data must be in PDF format. The Agency no longer requires that the file be indexed by social security number, as we have internal capability to produce reprints.
- 3.1.2.17 Upon receipt of Agency authorization, print, in zip code order, all IRS 1099-R forms, inserting all IRS 1099-R forms into the approved envelopes, so that only the recipient's name and address are visible through the window, and seal each envelope. With the exception of zip codes equal to "00000" or "00001" or " " (null), metering and barcoding each envelope and placing each envelope in an approved First Class mail tray, that can be obtained from any United States Post Office, free of charge. Envelopes must be pre-sorted to maximize the postage discount. All printed IRS 1099-R forms must meet all Internal Revenue Services (IRS) print specifications.
- 3.1.2.18 Deliver, on a daily basis as completed, the presorted envelopes in the approved First Class mail trays to the Business Entry location of the main United States Post Office located at 900 East Fayette Street, Baltimore, Maryland or alternate United States Post Office location with the written approval of the Agency. Delivery of all IRS 1099-R forms must be completed on or before January 27th.
- 3.1.2.19 Deliver to the Agency, via UPS or similar secure courier, all 1099-R forms with zip codes equal to "00000" or "00001" or " " (null) to the Agency for processing and not for delivery to the Post Office. These forms represent foreign addresses or addresses known to be incorrect. Delivery to the Agency of these IRS 1099-R forms must be completed on or before January 27th.
- 3.1.2.20 Deliver to the Agency, 500 of the 3-up blank, perforated IRS 1099-R forms used by the Vendor for printing and mailing. One side is the blank IRS 1099-R form with no data in the boxes and the other side is printed with the current year "Instructions to Recipient". Delivery to the Agency of these blank IRS 1099-R forms must be completed on or before January 27th.
- 3.1.2.21 Deliver to the Agency, 500 blank customized #10 (non-standard) secure window envelopes. Delivery to the Agency of these blank #10 (non-standard) secure window envelopes must be completed on or before January 27th.
- 3.1.2.22 Notify the Agency, on a daily basis, of the number of completed 1099-R forms/envelopes delivered to the Post Office, and providing a copy of a completed "First Class Permit Imprint Receipt" form (form #3600) for proof of delivery to the required post office.
- 3.1.2.23 Provide a customized 3-up PDF fill-in form for the Agency use, to create "Corrected" IRS 1099-R forms. The fill-in form must have the Payer's information pre-populated on all forms, as well as, the capability to enter recipient data on the first form automatically populated to the other two forms.
- 3.1.2.24 Print corrected IRS 1099-R forms on a bi-weekly basis, as needed, by the Agency until April 17<sup>th</sup>. The Agency will supply the Vendor with the data file of additional records to be printed. The printed IRS 1099-R forms are to be returned to the Agency within 5 business days of the Vendor receiving the corrected data file. The Vendor will not be required to mail the individual prints to the recipients.

## 3.2 Security Requirements

### 3.2.1 Information Technology

For purposes of this Solicitation and the resulting Contract:

- (a) "Sensitive Data" means information that is protected against unwarranted disclosure, to include Personally Identifiable Information (PII), Protected Health Information (PHI) or other private/confidential data, as specifically determined by the State. Sensitive Data includes information about an individual that (1) can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; (2) is linked or linkable to an individual, such as medical, educational, financial, and employment information; (3) falls within the definition of "personal information" under Md. Code Ann., Com. Law§ 14-1305(d); or (4) falls within the definition of "personal information" under Md. Code Ann., State Govt. § 10-1301(c).
- (b) The Contractor shall implement administrative, physical, and technical safeguards to protect State data that are no less rigorous than accepted industry standards for information security such as those listed below, and shall ensure that all such safeguards, including the manner in which State data is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws as well as the terms and conditions of this Solicitation and resulting Contract.
- (c) The Contractor agrees to abide by all applicable federal, State and local laws concerning information security and comply with current State of Maryland Department of Information Technology Security Policy: <http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>. The State IT Security Policy may be revised from time to time. The Contractor shall comply with all such revisions. Updated and revised versions of the State IT Policy and Standards are available online at: [www.doit.maryland.gov](http://www.doit.maryland.gov) – keyword: Security Policy.

#### 3.2.1.1 Information Security Requirements

To ensure appropriate data protection safeguards are in place, the Contractor shall at a minimum implement and maintain the following information technology controls at all times throughout the life of the Contract. The Contractor may augment this list with additional information technology controls.

- (a) Apply hardware and software hardening procedures as recommended by the manufacturer to reduce the Contractor's systems' surface of vulnerability. The purpose of system hardening procedures is to eliminate as many security risks as possible. These procedures may include but are not limited to removal of unnecessary software, disabling or removing of unnecessary services, the removal of unnecessary usernames or logins, and the deactivation of unneeded features in the Contractor's system configuration files.
- (b) Establish policies and procedures to implement and maintain mechanisms for regular internal vulnerability testing of operating system, application, and network devices supporting the services provided under this Contract. Such testing is intended to identify outdated software versions; missing software patches; device or software misconfigurations; and to validate compliance with or deviations from the Contractor's security policy. The Contractor shall

evaluate all identified vulnerabilities for potential adverse effect on the system's security and/or integrity and remediate the vulnerability promptly or document why remediation action is

unnecessary or unsuitable. The Agency shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under this Contract.

- (c) Where website hosting or Internet access is the service provided or part of the service provided, the Contractor shall conduct regular external vulnerability testing. External vulnerability testing is an assessment designed to examine the Contractor's security profile from the Internet without benefit of access to internal systems and networks behind the external security perimeter. The Contractor shall evaluate all identified vulnerabilities on Internet-facing devices for potential adverse effect on the system's security and/or integrity and remediate the vulnerability promptly or document why remediation action is unnecessary or unsuitable. The Agency shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under this Contract.
- (d) Ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting the services provided under this Contract; that the anti-virus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation.
- (e) Enforce strong user authentication and password control measures over the Contractor's systems supporting the services provided under this Contract to minimize the opportunity for unauthorized system access through compromise of the user access controls. At a minimum, the implemented measures should be consistent with the most current State of Maryland Department of Information Technology's Information Security Policy (<http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>), including specific requirements for password length, complexity, history, and account lockout.
- (f) Ensure State data under this service is not processed, transferred, or stored outside of the United States.
- (g) Ensure that State data is not comingled with the Contractor's other clients' data through the proper application of data compartmentalization security measures. This includes but is not limited to classifying data elements and controlling access to those elements based on the classification and the user's access or security level.
- (h) Apply data encryption to protect State data, especially Sensitive Data, from improper disclosure or alteration. Data encryption should be applied to State data in transit over networks and, where possible, State data at rest within the system, as well as to State data when archived for backup purposes. Encryption algorithms which are utilized for this purpose must comply with current Federal Information Processing Standards (FIPS), "Security Requirements for Cryptographic Modules", FIPS PUB 140-2.  
<http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf>  
<http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm>
- (i) Enable appropriate logging parameters on systems supporting services provided under this Contract to monitor user access activities, authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers as well as information security standards including the current State of

Maryland Department of Information Security Policy:  
<http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>

- (j) Retain the aforementioned logs and review them at least daily to identify suspicious or questionable activity for investigation and documentation as to their cause and perform remediation, if required. The Agency shall have the right to inspect these policies and procedures and the Contractor's performance to confirm the effectiveness of these measures for the services being provided under this Contract.
- (k) Ensure system and network environments are separated by properly configured and updated firewalls to preserve the protection and isolation of Sensitive Data from unauthorized access as well as the separation of production and non-production environments.
- (l) Restrict network connections between trusted and untrusted networks by physically and/or logically isolating systems supporting the services being provided under the Contract from unsolicited and unauthenticated network traffic.
- (m) Review at regular intervals the aforementioned network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary.
- (n) Ensure that the Contractor's personnel shall not connect any of their own equipment to a State LAN/WAN without prior written approval by the State. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Manager to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.

