



LIMITED COMPETITION RFP

Request for Proposal:

State Information Data Exchange System (SIDES) Security Audit

National Association of State Workforce Agencies (NASWA)

Center for Employment Security Education and Research (CESER)

IMPORTANT DATES:

RFP Issued Date: August 13, 2018

Bidders Webinar:

August 20, 2018; 3:00 PM ET | [REGISTER HERE](#)

Question and Comments Deadline:

August 20, 2018; 5:00 PM ET

Proposal Submission Date:

August 31, 2018; 5:00 PM ET to rfp_responses@itsc.org

INTRODUCTION

The National Association of State Workforce Agencies (NASWA) and the Center for Employment Security Education Research (CESER) are seeking to contract with a vendor to conduct an Information Technology Security Audit of the State Information Data Exchange System (SIDES) following the National Institute of Standards and Technology security guidelines. NASWA/CESER administers SIDES through an agreement with the US Department of Labor.

SIDES is a private data center hosted web-based system that allows electronic transmission of information requests, inclusive of PII data, from Unemployment Insurance (UI) agencies to employers and/or Third-party Administrators (TPAs), as well as transmission of replies containing the requested information back to the UI agencies. Note Many employers choose to use a service or TPA to assist with Unemployment Insurance Compensation claims filing and their UI tax reporting responsibilities.

I. BACKGROUND INFORMATION

A Security Audit of the SIDES system is needed to inspect, validate and identify any deficiencies with the security of SIDES. This includes an evaluation of all security controls applicable to ensure the level of security appropriate for the information transmitted, processed and/or stored by the system. Information security is vital to the effective performance of SIDES. Proper management of information is essential to ensure the confidentiality, integrity and availability of the data transmitted or stored by SIDES.

There are two ways employers or TPAs can utilize SIDES. For employers/TPAs with a limited number of UI claims, SIDES E-Response is an easy to use website that can be used to enter the requested UI information. For large and/or multi-state employers, SIDES utilizes a web-service computer to computer interface. This option requires the employer/TPA to do programming to accept the data request into their computer system, extract the requested data and transmit back the responses for the requested data through the SIDES infrastructure to the requesting state(s).

SIDES is implemented using a web-service infrastructure which supports several electronic data exchanges. The SIDES web-service application facilitates the electronic request for information and the response between the participating state UI agencies and employers/TPAs for each data exchange. The SIDES system uses a common, standardized set of request and response data elements to support each data exchange.

The data formats and edit controls for each type of data exchange are defined for all involved, which improves the completeness and quality of the information. Electronic data exchange also improves the timeliness associated with information data exchange and the participants will benefit through the reduction of mailing overhead and postage expense.

For more information about SIDES visit: <http://info.uisides.org>

II. ORGANIZATIONAL BACKGROUND

NASWA is an organization of state administrators of unemployment insurance laws, employment services, training programs, employment statistics, labor market information and other programs and services provided through the publicly funded state workforce system. The mission of NASWA is to serve as an advocate for state workforce agencies, as a liaison to workforce system partners, and as a forum for the exchange of information. NASWA was founded in 1937. Since 1973, it has been a private, non-profit corporation, financed by annual dues from member agencies and other revenue. For more information on NASWA visit: <http://www.naswa.org>

CESER is the leading education, research and information technology center located within NASWA, focused on workforce development and unemployment insurance issues. CESER offers its broad range of research, training, consulting, and information technology services to a diverse group of stakeholders with an interest in workforce issues, most notably state workforce agencies and their federal partners. CESER products help promote and strengthen workforce development activities, critical components of our nation's economic development efforts. For more information about CESER visit: <http://www.naswa.org/about/index.cfm?action=ceser>

III. PROPOSAL FORMAT AND TIMELINE

A. Format

It is the responsibility of the Bidder to ensure that its proposal is received by NASWA, on or before the proposal submission date. **Late proposals will not be accepted.** Proposals must be in PDF format and emailed to the following email address: rfp_responses@itsc.org. You should receive a return email confirmation that your proposal was received by NASWA within 24 hours of receipt. If you do not receive an email confirmation within 24 hours call John Quichocho at 202 650 5165 to determine if your proposal was received.

B. Timeline

The following RFP Schedule of Events represents NASWA's best estimate for this RFP.

EVENT	TIME (EST)	DATE (all dates are NASWA business days)
RFP Issued		Monday 8/13/18
Bidders Webinar	3:00 p.m.	Monday 8/20/18
Written "Questions & Comments"	5:00 p.m.	Monday 8/20/18
Response to Written "Questions & Comments"		Friday 8/24/18
Proposal Submission	5:00 p.m.	Friday 8/31/18
Vendor Oral Presentations via Webinar (Optional)		TBD
Best and Finals (Optional)		Friday 9/28/18
Contract Negotiations and Signing		Wednesday 10/10/18
Anticipated Start Date		Monday 10/15/18

NASWA reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary. Any adjustment of the Schedule of Events shall constitute an RFP amendment, and NASWA will communicate such to potential vendors.