#### 3.2.1.2 Incident Response Requirement

- (a) The Contractor shall notify the Contract Manager when any Contractor system that may access, process, or store State data or work product is subject to unintended access or attack. Unintended access or attack includes compromise by computer malware, malicious search engine, credential compromise or access by an individual or automated program due to a failure to secure a system or adhere to established security procedures.
- (b) The Contractor shall notify the Contract Manager within one (1) Business Day of the discovery of the unintended access or attack by providing notice via written or electronic correspondence to the Contract Manager and Procurement Officer.
- (c) The Contractor shall notify the Contract Manager within two (2) hours if there is a threat to the Contractor's systems as it pertains to the use, disclosure, and security of the Agency's Sensitive Data.
- (d) If an unauthorized use or disclosure of any Sensitive Data occurs, the Contractor must provide written notice to the Contract Manager within one (1) Business Day after the Contractor's discovery of such use or disclosure and, thereafter, all information the State requests concerning such unauthorized use or disclosure.
- (e) The Contractor, within one (1) Business Day of discovery, shall report to the Contract Manager any improper or non-authorized use or disclosure of Sensitive Data. The Contractor's report shall identify:

1. the nature of the unauthorized use or disclosure;
2. the Sensitive Data used or disclosed;
3. who made the unauthorized use or received the unauthorized disclosure;
  
4. what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and:
5. what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure.
6. the Contractor shall provide such other information, including a written report, as reasonably requested by the State.

(f) The Contractor shall comply with all applicable laws that require the notification of individuals in the event of unauthorized release of PII or other event requiring notification. In the event of a breach of any of the Contractor's security obligations or other event requiring notification under applicable law, the Contractor agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State and its officials and employees from and against any claims, damages, or other harm related to such security obligation breach or other event requiring the notification.

(g) This Section 3.2.1.2 shall survive expiration or termination of the Contract.

<b>3.3 SOC 2 Type 2 Audit Report</b>
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3.3.1 A SOC 2 Type 2 Audit applies to the Contract. The applicable trust principles are: Security, Availability, Processing Integrity, Confidentiality, and Privacy as described in **Section 3.3.2** below.

3.3.2 In the event the Contractor provides services for identified critical functions, handles Sensitive Data, or hosts any related implemented system for the State under the Contract, the Contractor shall have an annual audit performed by an independent audit firm of the Contractor's handling of Sensitive Data or the Agency's critical functions. Critical functions are identified as all aspects and functionality of the Solution including any add-on modules and shall address all areas relating to Information Technology security and operational processes. These services provided by the Contractor that shall be covered by the audit will collectively be referred to as the "Information Functions and Processes." Such audits shall be performed in accordance with audit guidance: Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2) as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly-recognized professional organization, as agreed to by the Agency to assess the security of outsourced client functions or data (collectively, the "Guidance") as follows:

- A. The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the "SOC 2 Audit" or "SOC 2 Report"). All SOC2 Audit Reports shall be submitted to the Contract Monitor as specified in Section F below. The initial SOC 2 Audit shall be completed within a timeframe to be specified by the State. The audit period covered by the initial SOC 2 Audit shall start with the Contract Effective Date unless otherwise agreed to in writing by the Contract Monitor. All subsequent SOC 2 Audits after this initial audit shall be performed at a minimum on an annual basis throughout the Term of the Contract, and shall cover a 12-month audit period or such portion of the year that the Contractor furnished services.
- B. The SOC 2 Audit shall report on the suitability of the design and operating effectiveness of controls over the Information Functions and Processes to meet the requirements of the Contract, including the Security Requirements identified in **Section 3.2**, relevant to the trust principles identified in 3.3.1.

The audit scope of each year's SOC 2 Report may need to be adjusted (including the inclusion or omission of the relevant trust services principles of Security, Availability, Processing Integrity, Confidentiality, and Privacy) to accommodate any changes to the environment since the last SOC 2 Report. Such changes may include but are not limited to the addition of Information Functions and Processes through modifications to the Contract or due to changes in Information Technology or the operational infrastructure. The Contractor shall ensure that the audit scope of each year's SOC 2 Report engagement shall accommodate these changes by including in the SOC 2 Report all appropriate controls related to the current environment supporting the Information Functions and/or Processes, including those controls required by the Contract.

- C. All SOC 2 Audits, including those of the Contractor, shall be performed at no additional expense to the Agency.
- D. The Contractor shall provide to the Contract Monitor, within 30 calendar days of the issuance of each SOC 2 Report, a complete copy of the final SOC 2 Report(s) and a documented corrective action plan addressing each audit finding or exception contained in the SOC 2 Report. The corrective action plan shall identify in detail the remedial action to be taken by the Contractor along with the date(s) when each remedial action is to be implemented.
- E. If the Contractor currently has an annual, independent information security assessment performed that includes the operations, systems, and repositories of the Information Functions and Processes being provided to the Agency under the Contract, and if that assessment generally conforms to the content and objective of the Guidance, the Agency will determine in consultation with appropriate State government technology and audit authorities whether the Contractor's current information security assessments are acceptable in lieu of the SOC 2 Report(s).
- F. If the Contractor fails during the Contract term to obtain an annual SOC 2 Report by the date specified in **Section 3.3.2.A**, the Agency shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report of the Information Functions and Processes utilized or provided by the Contractor and under the Contract. The Contractor agrees to allow the independent audit firm to access its facility/ies for purposes of conducting this audit engagement(s), and will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. The Agency will invoice the Contractor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Contractor.
- G. Provisions in **Section 3.3.1-2** shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of **Section 3.3.1-2** (or the substance thereof) in all subcontracts.

### **3.4 Insurance Requirements**

- 3.4.1** The Contractor shall provide a copy with its proposal of its current certificate of insurance showing the types and limits of insurance in effect as of the Proposal submission date. The Contractor shall maintain Commercial General Liability and Cyber Liability Insurance with limits sufficient to cover losses resulting from, or arising out of, Contractor action or inaction in the performance of the Contract by the Contractor, its agents, servants, or employees. Any insurance furnished as a condition of the Contract shall be issued by a company authorized to do business in the State.

### **3.5 Invoicing**

#### **3.5.1 General**

- A. The Contractor shall send the original of each invoice and signed authorization to invoice to the Contract Monitor at e-mail address: kreott@sra.state.md.us.

- B. All invoices for services shall be verified by the Contractor as accurate at the time of submission.
- C. An invoice not satisfying the requirements of a Proper Invoice (as defined at COMAR 21.06.09.01 and .02) cannot be processed for payment. To be considered a Proper Invoice, invoices must include the following information, without error:
  - 1) Contractor name and address;
  - 2) Remittance address;
  - 3) Federal taxpayer identification (FEIN) number, social security number, as appropriate;
  - 4) Invoice period (i.e. time period during which services covered by invoice were performed);
  - 5) Invoice date;
  - 6) Invoice number;
  - 7) State assigned Contract number;
  - 8) State assigned (Blanket) Purchase Order number(s);
  - 9) Goods or services provided;
  - 10) Amount due; and
  - 11) Any additional documentation required by regulation or the Contract.
- D. Invoices that contain both fixed price and time and material items shall clearly identify each item as either fixed price or time and material billing.
- E. The Agency reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the Agency with all required deliverables within the time frame specified in the Contract or otherwise breaches the terms and conditions of the Contract until such time as the Contractor brings itself into full compliance with the Contract.
- F. Any action on the part of the Agency, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.04.
- G. The State is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. The Contractor; however, is not exempt from such sales and use taxes and may be liable for the same.
- H. Invoices for final payment shall be clearly marked as “FINAL” and submitted when all work requirements have been completed and no further charges are to be incurred under the Contract. In no event shall any invoice be submitted later than 60 calendar days from the Contract termination date.



**SECTION 4 – CONTRACT DURATION**

4.1 The duration of the Contract will be for one (1) year starting on or about October 4, 2020, with no renewal options.

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**SECTION 5 – PROPOSAL FORMAT**

**5.1 Proposal**

**5.1.1 Contractor Proposal Response to Solicitation Requirements and Proposed Work Plan**

- a. The Contractor shall address each Solicitation requirement (Solicitation Section 2 and Section 3) in its Proposal and describe how its proposed services will meet or exceed the requirement(s). If the State is seeking Contractor agreement to any requirement(s), the Contractor shall state its agreement or disagreement. Any paragraph in the Proposal that responds to a requirement found in Section 3 shall include an explanation of how the work will be performed.

**5.1.2 The following documents shall be completed, signed, and included in the Proposal:**

- Current Certificate of Insurance
- SOC 2 Type 2 Audit Report (see Section 3.3 for instructions)

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## **SECTION 6 – AWARD BASIS**

6.1 The Contract shall be awarded to the responsible Contractor submitting the Proposal that has been determined the most advantageous to the System (see COMAR 21.05.03.03F), for providing the goods and services as specified in this Solicitation.

6.2 The criteria to be used to evaluate each Solicitation Requirement are listed below in descending order of importance.

6.2.1 Contractor’s Response to Solicitation Requirements.

The Agency prefers that, in its proposal, a Contractor demonstrate a comprehensive understanding of the Solicitation’s work requirements and mastery of the subject matter, including an explanation of how the Contractor will satisfy the work requirements. Proposals which include limited responses to work requirements such as “concur” or “will comply” will receive a lower ranking than those Proposals that demonstrate an understanding of the work requirements and include plans to meet or exceed them.

6.2.2 Contractor Qualifications and Capabilities

6.2.3 Contractor Proposed Price

## **SOLICITATION ATTACHMENTS**

### **ATTACHMENT A – Financial Proposal Instructions**

### **ATTACHMENT B – Financial Proposal Form**

The Financial Proposal Form in a separate excel format must be completed and submitted with the Proposal.

### **ATTACHMENT C – Non-Disclosure Agreement Forms**

This Attachment must be completed and submitted within five (5) Business Days of receiving notification of recommendation for award.

### **ATTACHMENT D – Contract**

This Attachment must be completed and submitted within five (5) Business Days of receiving notification of recommendation for award.

### **ATTACHMENT E – Contract Affidavit**

This Attachment must be completed and submitted within five (5) Business Days of receiving notification of recommendation for award.

### **EXHIBIT A – Project Timeline**

**ATTACHMENT 1\_1099-R Combined Front.pdf**

**ATTACHMENT 2\_Instructions for Recipient - 2016 1099-R Backer.pdf**

**ATTACHMENT 3\_1099-R lope with indicia 2016 – instructions.pdf**

**ATTACHMENT 4\_1099-R lope no indicia 2016 – instructions.pdf**

**ATTACHMENT 5\_Layout of the 1099-R Vendor Print File.pdf**

**ATTACHMENT 6\_Data Mapping.pdf**

**ATTACHMENT A – FINANCIAL PROPOSAL INSTRUCTIONS**

In order to assist Contractors in the preparation of their Financial Proposals and to comply with the requirements of this Solicitation, Financial Proposal Instructions and a Financial Proposal Form have been prepared. Contractors shall submit their Financial Proposal on the Financial Proposal Form in accordance with the instructions on the Financial Proposal Form and as specified herein. Do not alter the Financial Proposal Form or the Proposal may be determined to be not reasonably susceptible of being selected for award. The Financial Proposal Form is to be signed and dated, where requested, by an individual who is authorized to bind the Contractor to the prices entered on the Financial Proposal Form.

The Financial Proposal Form is used to calculate the Contractor's TOTAL PROPOSAL PRICE. Follow these instructions carefully when completing your Financial Proposal Form:

- A) All Unit and Extended Prices must be clearly entered in dollars and cents, e.g., \$24.15. Make your decimal points clear and distinct.
- B) All Unit Prices must be the actual price per unit the State will pay for the specific item or service identified in this Solicitation and may not be contingent on any other factor or condition in any manner.
- C) All calculations shall be rounded to the nearest cent, i.e., .344 shall be .34 and .345 shall be .35.
- D) Any goods or services required through this Solicitation and proposed by the vendor at **No Cost to the State** must be clearly entered in the Unit Price, if appropriate, and Extended Price with a price of zero dollars and cents (**\$0.00**).
- E) Every blank in every Financial Proposal Form shall be filled in. Any changes or corrections made to the Financial Proposal Form by the Contractor prior to submission shall be initialed and dated.
- F) Except as instructed on the Financial Proposal Form, nothing shall be entered on, or attached to, the Financial Proposal Form that alters or proposes conditions or contingencies on the prices. Alterations and/or conditions may render the Proposal not reasonably susceptible of being selected for award.
- G) It is imperative that the prices included on the Financial Proposal Form have been entered correctly and calculated accurately by the Contractor and that the respective total prices agree with the entries on the Financial Proposal Form. Any incorrect entries or inaccurate calculations by the Contractor will be treated as provided in COMAR 21.05.03.03E and 21.05.02.12, and may cause the Proposal to be rejected.
- H) If option years are included, Contractors must submit pricing for each option year. Any option to renew will be exercised at the sole discretion of the State, and must comply with all terms and conditions in force at the time the option is exercised. If exercised, the option period shall be for a period identified in the Proposal at the prices entered in the Financial Proposal Form.
- I) All Financial Proposal prices entered below are to be fully loaded prices that include all costs/expenses associated with the provision of services as required by the Proposal. The Financial Proposal price shall include, but is not limited to, all: labor, profit/overhead, general operating, administrative, and all other expenses and costs necessary to perform the work set forth in the Solicitation. No other amounts will be paid to the Contractor. If labor rates are requested, those amounts shall be fully-loaded rates; no overtime amounts will be paid.
- J) Unless indicated elsewhere in the Proposal, sample amounts used for calculations on the Financial Proposal Form are typically estimates for evaluation purposes only. Unless stated otherwise in the Proposal, the Department does not guarantee a minimum or maximum number of units or usage in the performance of this Contract.
- K) Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