C. Guidelines for Questions and Comments

All questions pertaining to this RFP must be submitted in writing via e-mail to rfp_responses@itsc.org, by the Written "Questions & Comments" date. Questions submitted after this date and time will not be considered. Timely questions and answers will be sent to the vendor via email within one week of submittal.

IV. PROPOSAL REQUIREMENTS

This section, along with Section VI, describes the proposal requirements for which vendors must respond for the FISMA/NIST audit activities and associated documentation of security compliance with FISMA/NIST Security guidance and controls for SIDES.

A. Security Audit Requirements

A summary of the required tasking for the Awarded Vendor and for NASWA/CESER is provided in the Table below.

Awarded Vendor and NASWA/CESER Activity Summary

Activity	Performed by	Comments
A) FIPS 199 200 Validation	Awarded Vendor	Review FIPS 199/200 for consistency with MODERATE determination
B) Audit	Awarded Vendor	Implementation of MODERATE-based NIST SP800-53 r4 controls
C) Develop Candidate POAMs	Awarded Vendor	Candidate POAMS and Remediation Recommendations
D) Assessment Results Briefing	Awarded Vendor	Assessment Results Summary and Review of POAM recommendations
E) POAM Approval, Remediation and Security Plan Update	NASWA/CESER ¹	Approve POAMs/ Remediate / Update Security Plan
F) POAM Update Review	Awarded Vendor	Validate POAM remediation results
G) Create Risk Assessment Report	Awarded Vendor	Provides summary of system Risk, includes all remediation efforts

¹ Hosting Vendor will participate

H) Risk Assessment Report Briefing	Awarded Vendor	Covers POAM review results and RAR
I) Final Accreditation Package	Awarded Vendor / NASWA /CESER / SIDES hosting contractor	Package includes Awarded Vendor results and other SIDES related security documentation
J) Project Administration	Awarded Vendor	

Note that Awarded Vendor must agree with NASWA/CESER regarding the time to be allowed for NASWA/CESER activities.

The Security Assessment shall document compliance with Assessment and Authorization requirements for SIDES in accordance with FISMA/NIST² requirements and the security controls selected from NIST SP800-53 rev4 based on the FIPS 199/200 evaluation.

The Assessment shall support strategic project-planning that results in an actionable plan to achieve and maintain on-going security goals. The awarded vendor shall describe how the assessment shall be conducted to: 1) determine rapidly and comprehensively the current exposure to information risks and vulnerabilities and 2) support the planning to address and remediate these risks and vulnerabilities.

SIDES is privately hosted in a 3rd party data center located in the contiguous continental United States. The awarded vendor shall work closely with hosting vendor and the SIDES Director and NASWA team to coordinate security support services and audit activities for a risk assessment as identified in NIST Special Publication 800-30.

The hosting vendor shall coordinate with SIDES Director to provide all physical and remote accesses required for the awarded vendor to conduct the audit as described in this RFP. The awarded vendor must include in their bid the proposed number of on-site visits to perform the audit as described in this RFP.

A dedicated team composed of SIDES hosting vendor staff having security expertise will support the awarded vendor in the conduction of the SIDES security audit activities.

The awarded vendor will develop a Risk Assessment Report (RAR) per NIST SP800-30 that incorporates results from the Security Assessment, including Plan of Action and

² OMB/OIG as covered and referenced by FISMA/NIST SP800-53 rev4

Milestones (POAMs), remediation results, information provided by the current operational vulnerability scans, recent Penetration test(s), and summary of threat vulnerability analysis

Hosting vendor will provide input to the SIDES Director and NASWA team to prioritize all work activities for the awarded vendor.

NASWA shall provide a System Description developed in accordance with NIST SP800-18 Guidelines contains the basic description of the system to be audited. See Appendix A for the description of the information to be included in the System Description Document. Complete System Description will be provided following contract award.

Task A. FIPS 199 200 Assessment

- Awarded Vendor validates FIPS 199-based MODERATE level assessment.
- Confirm set of controls to be evaluated, and any tailoring required.

Deliverable Draft and Final: Concurrence or recommendations for revision. Concurrence required before proceeding to Audit.