**ATTACHMENT B – FINANCIAL PROPOSAL FORM**

**FINANCIAL PROPOSAL FORM**

The Financial Proposal Form shall contain all price information in the format specified on these pages. Complete the Financial Proposal Form only as provided in the Financial Proposal Instructions. Do not amend, alter or leave blank any items on the Financial Proposal Form. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

See separate Excel Financial Proposal Form labeled, ***“SRA 20-10 Attachment B – Printing, Sorting, Mailing of 1099-R Forms Financial Proposal Form”***.

**ATTACHMENT C – NON-DISCLOSURE AGREEMENT**

**SRA 20-10 PRINTING, SORTING, MAILING OF 1099-R FORMS**

**THIS NON-DISCLOSURE AGREEMENT** (“Agreement”) is made as of this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the State of Maryland (the “State”), acting by and through the Maryland State Retirement Agency (the “Agency”) and \_\_\_\_\_ (“Contractor”), Federal Tax Identification Number \_\_\_\_\_, company address \_\_\_\_\_.

**RECITALS**

**WHEREAS**, in order for the Contractor to perform the work required under the Agreement, it will be necessary for the State to provide the Contractor and the Contractor’s employees and agents (collectively the “Contractor’s Personnel”) with access to certain confidential information (the “Confidential Information”).

**NOW, THEREFORE**, in consideration of being given access to the Confidential Information in connection with the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties do hereby agree as follows:

1. Confidential Information means any and all information provided by or made available by the State to the Contractor in connection with the Agreement, regardless of the form, format, or media on or in which the Confidential Information is provided and regardless of whether any such Confidential Information is marked as such. Confidential Information includes, by way of example only, information that the Contractor views, takes notes from, copies (if the State agrees in writing to permit copying), possesses or is otherwise provided access to and use of by the State in relation to the Agreement.
2. Contractor shall not, without the State’s prior written consent, copy, disclose, publish, release, transfer, disseminate, use, or allow access for any purpose or in any form, any Confidential Information provided by the State except for the sole and exclusive purpose of performing under the Agreement. Contractor shall limit access to the Confidential Information to the Contractor’s Personnel who have a demonstrable need to know such Confidential Information in order to perform under the Agreement and who have agreed in writing to be bound by the disclosure and use limitations pertaining to the Confidential Information.
3. If the Contractor intends to disseminate any portion of the Confidential Information to non-employee agents who are assisting in the Contractor’s performance of the Agreement or who will otherwise have a role in performing any aspect of the Agreement, the Contractor shall first obtain the written consent of the State to any such dissemination. The State may grant, deny, or condition any such consent, as it may deem appropriate in its sole and absolute subjective discretion.
4. Contractor hereby agrees to hold the Confidential Information in trust and in strictest confidence, to adopt or establish operating procedures and physical security measures, and to take all other measures necessary to protect the Confidential Information from inadvertent release or disclosure to unauthorized third parties and to prevent all or any portion of the Confidential Information from falling into the public domain or into the possession of persons not bound to maintain the confidentiality of the Confidential Information.
5. Contractor shall promptly advise the State in writing if it learns of any unauthorized use, misappropriation, or disclosure of the Confidential Information by any of the Contractor’s Personnel or the Contractor’s former Personnel. Contractor shall, at its own expense, cooperate with the State in seeking injunctive or other equitable relief against any such person(s).
6. Contractor shall, at its own expense, return to the Agency, all copies of the Confidential Information in its care, custody, control or possession upon request of the Agency or on termination of the Agreement. Contractor shall complete and submit ATTACHMENT C-1 when returning the Confidential Information to the Agency. At such time, Contractor shall also permanently delete any Confidential Information stored electronically by the Contractor.

7. A breach of this Agreement by the Contractor or by the Contractor's Personnel shall constitute a breach of the Agreement between the Contractor and the State.
8. Contractor acknowledges that any failure by the Contractor or the Contractor's Personnel to abide by the terms and conditions of use of the Confidential Information may cause irreparable harm to the State and that monetary damages may be inadequate to compensate the State for such breach. Accordingly, the Contractor agrees that the State may obtain an injunction to prevent the disclosure, copying or improper use of the Confidential Information. The Contractor consents to personal jurisdiction in the Maryland State Courts. The State's rights and remedies hereunder are cumulative and the State expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages from the Contractor and the Contractor's Personnel for a failure to comply with the requirements of this Agreement. In the event the State suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the Contractor or any of the Contractor's Personnel to comply with the requirements of this Agreement, the Contractor shall hold harmless and indemnify the State from and against any such losses, damages, liabilities, expenses, and/or costs.
9. Contractor and each of the Contractor's Personnel who receive or have access to any Confidential Information shall execute a copy of an agreement substantially similar to this Agreement and the Contractor shall provide originals of such executed Agreements to the State, upon request.

10. Data Protection and Controls

Contractor shall ensure satisfaction of the following requirements:

- 10.1. Administrative, physical and technical safeguards shall be implemented to protect State data that are no less rigorous than accepted industry practices for information security such as those listed below (see 10.2), and all such safeguards, including the manner in which State data is collected, accessed, used, stored, processed, disposed of and disclosed shall comply with applicable data protection and privacy laws as well as the terms and conditions of this Contract.
- 10.2. To ensure appropriate data protection safeguards are in place, at minimum, the Contractor shall implement and maintain the following controls at all times throughout the term of the Contract (the Contractor may augment this list with additional controls):
  - 10.2.1. Establish separate production, test, and training environments for systems supporting the services provided under this Contract and ensure that production data is not replicated in test and/or training environment(s) unless it has been previously anonymized or otherwise modified to protect the confidentiality of Sensitive Data elements.
  - 10.2.2. Apply hardware and software hardening procedures as recommended by the manufacturer and according to industry best practices to reduce the surface of vulnerability, eliminating as many security risks as possible and document what is not feasible and/or not performed according to best practices. Any hardening practices not implemented shall be documented with a plan of action and/or compensating control. These procedures may include but are not limited to removal of unnecessary software, disabling or removing unnecessary services, removal of unnecessary usernames or logins, and the deactivation of unneeded features in the system configuration files.
  - 10.2.3. Ensure that State data is not comingled with any other data through the proper application of compartmentalization security measures.
  - 10.2.4. Apply data encryption to protect State data, especially personal identifiable information (PII), from improper disclosure or alteration. For State data the Contractor manages or controls, data encryption should be applied to State data in transit over networks and, where possible,



at rest; as well as to State data when archived for backup purposes. Encryption algorithms which are utilized for this purpose must comply with current Federal Information Processing Standards (FIPS), "Security Requirements for Cryptographic Modules", FIPS PUB 140-2.

<http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf>

<http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm>

- 10.2.5. Enable appropriate logging parameters on systems to monitor user access activities, authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers and information security standards, including the Information Security Policy of the State of Maryland Department of Information Technology ("Agency").
- 10.2.6. Retain the aforementioned logs and review them at least daily to identify suspicious or questionable activity for investigation and documentation as to their cause and remediation, if required. The Agency shall have the right to inspect these policies and procedures and the Contractor's performance to confirm the effectiveness of these measures for the services being provided under this Contract.
- 10.2.7. Ensure system and network environments are separated by properly configured and updated firewalls to preserve the protection and isolation of State data from unauthorized access as well as the separation of production and non-production environments.
- 10.2.8. Restrict network connections between trusted and untrusted networks by physically and/or logically isolating systems supporting the System from unsolicited and unauthenticated network traffic.
- 10.2.9. Review at regular intervals the aforementioned network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary.
- 10.2.10. Establish policies and procedures to implement and maintain mechanisms for regular vulnerability testing of operating system, application, and network devices. Such testing is intended to identify outdated software versions; missing software patches; device or software misconfigurations; and to validate compliance with or deviations from the Contractor's security policy. Contractor shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and remediate the vulnerability promptly or document why remediation action is unnecessary or unsuitable. The Agency shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under this Contract.
- 10.2.11. Enforce strong user authentication and password control measures to minimize the opportunity for unauthorized access through compromise of the user access controls. At a minimum, the implemented measures should be consistent with the most current State of Maryland Department of Information Technology's Information Security Policy (<http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>), including specific requirements for password length, complexity, history, and account lockout.
- 10.2.12. Ensure Sensitive Data under this service is not processed, transferred, or stored outside of the United States.
- 10.2.13. Ensure Contractor's Personnel shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State, which may be revoked at any time for any reason. The Contractor shall complete any necessary paperwork as directed and

coordinated with the Contract Manager to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.

10.2.14. Ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting the services provided under this Contract; that the anti-virus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation.

11. The parties further agree that:

- a. This Agreement shall be governed by the laws of the State of Maryland;
- b. The rights and obligations of the Contractor under this Agreement may not be assigned or delegated, by operation of law or otherwise, without the prior written consent of the State;
- c. The State makes no representations or warranties as to the accuracy or completeness of any Confidential Information;
- d. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement;
- e. Signatures exchanged by email attachment or facsimile are effective for all purposes hereunder to the same extent as original signatures; and
- f. The Recitals are not merely prefatory but are an integral part hereof.

**Contractor/ Contractor’s Personnel:**

**Maryland State Retirement Agency**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: R. Dean Kenderdine

Title: \_\_\_\_\_

Title: Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED FOR FORM AND LEGAL SUFFICIENCY

THIS \_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
ANDREA E. YOUNG  
ASSISTANT ATTORNEY GENERAL

**NON-DISCLOSURE AGREEMENT – ATTACHMENT C-1**

**SRA 20-10 PRINTING, SORTING, MAILING OF 1099-R FORMS**

**CERTIFICATION TO ACCOMPANY RETURN OR DELETION OF CONFIDENTIAL INFORMATION**

I AFFIRM THAT:

To the best of my knowledge, information, and belief, and upon due inquiry, I hereby certify that: (i) all Confidential Information which is the subject matter of that certain Non-Disclosure Agreement by and between the State of Maryland and \_\_\_\_\_ (“Contractor”) dated \_\_\_\_\_, 20\_\_\_\_ (“Agreement”) is attached hereto and is hereby returned to the State in accordance with the terms and conditions of the Agreement; and (ii) I am legally authorized to bind the Contractor to this affirmation. Any and all Confidential Information that was stored electronically by me has been permanently deleted from all of my systems or electronic storage devices where such Confidential Information may have been stored.

**I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, HAVING MADE DUE INQUIRY.**

DATE: \_\_\_\_\_

NAME OF CONTRACTOR: \_\_\_\_\_

BY: \_\_\_\_\_  
(Signature)

TITLE: \_\_\_\_\_

**ATTACHMENT D – CONTRACT**

Maryland State Retirement Agency (the “Agency”)

Printing, Sorting, Mailing of 1099-R Forms

SRA 20-10

THIS CONTRACT (the “Contract”) is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between (the \_\_\_\_\_(the “Contractor”) and the STATE OF MARYLAND, acting through the MARYLAND STATE RETIREMENT AGENCY (“Agency”).

In consideration of the promises and the covenants herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

**1. Definitions**

In this Contract, the following words have the meanings indicated:

- 1.1 “COMAR” means Code of Maryland Regulations.
- 1.2 “Contractor” means the entity first named above whose principal business address is (Contractor’s primary address) and whose principal office in Maryland is (Contractor’s local address), whose Federal Employer Identification Number or Social Security Number is (Contractor’s FEIN), and whose eMaryland Marketplace Advantage vendor ID number is (eMMA Number).
- 1.3 “Financial Proposal Form” means the Contractor’s Financial Proposal Form dated \_\_\_\_\_(Financial Proposal date), submitted in response to Solicitation # SRA 20-10.
- 1.4 “Maryland State Retirement Agency (MSRA or the “Agency”) - The Agency of the Board of Trustees for the Maryland State Retirement and Pension System, which carries out the administrative duties of the MSRPS.
- 1.5 “Solicitation” means the Request for Proposals for Printing, Sorting, Mailing of 1099-R Forms, Solicitation # SRA 20-02, and any amendments, addenda, and attachments thereto issued in writing by the State.
- 1.6 “State” means the State of Maryland.
- 1.7 “Technical Proposal” means the Contractor’s Technical Proposal dated \_\_\_\_\_, submitted in response to Solicitation # SRA 20-10.
- 1.8 Capitalized terms not defined herein shall be ascribed the meaning given to them in the Solicitation.

**2. Scope of Contract**

- 2.1 The Contractor shall perform in accordance with this Contract, the Attachments and Exhibits, which are listed below and incorporated herein by reference. If there is any conflict between this Contract and the Attachments and/or Exhibits, the terms of the Contract shall control. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision:
  - 1) The Contract (Attachment D)
  - 2) The Solicitation – SRA 20-10
  - 3) The Contract Affidavit, executed by the Contractor and dated (date of Attachment E)
  - 4) The Technical Proposal
  - 5) The Financial Proposal (Attachment B)
- 2.2 The Procurement Officer may, at any time, by written order, make unilateral changes in the work within the general scope of the Contract. No other order, statement, or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the

Contractor’s cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

2.3 Without limiting the rights of the Procurement Officer under Section 2.2 above, the Contract may be modified by mutual agreement of the parties, provided: (a) the modification is made in writing; (b) all parties sign the modification; and (c) all approvals by the required agencies as described in COMAR Title 21, are obtained.