Task B. Audit

- Awarded Vendor shall conduct the Security Controls Assessment for the SIDES applications, and cloud infrastructure per NIST Special Publication 800-53 Rev4.
 - Review and identify deficiencies in all documentation required for compliance, with particular attention paid to the Security Plan
 - Conduct assessment of application and the cloud environment and evaluate the set of security controls in accordance with NIST SP 800-53 Rev 4; determine compliance.
- Identify areas where corrective actions are required and prepare initial list of deficiencies to serve as basis for POAM creation

Deliverable Draft and Final: Security Control Assessment (CSA) for all NIST SP800-53 Rev 4 controls and initial consolidated deficiency list to serve as basis for POAMs to address deficiencies

Task C. Develop Candidate POAMs

- Awarded Vendor Evaluates Deficiencies and develops candidate POAMS to address deficiencies
- Categorize risks for deficiencies as Low, Medium, or High.
- Develop Candidate remediation strategy(s) for all Medium and High-risk deficiencies and incorporate results in the associated POAMs

Deliverable Draft and Final: Candidate Plan of Action and Milestones (POAMs) to remediate deficiencies including remediation recommendations for all Medium and High-Risk deficiencies

Task D. Assessment Results Briefing.

- Discuss Assessment Findings and review remediation recommendations

Deliverable Draft and Final: Assessment Close out briefing

Task E POAM Approval, Remediation and Security Plan Update

- SIDES Director reviews candidate POAMS and selects and approves Remediation activities
- NASWA CESER implements remediation for approved POAMs
- NASWA CESER updates Security Plan to document remediation results

Deliverable: No Awarded Vendor Deliverable – NASWA / CESER Activity

Task F. POAM Update Review

- TBD months after close-out briefing, return to review NASWA results from Task E above, to include both remediation effectiveness and Documentation updates, particularly the Security Plan

Deliverable Draft and Final: POAM Review Document

Task G. Create Risk Assessment Report

- Awarded Vendor Performs separate threat vulnerability assessment analysis per SP800-30
- Complete a review of the most recent risk assessment penetration test.
- Review current vulnerability scan reports and results.
- Review Updated Security Plan and Remediation Efforts
- POAM Review Document
- Prepare Risk Assessment Report per SP 800-30.

Deliverable Draft and Final: Risk Assessment Report (RAR)

Task H. Risk Assessment Report Briefing

- Presentation of RAR results, including POAM review

Deliverable Draft and Final: Close Out Briefing

Task I Final Accreditation Package

- Assemble the Assessment and Accreditation Package.
 - Work with NASWA / CESER and hosting vendor to create package and for submission to Authorization authority.

Deliverable Assessment and Authorization Accreditation Package

Task J. Project Administration

- Perform Administration and Coordination of Audit Activities and Deliverables
 - Perform administrative support, scheduling, and reporting on audit preparation and completion activities associated with the audit and associated deliverables.

Deliverables:

Monthly Status Updates

Weekly status meeting updates and documentation on progress of action items.

Collect and prepare SIDES security control documentation

Schedule audit interviews with business process owners

Prepare project deliverables for submission to NASWA/CESER -

- FIPS 199 / FIPS 200 Analysis Report
- SCA (Security Control Assessment) Report
- Plan of Action and Milestones (POAM) Recommendations
- Assessment Results Briefing
- POAM Remediation Report
- Risk Assessment Report
- Close-out briefing
- Assessment and Authorization Accreditation Package (Assessment specific)

Project Plan

The vendor is required to provide a Proposed Project Plan for this effort. The Project Plan must include a project schedule identifying overall proposed timeline and clearly showing all project deliverables, other major milestones, dependencies, and deliverable review periods, as well as staffing. The project plan must be clearly identified and labeled as "Proposed Project Plan" in the proposal.

a) Key Personnel and Resumes

NASWA requires at least one (1) Key FTE assigned to this project. That individual should have at least five (5) years of experience in the performance of at least two (2) system security audits on systems similar in size and scope to SIDES. Multiple

personnel may be proposed to fill this position. The vendor shall submit a resume(s) for Key Personnel who are being proposed as a part of this RFP response. All personnel are required to be able to pass a background check. Each resume submitted shall include the following minimum information:

- i. Evidence that the individual meets the experience and knowledge requirements listed under Relevant Experience for the position. This information shall include the following specific data elements:
 - Full Name
 - Education
 - Identify each undergraduate and graduate College/University attended
 - Start and End Dates attended
 - Degree status (completed, in progress, etc.)
 - If degree was completed, attach a copy of the related transcript to authenticate the award of the degree
 - Employment History
 - Identify each position held within each referenced organization
 - Start and End Dates for position
 - General description of responsibilities required for each position
 - Specific project characteristics (if related to the proposed solution)
 - Certifications
 - Title of each certification received
 - Description of recurring certification requirements (if any)
 - Copy of appropriate documentation to authenticate certification award
- ii. Three (3) references to validate the individual's experience relative to this RFP. At a minimum, the following details shall be provided for each technical reference:
 - Name of the individual being proposed as a technical reference
 - Company/organization name and position where the technical reference currently works
 - Brief explanation of the technical references' past experience working with the proposed Key Personnel member
 - Current telephone number and email address that NASWA can use to contact the technical reference

B. Required Bidder's Response

Provide resumes as specified above for all project resources vendor is proposing as being required to successfully complete this Contract.

a) Vendor Experience

The vendor shall provide a comprehensive listing of contracts of similar size and scope that the vendor has successfully completed, as evidence of the vendor's ability to successfully complete the services required by this RFP. Emphasis shall be placed on contracts that are similar in size and scope to the work required by this RFP.

A qualified vendor for this security audit must demonstrate that they have conducted security audits for federal agencies subject to NIST guidelines and/or State agencies, preferably both. Individuals performing the Security Audit must have CISSP for ISC2 or CISA from ISACA accreditation, or alternative accreditation agreed to as acceptable by SIDES Director.

Note: Contracts used as vendor experience shall be from within the last five years. If vendor has completed fewer than two similar projects in the last five years, then include all projects completed in the last five years.

A description of all such contracts shall include:

- i. A description of the contract including a description of how it relates to the vendor's ability to contribute to the success of the subject of this RFP
- ii. Beginning and ending dates for each similar contract
- iii. A list of team members who were involved in the project and their roles on the project
- iv. The contact name, address, phone number and e-mail address of the company where this work was performed

b) Vendor Information

Proposals must have a cover page that includes:

- Name of Prospective Vendor
- Project Title
- Contact Person
- Address
- Telephone, Fax Number, and E-Mail Address

c) References

Provide a minimum of two (2) references that match the scope of work outlined in this solicitation for projects that were completed successfully, and these references must be those identified in 3 above. Provide the principal contact, telephone number and email address, as well as a brief description of work performed. At least two (2) of the references must be available and responsive. Points will be deducted if the evaluation committee is unable to reach two (2) of the references provided. NASWA reserves the right to include other entities as additional references.

The Bidder shall provide a detailed narrative of how they will address and deliver Task A through J above, as applicable, and leverage the Bidder's experiences and expertise in past similar engagements. This approach shall be clearly traceable to the Proposed Project Plan.

C. Pricing

This RFP requires a fixed cost for all services provided. The vendor shall provide the overall fixed price, price per deliverable, plus a breakdown of the staff roles utilized, staff rates, staff hours by role, other direct costs and fees for each deliverable.

D. Conflicts with Terms, Conditions, or Requirements

1. Vendor shall list any exceptions or confirm that it has no exceptions to any of the terms, conditions or requirements of this RFP and/or documents contained in the Appendices.
2. Exceptions shall be accompanied by alternative or substitute language, which would be acceptable to vendor. Conflicts with stated requirements shall be noted in the corresponding paragraphs within vendor's response format.
3. Additional terms or conditions proposed by Bidder for consideration shall be provided with a reference to the **corresponding** paragraph in the RFP or Appendix Document.

V. CONTRACTUAL DELIVERABLES SUMMARY

The following table summarizes the deliverable(s) for each vendor task.

Task	Deliverables(s)
A. FIPS 199 200 Assessment	Draft and Final: Concurrence or recommendations for revision. Concurrence required before proceeding to Audit.
B. Audit	Draft and Final: Security Control Assessment (CSA) for all NIST SP800-53 Rev 4 controls and initial consolidated deficiency list to serve as basis for POAMs to address deficiencies
C. Develop Candidate POAMs	Draft and Final: Candidate Plan of Action and Milestones (POAMs) to remediate deficiencies including remediation

	recommendations for all Medium and High-Risk deficiencies
D. Assessment Results Briefing	Draft and Final: Assessment Close out briefing
E. POAM Approval, Remediation and Security Plan Update	NO Vendor Deliverables
F. POAM Update Review	Draft and Final: POAM Review Document
G. Create Risk Assessment Report	Draft and Final; Risk Assessment Report (RAR)
H. Risk Assessment Report Briefing	Draft and Final: Close Out Briefing
I. Final Accreditation Package	Assessment and Authorization Accreditation Package
J. Project Administration	<p>Monthly Status Updates</p> <p>Weekly status meeting updates and documentation on progress of action items.</p> <p>Collect and prepare SIDES security control documentation</p> <p>Schedule audit interviews with business process owners</p> <p>Prepare project deliverables for submission to NASWA/CESER -</p> <ul style="list-style-type: none"> • FIPS 199 / FIPS 200 Analysis Report • SCA (Security Control Assessment) Report • Plan of Action and Milestones (POAM) Recommendations • Assessment Results Briefing • POAM Remediation Report • Risk Assessment Report • Close-out briefing <p>Assessment and Authorization Accreditation Package (Assessment specific)</p>