**3. Period of Performance**

3.1 The term of this Contract begins on the date the Contract is signed by the Agency following any required prior approvals, including approval by the Board of Public Works, if such approval is required (the “Effective Date”) and shall continue until \_\_\_\_\_ (“Initial Term”).

3.2 The Contractor’s performance under the Contract shall commence as of the date provided in a written NTP.

**4. Consideration and Payment**

4.1 In consideration of the satisfactory performance of the work set forth in this Contract, the Agency shall pay the Contractor in accordance with the terms of this Contract and at the prices quoted in the Financial Proposal. Unless properly modified (see above Section 2), payment to the Contractor pursuant to this Contract, including the Initial Term and any Renewal Term, shall not exceed the Contracted amount.

The total payment under a fixed price Contract or the fixed price element of a combined fixed price – time and materials Contract shall be the firm fixed price submitted by the Contractor in its Financial Proposal.

4.2 Unless a payment is unauthorized, deferred, delayed, or set-off under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the Agency’s receipt of a proper invoice from the Contractor as required by Solicitation section 3.3.

The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if:

- (1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State’s payment of the amount on which the interest accrued; and
- (2) A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.

The State is not liable for interest:

- (1) Accruing more than one year after the 31st day after the agency receives the proper invoice; or
- (2) On any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable.

Final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

Electronic funds transfer shall be used by the State to pay the Contractor pursuant to this Contract and any other State payments due to the Contractor unless the State Comptroller’s Office grants the Contractor an exemption.

4.3 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice

for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.

4.4 Payment of an invoice by the Agency is not evidence that services were rendered as required under this Contract.

## **5. Rights to Records**

5.1 The Contractor agrees that all documents and materials including, but not limited to, software, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the State and shall be available to the State at any time. The State shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, works created as a Deliverable under this Contract, and services performed under this Contract, shall be “works made for hire” as that term is interpreted under U.S. copyright law. To the extent that any products created as a Deliverable under this Contract are not works made for hire for the State, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

5.3 The Contractor shall report to the Contract Monitor, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

5.4 The Contractor shall not affix any restrictive markings upon any data, documentation, or other materials provided to the State hereunder, and if such markings are affixed, the State shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

5.5 Upon termination or expiration of the Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.

## **6. Exclusive Use**

6.1 The State shall have the exclusive right to use, duplicate, and disclose any data, information, documents, records, or results, in whole or in part, in any manner for any purpose whatsoever, that may be created or generated by the Contractor in connection with this Contract. If any material, including software, is capable of being copyrighted, the State shall be the copyright owner and the Contractor may copyright material connected with this project only with the express written approval of the State.

6.2 Except as may otherwise be set forth in this Contract, the Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Agency or developed by the Contractor relating to the Contract, except as provided for in **Section 7. Confidential or Proprietary Information and Documentation.**

## **7. Confidential or Proprietary Information and Documentation**

7.1 Subject to the Maryland Public Information Act and any other applicable laws including, without limitation, HIPAA, the HI-TECH Act, and the Maryland Medical Records Act and regulations promulgated pursuant thereto, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor’s computer systems or cloud infrastructure, if applicable) shall be held in confidence by the other party. Each party shall, however, be permitted to disclose, as provided by and consistent with applicable law, relevant confidential information to its officers, agents, and Contractor Personnel to the extent that such disclosure is necessary for the performance of their duties under this Contract. Each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by the Contractor, provided that each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by the Contractor of the obligations hereunder, and bound by, confidentiality at least as restrictive as those of set forth in this Contract.

- 7.2 The provisions of this section shall not apply to information that: (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already rightfully in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

## **8. Loss of Data**

- 8.1 In the event of loss of any State data or records, where such loss is due to the act or omission of the Contractor, the Contractor shall be responsible for restoring or recreating, as applicable, such lost data in the manner, and on the schedule, set by the Contract Monitor. The Contractor shall ensure that all data is backed up and recoverable by the Contractor. At no time shall any Contractor actions (or any failures to act when the Contractor has a duty to act) damage or create any vulnerabilities in data bases, systems, platforms, and applications with which the Contractor is working hereunder.

## **9. Indemnification and Notification of Legal Requests**

- 9.1. At its sole cost and expense, the Contractor shall (i) indemnify and hold the State, its employees and agents harmless from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to attorneys' fees and costs), whether or not involving a third party claim, which arise out of, or relate to, the Contractor's, performance of this Contract and (ii) cooperate, assist, and consult with the State in the defense or investigation of any such claim, demand, action or suit. The Contractor shall not enter into any settlement involving third party claims that contains any admission of, or stipulation to, any guilt, fault, liability or wrongdoing by the State or that adversely affects the State's rights or interests, without the State's prior written consent.
- 9.2. The State has no obligation: (i) to provide legal counsel or defense to the Contractor in the event that a suit, claim or action of any character is brought against the Contractor as a result of, or relating to, the Contractor's obligations or performance under this Contract, or (ii) to pay any judgment or settlement of any such suit, claim or action. Notwithstanding the foregoing, the Contractor shall promptly notify the Procurement Officer of any such claims, demands, actions, or suits.
- 9.3. Notification of Legal Requests. In the event the Contractor receives a subpoena or other validly issued administrative or judicial process, or any discovery request in connection with any litigation, requesting State Pre-Existing Intellectual Property, of other information considered to be the property of the State, including, but not limited to, State data stored with, or otherwise accessible by the Contractor, the Contractor shall not respond to such subpoena, process or other legal request without first notifying the State, unless prohibited by law from providing such notice. The Contractor shall promptly notify the State of such receipt, providing the State with a reasonable opportunity to intervene in the proceeding before the time that the Contractor is required to comply with such subpoena, other process or discovery request.

## **10. Disputes**

This Contract shall be subject to the provisions of Md. Code Ann., State Finance and Procurement Article, Title 15, Subtitle 2, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within thirty (30) days after the basis for the claim is known, or should have been known, whichever is earlier. Contemporaneously with, or within thirty (30) days of, the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

## **11. Maryland Law Prevails**

- 11.1 This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

- 11.2 The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract or any purchase order, task order, or Notice to Proceed issued thereunder, or any software, or any software license acquired hereunder.
- 11.3 Any and all references to the Maryland Code, annotated and contained in this Contract shall be construed to refer to such Code sections as are from time to time amended.

**12. Termination for Default**

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination, and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

**13. Termination for Convenience**

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A (2).

**14. Retention of Records**

The Contractor shall retain and maintain all records and documents in any way relating to this Contract for (i) three (3) years after final payment by the State hereunder, or (ii) any applicable federal or State retention requirements (such as HIPAA) or condition of award, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, as designated by the Procurement Officer, at all reasonable times. The Contractor shall provide copies of all documents requested by the State, including, but not limited to, itemized billing documentation containing the dates, hours spent and work performed by the Contractor under the Contract. All records related in any way to the Contract are to be retained for the entire time provided under this section.