VI. PROPOSAL SCORING AND SELECTION

A. Proposal Rating Criteria & Evaluation

Proposals will be evaluated as described in this section. Proposals that do not meet the minimum eligibility criteria will be automatically disqualified and will not be scored. The criteria and the level of importance associated with each is listed below:

Proposal Section Number	Section Title	Max Points Allowed	Section Content
1	Executive Summary	NA	Summarize RFP response
2	Project Management Plan and Schedule	10	Project management process and experience of proposed staff. Explicitly map your response to each relevant area in Section IV, V and Section VI of this RFP
3	Technical Response	40	Technical Approach, describe the proposed solution. Explicitly map your response to each relevant area in Section IV, V and Section VI of this RFP
4	Previous Vendor project experience and Proposed Personnel	30	Provide two examples of other similar projects related to the SOW and include contact information for each project.
5	Cost Estimate	10	Each response shall include a price breakdown of the proposed solution. Pricing shall include a detailed buildup of Labor costs, Other Direct Costs, and Fees.
6	Terms and Conditions	10	Acceptance of Terms and Conditions (Appendix B)
7	Additional information	NA	Confidentiality requirements and other information the vendor deems appropriate.

Vendors may be given an opportunity to provide an oral presentation or demonstration at the discretion of NASWA. During the presentation, Vendor shall provide specific responses to the questions posed to it and may also make a summary presentation of its proposal. The entire oral presentation by the awarded vendor will become part of the contractual artifacts and will be legally binding on the vendor unless otherwise overridden by subsequent contract negotiations in writing.

B. Award and Notification

1. Award Recommendation

Upon completion of the evaluation process, the Evaluation Committee will formulate a recommendation as to which proposal(s) is/are determined to be most advantageous to NASWA within available resources.

2. Notice of Intent to Award

Upon approval of the recommendation, a Notice of Intent to Award will be announced by NASWA. The awarded vendor will be contacted by NASWA to complete post-award requirements.

VII. RFP EVALUATION PROCESS

A. Proposal Evaluation

An Evaluation Committee will judge the merit of proposals timely received using the scoring breakdown listed in the Proposal Rating Criteria & Evaluation table.

B. Evaluation Process

NASWA will undertake an intensive, thorough, complete, and fair evaluation process. All bidders shall be afforded fair and equal treatment throughout the evaluation process.

C. Evaluation Committee

Each Evaluation Committee member will independently evaluate the merits of proposals received in accordance with the evaluation factors stated within this RFP, followed by discussion of the entire Evaluation Committee. The sole objective of the Evaluation Committee will be to recommend for award the proposal determined most advantageous to NASWA.

D. Basis for Award

The purpose of this RFP is to solicit proposals for the goods/services specified herein. The requirements stated within this RFP represent the minimum performance requirements necessary for response as well as desired elements of performance.

E. Clarifications / Discussions

NASWA may conduct discussions with selected vendors for the purposes of promoting understanding of the requirements and vendor's proposal, and prices and rates. Vendors engaged in such discussions may be sent a list of questions and will be given

a specified number of days in which to formulate and submit written responses to the questions and provide any related clarifications to their initial proposals. The nature of the questions will be, generally, clarifying in nature and will provide additional details without changing the scope of the proposal. No major changes will be permitted, nor will NASWA accept any additional written materials not relevant to the questions/clarifications requested.

F. Best and Final Offers (“BAFO”)

Adjustments may be allowed in conjunction with clarifications, discussions, presentations and/or demonstrations, but only to the extent such revisions are consistent within the proposal requirements.

These revisions will be considered as best and final offers. Such adjustments shall be submitted in writing.

G. Final Evaluations

After completion of clarifications, presentations, and BAFOs, as may be required, the Evaluation Committee will re-consider the initial proposal ratings and may make any adjustments they believe to be warranted as a result of the additional information obtained.

H. Notice of Intent to Award

Upon approval of the recommendation, a Notice of Intent to Award will be published by NASWA and the Awarded vendor will be contacted by NASWA to complete post-award requirements.

I. Adequacy and Completeness of Response

In general, all aspects of a proposal will be evaluated based on its adequacy and completeness with regard to the information requested in the RFP and its appendices- i.e., compliance with terms, conditions, and other provisions contained in the RFP, including the vendor’s ability to read and follow instructions. Failure of vendor to provide the information required in this RFP may result in disqualification of the proposal.

J. Contract Review

Vendors shall review the attached Terms and Conditions, Appendix B, and list any exceptions, or confirm that no exceptions are taken, to each contract. Any exceptions shall be accompanied by alternative or substitute language which would be acceptable to vendor. NASWA will review the proposal to ensure vendor has not taken any exceptions which may be deemed unacceptable or exceptions to stated requirements which may be deemed unacceptable in meeting the RFP requirements. Any exceptions

taken could result in elimination of vendor's proposal from further consideration or result in delay or failure to execute a contract, whereby NASWA could terminate the award and commence negotiations with another Bidder.

K. Payment Plan

The payment plan will be deliverables based, negotiated upon the listed deliverables in Section V.

L. Place of Performance

The system audit shall be conducted remotely and on-site as required, at a location within the contiguous continental USA.

M. Travel

Vendor must include appropriate travel costs to perform all on-site audit work within the firm fixed price quoted. All proposed travel must be identified.

N. Estimated Project Timeline

The period of performance for this project is from date of award through September 30, 2019, however, contractor is requested to complete sooner than this date if possible.

O. Project Cost

The project is a Firm Fixed Price (FFP) deliverables-based contract. The price quoted shall be all-inclusive. Final Project deliverables, deliverables acceptance criteria and payment schedule to be negotiated with the selected contractor prior to project start. Note: the cost estimate should include a full buildup of costs and rates used to establish the FFP cost estimate. NASWA will reserve the right to select multiple vendors to submit best and final offers.

P. Submission Information

Proposals must be submitted via email to:

rfp_responses@itsc.org

Electronic versions of the proposal must be submitted by the Proposal Submission date and time.

Q. For Additional Information or Clarification

The Bidders Webinar will be the only opportunity for interested vendors to ask questions for clarification on the RFP. No questions will be addressed after the question submission deadline.

Appendix A – System Description

The State Information Data Exchange System (SIDES) is a web-based automated data exchange system that helps states and employers/Third Party Administrators (TPAs) transmit and receive unemployment information with each other using an agreed upon standard file format.

SIDES Technical Environment

The SIDES applications and subsystems are hosted at a multi-user Data Center.

The SIDES system is comprised of approximately 25 physical and virtual servers running Linux Operating Systems. The SIDES System uses a two-node database cluster for the SIDES database. The SIDES servers reside on multiple subnets and VLAN's behind two (2) SIDES firewalls. The network configuration is supported by 2 switches.

The SIDES applications are web-service and web browser applications. The web browser applications interface with the web-service application, which supports transactions in multiple data formats. The web-service application is also available directly on the internet for authorized users. They are running on an enterprise web and database cluster connected to the Internet through Linux proxy servers/load balancers.

The SIDES system services approximately 500,000 requests per month for users located throughout the United States.

The SIDES system includes separate web browser based and web service applications as shown in the following table.

SIDES Applications	Approximate Number of Interactive Screens	Accessible from the Internet? Yes or No
Browser Based		
Separation Information	25	Yes
Earnings Verification	15	Yes
Monetary and Potential Charges	10	Yes
Determinations and Decisions	15	Yes
Benefit Charges	15	Yes
Web Administrator Site	15	Yes
Web Service Based		
Separation Information	NA	Yes
Earnings Verification	NA	Yes
Monetary and Potential Charges	NA	Yes

Determinations and Decisions	NA	Yes
Benefit Charges	NA	Yes

Appendix B – Terms and Conditions

1. Definitions

A. *Contract* shall mean the Contract entered into between Contractor and CESER, including the Statement of Work, these General Terms and Conditions, and any other attachments and exhibits.

B. *Work* shall mean all deliverables as set out in this RFP and provided by Contractor pursuant to the Contract.

C. *Concerned Funding Agency* means the U.S. Department of Labor, providing funding, in whole or in part, for this Contract through an agreement with CESER.

2. Relationship

The Contractor is an independent contractor, and the relationship between CESER and the Contractor shall be solely contractual and not in the nature of a partnership, joint venture, or general agency. Neither party may speak nor act on behalf of the other, nor legally commit the other.

3. Arbitration and applicable law

Any controversy or claim arising out of or relating to this Contract or breach thereof that cannot be resolved through good faith negotiations among the parties may, upon mutual agreement of the parties, be settled by arbitration by a neutral third party acceptable to both Contractor and CESER to be held in the District of Columbia. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. This Contract will be governed by the laws of the District of Columbia.

4. Assignment and Subcontracting

This Contract or any interest hereunder shall not be assigned or transferred by the Contractor without prior written consent of CESER and is subject to such terms and conditions that CESER may impose.