**15. Right to Audit**

- 15.1 The State reserves the right, at its sole discretion and at any time, to perform an audit of the Contractor's performance under this Contract. An audit is defined as a planned and documented independent activity performed by qualified personnel, including, but not limited to, State and federal auditors, to determine by investigation, examination, or evaluation of objective evidence from data, statements, records, operations and performance practices (financial or otherwise) the Contractor's compliance with the Contract, including, but not limited to, adequacy and compliance with established procedures and internal controls over the services performed pursuant to the Contract.
- 15.2 Upon three (3) Business Days' notice, the State shall be provided reasonable access to the Contractor's records to perform any such audits. The Agency may conduct these audits with any or all of its own internal resources, or by securing the services of a third party accounting or audit firm, solely at the Agency's election. The Agency may copy any record related to the services performed pursuant to the Contract. The Contractor agrees to fully cooperate and assist in any audit conducted by, or on behalf, of the State, including, by way of example only,



making records and employees available as, where, and to the extent requested by the State, and by assisting the auditors in reconciling any audit variances. The Contractor shall not be compensated for providing any such cooperation and assistance.

#### **16. Compliance with Laws**

The Contractor hereby represents and warrants that:

- a. It is qualified to do business in the State and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- b. It is not in arrears with respect to the payment of any monies due and owing the State, or any department or unit thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so in arrears during the Term;
- c. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
- d. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

#### **17. Subcontracting; Assignment**

The Contractor may not subcontract any of its obligations under this Contract.

#### **18. Liability**

- 18.1 The Contractor shall be liable for any loss or damage to the State occasioned by the acts or omissions of the Contractor, agents or employees as follows:
- (a) Without limitation for damages for bodily injury (including death) and damage to real property and tangible personal property; and
  - (b) For all other claims, damages, loss, costs, expenses, suits or actions in any way related to this Contract and regardless of the basis on which the claim is made, Contractor's liability shall be unlimited.
  - (c) In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder.
- 18.2 The Contractor's indemnification obligations for Third party claims arising under **Section 9** of this Contract shall be unlimited if the State is not immune from liability for claims arising under **Section 9**.

#### **19. Use of Estimated Quantities**

Unless specifically indicated otherwise in the State's Solicitation or other controlling documents related to the Scope of Work, any sample amounts provided are estimates only, and the Agency does not guarantee a minimum or maximum number of units or usage in the performance of this Contract.

#### **20. Risk of Loss; Transfer of Title**

Risk of loss for conforming supplies, equipment, materials and Deliverables furnished to the State hereunder shall remain with the Contractor until such supplies, equipment, materials and Deliverables are received and accepted by the State, following which, title shall pass to the State.

#### **21. Effect of Contractor Bankruptcy**

All rights and licenses granted by the Contractor under this Contract are, and shall be deemed to be, rights and licenses to "intellectual property," and the subject matter of this Contract, including services, is and shall be deemed to be "embodiments of intellectual property" for purposes of, and as such terms are, used and interpreted

under § 365(n) of the United States Bankruptcy Code (“Code”) (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the State’s rights of election, all rights and licenses granted to the State under this Contract shall continue subject to the respective terms and conditions of this Contract; and (b) the State shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the State’s possession, shall be promptly delivered to the State, unless the Contractor elects to, and does in fact, continue to perform all of its obligations under this Contract.

**22. Contract Monitor and Procurement Officer**

- 22.1 The Contract Monitor is the Agency representative for this Contract, who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The Agency may change the Contract Monitor at any time by written notice to the Contractor.
- 22.2 The Procurement Officer has responsibilities as detailed in the Contract, and is the only State representative who can authorize changes to the Contract. The Agency may change the Procurement Officer at any time by written notice to the Contractor.

**23. Notices**

All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, as follows:

If to the State:

Leshia Cornish-Covington  
Maryland State Retirement Agency  
120 E. Baltimore Street, Room 1614  
Baltimore, MD 21202  
Phone Number: 410-625-5612  
E-Mail: [lcornishcovington@sra.state.md.us](mailto:lcornishcovington@sra.state.md.us)

With a copy to:

Margie J. Gordon, CPPB  
Maryland State Retirement Agency  
120 E. Baltimore Street, Room 1602  
Phone Number: 410-625-5656  
E-mail: [procurement@sra.state.md.us](mailto:procurement@sra.state.md.us)

If to the Contractor:

(Contractor’s Name)  
(Contractor’s primary address)  
Attn: \_\_\_\_\_

[[Delete the following if a parent company guarantee is inapplicable:]]

Parent Company Guarantor

Contact: \_\_\_\_\_

Attn: \_\_\_\_\_

**24. Miscellaneous**

- 24.1. Any provision of this Contract which contemplates performance or observance subsequent to any termination or expiration of this Contract shall survive termination or expiration of this Contract and continue in full force and effect.
- 24.2. If any term contained in this Contract is held or finally determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such term shall be severed from this Contract, and the remaining terms contained herein shall continue in full force and effect, and shall in no way be affected, prejudiced, or disturbed thereby.

**25. Parent Company Guarantee (If applicable)**

If a Contractor intends to rely on its Parent Company in some manner while performing on the State Contract, the following clause should be included and completed for the Contractor's Parent Company to guarantee performance of the Contractor. The guarantor/Contractor's Parent Company should be named as a party and signatory to the Contract and should be in good standing with SDAT.

(Corporate name of Contractor's Parent Company) hereby guarantees absolutely the full, prompt, and complete performance by (Contractor) of all the terms, conditions and obligations contained in this Contract, as it may be amended from time to time, including any and all exhibits that are now or may become incorporated hereunto, and other obligations of every nature and kind that now or may in the future arise out of or in connection with this Contract, including any and all financial commitments, obligations, and liabilities. (Corporate name of Contractor's Parent Company) may not transfer this absolute guaranty to any other person or entity without the prior express written approval of the State, which approval the State may grant, withhold, or qualify in its sole and absolute subjective discretion. (Corporate name of Contractor's Parent Company) further agrees that if the State brings any claim, action, lawsuit or proceeding against (Contractor), (Corporate name of Contractor's Parent Company) may be named as a party, in its capacity as Absolute Guarantor.

SIGNATURES ON NEXT PAGE

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

Contractor

State of Maryland

Maryland State Retirement Agency

\_\_\_\_\_

\_\_\_\_\_

By:

By: R. Dean Kenderdine,  
Executive Director

\_\_\_\_\_

\_\_\_\_\_

Date

Date

PARENT COMPANY (GUARANTOR) (if applicable)

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By:

Date

\_\_\_\_\_

Date

Approved for form and legal sufficiency  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Andrea E. Young  
Assistant Attorney General

**ATTACHMENT E – CONTRACT AFFIDAVIT**

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-E-ContractAffidavit.pdf>

**EXHIBIT A – PROJECT TIMELINE**

TASK #	REQUIRED COMPLETION DATE	RESPONSIBLE PARTY	EVENT
1	10/1	Agency	Agency shall provide the Vendor with the following documents/information: 1) a current, mocked-up version of the blank IRS 1099-R form; 2) the “Instructions to the Recipient” to be printed on reverse side of the IRS 1099-R form; 3) specifications for the customized #10 (non-standard) secure window envelopes to be used for mailing the completed IRS 1099-R forms; and 4) data placement map, documenting the file layout of the Agency’s data files and where that data needs to be “mapped” to the IRS 1099-R form
2	10/1	Vendor	Vendor shall provide a secure website environment to transmit and receive data files to and from the Agency
3	10/1	Agency	Agency shall upload to the Vendor’s secure website an ASCII Text Test Data File. The Test Data File will contain data for the Vendor to produce up to 500 ‘test’ IRS 1099-R forms.
4	11/3	Vendor	Vendor shall, based upon the information provided by the Agency in Task #1 create and provide to the Agency the following documents/products: 1) printed blank IRS 1099-R form (“Form Front”); 2) printed “Instructions to the Recipient” which shall be printed on reverse side of each IRS 1099-R form (“Form Backer”); and 3) customized #10 (non-standard) secure window envelopes to be used for mailing the completed IRS 1099-R forms.
5	11/18	Agency	Agency shall approve, assuming Vendor’s submissions are acceptable, the documents/products from Task #4. Note that between 11/3 and 11/18 the Agency will be providing feedback/corrections to the Vendor based upon the Agency’s review of the documents/products submitted by the Vendor. Multiple versions of the documents/products may need to be created before final acceptance of the documents/products by the Agency and the Vendor

			shall make all changes required by the Agency until final acceptance.
6	12/5	Vendor	Vendor shall provide to the Agency printed 'test' IRS 1099-R forms created from the Test Data File provided by the Agency in Task #3.
7	12/15	Agency	Agency shall approve, assuming Vendor's submissions are acceptable, the 'test' 1099-R forms from Task #6. Note that between 12/5 and 12/15 the Agency will be providing feedback/corrections to the Vendor based upon the Agency's review of the 'test' 1099-R forms submitted by the Vendor. Multiple versions of the 'test' 1099-R forms may need to be created before final acceptance of the 'test' 1099-R forms by the Agency and the Vendor shall make all changes required by the Agency until final acceptance.
8	12/15	Agency	Agency shall provide Vendor with the approximate count of IRS 1099-R forms to be created for the current processing year.
9	12/31	Vendor	Vendor shall print/create the required quantity of IRS 1099-forms and customized #10 (non-standard) secure window envelopes based upon the approximate count provided by the Agency in Task #8, and shall confirm in writing to the Agency that the necessary documents/products have been printed/created.
10	1/13	Agency	Agency shall provide the Vendor with an ASCII Text Production Data File.
11	1/14	Vendor	Vendor shall verify addresses in the Production Data File against the US Postal Service National Change of Address (NCOA) data base and update addresses within the Production Data File as necessary.
12	1/15	Vendor	Vendor shall deliver, via UPS or similar secure courier service, up to 100 'sample' IRS 1099-R forms printed from the Production Data File and inserted in customized #10 (non-standard) secure window envelopes. Vendor shall also provide to the Agency an electronic file of the same 'sample' IRS 1099-R forms via the secure website.
13	1/20	Agency	Agency shall provide written authorization to the Vendor, assuming the Vendor's submission of 'sample' 1099-R forms from Task #12 is acceptable, to print and mail the 1099-R forms. Note that between 1/15 and 1/20 the Agency will be providing feedback/corrections to the Vendor based

			upon the Agency's review of the 'sample' 1099-R forms submitted by the Vendor. Multiple versions of the 'sample' 1099-R forms may need to be created before final acceptance of the 'sample' 1099-R forms by the Agency and the Vendor shall make all changes required by the Agency until final acceptance. Upon final acceptance, Agency shall provide its written authorization to the Vendor to kick off the Vendor processes necessary to print and mail the 1099-R forms.
14	1/20	Vendor	Vendor shall provide to the Agency via the secure website a file in Excel format containing all of the addresses changed as a result of the NCOA match process.
15	1/20	Vendor	Vendor shall print, in zip code order, IRS 1099-R forms per approved specifications/requirements, fold and insert printed forms into individual approved customized #10 (non-standard) secure window envelopes, securely sealing each envelope to ensure that only the recipient's name and address are visible through the window and that the envelope will not become unsealed during the mailing process. All printed IRS 1099-R forms must meet all Internal Revenue Service print specifications, including but not limited to "CASS certification" and barcoding of addresses. Note: IRS 1099-R forms printed with zip codes equal to "00000" or "00001" are to be inserted and sealed in envelopes and delivered, via UPS or similar secure courier service, to the Agency. IRS 1099-R forms printed with zip codes equal to "00000" or "00001" are NOT to be delivered to the US Post Office.
16	1/20	Vendor	Vendor shall provide the Agency with a file (or files) via secure website of all of the IRS 1099-R forms that will be printed. This data must be in .PDF format and indexed by the recipient's social security number.
17	1/20-1/27	Vendor	Vendor shall complete delivery of the pre-sorted, sealed envelopes of the IRS 1099-R forms in approved First Class mail trays to the Business Entry location of the main US Post Office located at 900 Fayette Street, Baltimore, Maryland or alternate United States Post Office location with the written approval of the Agency. Note: Vendor shall deliver completed IRS 1099-R forms to the address above



			on a daily basis between 1/20 and 1/27, and shall provide the Agency written confirmation of the number of completed IRS 1099-R forms delivered each day by providing a copy of the completed "First Class Permit Imprint Receipt" form.
18	1/27	Vendor	Vendor shall provide the Agency, via UPS or similar secure courier service, any printed 1099-R forms with addresses that failed the NCOA database match for processing (e.g. inconsistent data between zip codes and State).
19	1/27	Vendor	Vendor shall provide a customized 3-up PDF fill-in form for the Agency to create "Corrected" IRS 1099-R forms. The fill-in form must have the Payer's information pre-populated on all forms as well as the capability to have recipient data entered on the first form automatically populate on the other two forms.
20	1/27	Vendor	Vendor shall provide Agency with 500 3-up blank, perforated, blank IRS 1099-R forms each contract year to be used by the Agency for printing "Corrected" and duplicate IRS 1099-R forms. One side is blank and the other side is printed with the current year "Instructions for Recipient".
21	1/27	Vendor	Vendor shall provide Agency with 500 customized #10 (non-standard) secure window envelopes each contract year to be used by the Agency for mailing "Corrected" and duplicate IRS 1099-R forms.
22	2/17 - 4/15	Agency	Agency shall, as needed, provide the Vendor a new data file (or new data files) containing additional records (duplicates or corrections) to be printed on the IRS 1099-R form and delivered, returned to the Agency via UPS or similar secure courier service, for mailing by the Agency. Note: Agency may provide multiple files throughout the period 2/17-4/15.
23	2/17 – 4/15	Vendor	Vendor shall print duplicate or corrected IRS 1099-R forms on a bi-weekly basis, as requested by Agency's transmissions in Task #22. Note: IRS 1099-R forms printed under this Task shall be delivered to the Agency via UPS or similar secure courier service, for mailing by the Agency. Note: Agency may provide multiple files throughout the period 2/17-4/15.