5. Financial Record Keeping and Inspection

The Contractor warrants that it shall, during the term of the Contract and for a period of three (3) years following the termination or expiration of the Contract, maintain accurate and complete financial records, including accounts, books, and other records related to charges, costs, disbursements, and expenses, in accordance with generally accepted accounting principles and practices, consistently applied that are applicable to a fixed price contract.

CESER, directly or through its authorized agents, auditors or other independent accounting firm, at its own expense, and the Concerned Funding Agency directly or through its duly authorized representatives, shall have the right, from time to time, upon at least ten (10) days' notice and at mutually agreeable times, to audit, inspect, and copy the Contractor's records relevant to this Contract. The Contractor shall fully cooperate, including by making available such of its personnel, records and facilities as are reasonably requested by CESER or the Concerned Funding Agency. This Section shall remain in force during the term of the Contract and for the three (3) years following the termination or expiration of the Contract. If an audit, litigation, or other action involving the records is started before the end of the three (3) year period, Contractor agrees to maintain the records until the end of the three (3) year period or until the audit, litigation, or other action is completed, whichever is later.

6. Audit

The Contractor, at its own expense, shall meet the requirements of 2 CFR 200 if applicable and the Contractor has more than \$750,000 in expenditures in a year in awards (including contracts, grants, cooperative agreements, etc.) made by a federal agency. If applicable, the Contractor must submit a copy of its audit report, prepared by an independent certified public accounting firm, to the attention of Chief Financial Officer, Center for Employment Security Education and Research, 444 North Capitol Street, N.W., Suite 142, Washington, D.C. 20001 within 30 days of its receipt of the audit report. In instances where non-compliance with federal laws and regulations has been noted in the Contractor's audit report, the Contractor must outline in writing its plan for corrective action and must affirmatively respond to CESER when its corrective action plan has been successfully completed.

Contractor shall keep audit reports, including reports of any of its sub-subcontractors, on file for three (3) years from their issuance. Contractor shall permit independent auditors to have access to the records and financial statements as necessary for CESER and Contractor to comply with 2 CFR 200.

Contractor agrees that in the event that Contractor's audit report indicates instances of noncompliance with federal laws and regulations, that Contractor covenants and agrees to take any and all corrective actions necessary or required or as directed by CESER.

Contractor agrees to provide audits annually if required by 2 CFR 200. In the event that required audits are not received, CESER may, in its discretion,

- a) withhold a percentage of the sums due and owing hereunder until the audit is completed satisfactorily;
- b) withhold or disallow overhead charges; or
- c) suspend this Contract until the audit is completed and all required reports are provided.

The Contractor shall hold harmless, indemnify and defend CESER and the Concerned Funding Agency or agencies, their consultants and each of their officers, partners, agents and employees from any and all liability, claims, losses, (including but not limited to the loss or threatened loss of tax exempt status), costs, fees, expenses, penalties, damages and/or obligations including but not limited to the costs of defense of such claims, attorney's and audit fees arising out of the failure to provide such required audit reports if required.

The Contractor shall include the provisions of this Section 6 in any subcontract executed in connection with this Project.

7. Allowable Costs

Allowable costs shall be determined in accordance with any applicable Office of Management and Budget Circulars as well as by the terms of the agreement between CESER and the Concerned Funding Agency, and any rules of, or guidelines issued by, the Concerned Funding Agency. The Contractor is responsible for reimbursing CESER in a timely and prompt manner for any payment made under this subcontract which is subsequently determined to be unallowable by CESER, the Concerned Funding Agency, or other appropriate Federal or State officials.

8. Right to Disseminate

Unless otherwise expressly set forth to the contrary in the Contract, CESER shall have the right to use and have used, for any purpose, unpatented information concerning the services performed by the Contractor which the Contractor may disclose to CESER during performance of this Contract if such information is furnished without restrictions on its use.

9. Remedies

The Contractor acknowledges that monetary damages alone will not adequately compensate CESER in the event of a breach by the Contractor of the restrictions imposed and therefore the Contractor hereby agrees that in addition to all remedies available to CESER at law or in equity, including, if applicable, under the District of Columbia Trade Secrets Act, or corresponding applicable State law, CESER shall be entitled to interim restraints and permanent injunctive relief for enforcement thereof, and to an accounting and payment over of all receipts realized by the Contractor as a result of such breach.

10. Ownership Rights

The Work provided by the Contractor pursuant to the Contract shall be "work for hire" and therefore all Work shall be sole and exclusive property of CESER. To the extent that the Services, or any part of them, may not constitute work for hire under the law, Contractor hereby transfers to CESER all right, title, and interest in and to the Work. Without limiting the foregoing, CESER shall have access to the Work at any time during the term of the Contract.

11. Personnel

Any personnel identified in the Contract as individuals who will be performing services under this Contract or producing the Work may not be changed without the written approval of CESER.

12. Modification of the Contract

The Contract may not be modified except by further written agreement signed by the parties.

13. Excusable Delays

The Contractor shall not be liable for damages, including liquidated damages, if any, for delays in performance or failure to perform due to causes beyond the control and without fault or negligence of the Contractor. Such causes include but are not limited to, acts of God, acts of the public enemy, acts of the United States Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather.

14. Inspection of Services

A. All services shall be subject to inspection by CESER, to the extent practicable at all times and places during the Contract. All inspections by CESER shall be made in such manner as not to unduly delay the work.

B. If any services performed hereunder are not in conformity with the requirements of this Contract, CESER shall have the right to require the Contractor to perform the services again in conformity with the requirements of the Contract, at no additional expense to CESER. When the defective services performed are of such nature that the defect cannot be corrected by re-performance of the services, CESER shall have the right to: (1) require the Contractor to immediately take all steps necessary to ensure future performance of the services in conformity with the requirements of the Contract; and (2) reduce the Contract price to reflect the reduced value of the services performed. If the Contractor fails to perform promptly the services again or to take necessary steps to ensure future performance of the services in conformity with the requirements of the Contract, CESER shall have the right to either (a) by Contract or otherwise have the services performed in conformity with the Contract requirements and charge the Contractor any costs incurred by CESER that is directly related to the performance of such services; or (2) terminate this Contract.

15. Insurance Requirements

The Contractor shall effect and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of coverage in respect of all risks which may

be incurred by the Contractor, arising out of the Contractor's performance of the Agreement, in respect of death or personal injury, or loss of or damage to property. The Contractor shall produce to CESER, on request, copies of all insurance policies referred to in this condition or other evidence confirming the existence and extent of the coverage given by those policies, together with receipts or other evidence of payment of the latest premiums due under those policies.

CONTRACTOR'S COMMERCIAL GENERAL LIABILITY INSURANCE - Contractor shall purchase and maintain such insurance as will protect him from claims for damages because of bodily injury, sickness, or disease, or death of any person including claims insured by standard personal injury liability, and from claims for injury to or destruction of tangible property, including loss of use resulting therefrom, any or all of which may arise out of or result from Contractor's operations under the Contract Documents, whether such operations be by himself or by any Subcontractor or anyone directly or indirectly employed by any of them or for whose acts any of them may be legally liable. This insurance shall include the types and specific coverages herein described and are written for not less than any limits of liability specified in these Contract Documents or required by law, whichever is greater. Insurance must include coverage for independent contractors, products/completed operations, contractual liability, broad form property damage, and personal injury.

COVERAGE LIMITS - Insurance coverage limits required to be carried by the Contractor under this Section shall be as follows:

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

General Aggregate \$2,000,000

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

Personal and Advertising Injury \$1,000,000

Each Occurrence \$1,000,000

Crime insurance to provide employee dishonesty coverage on money, securities or property other than money and securities including property in the contractors care, custody or control in an amount of \$250,000.

Compliance with requirement for workers' compensation and disability benefits insurance coverage with your state laws.

The Contractor shall, prior to commencement of the Work required under the Contract, provide CESER with valid original Certificates of Insurance as evidence of the Contractor's insurance coverage in accordance with the foregoing provisions for the term of this Contract. Such certificates of insurance shall specify that the insurance provided exceeds or equals the amounts required for the types of insurance required above.

16. Confidential Information

Any information regarding CESER that is not generally publicly known or available, whether or not such information would constitute a trade secret under statutory or common law, that is disclosed to or discovered by the Contractor during the course of the Agreement (hereinafter, "Confidential Information") shall be considered confidential and proprietary to CESER, and the Contractor shall maintain all Confidential Information in confidence; shall employ reasonable efforts to ensure the security of the Confidential Information; and shall not disclose the Confidential Information to any third party or use the Confidential Information except as necessary to perform the Services or produce the Work. Should the Contractor receive a subpoena directing disclosure of any Confidential Information, the Contractor shall immediately inform CESER and cooperate fully with CESER in responding to the subpoena.

17. Laws and ordinances

The Contractor shall comply will all applicable laws, ordinances, rules and regulations including Federal, State, and Municipal authorities and departments relating to or affecting the work herein or any part thereof, and shall secure and obtain any and all permits, licenses and consents as may be necessary in connection therein.

18. Limitation of Liability

Notwithstanding any other provision of the Agreement, under no circumstances shall the liability of CESER to the Contractor exceed the total amount of compensation to be paid to the Contractor.

19. No waiver of conditions

Failure of CESER to insist on strict performance shall not constitute a waiver of any of the provisions of this Contract or waiver of any other default of the Contractor.

20. Public release of information

Neither party shall use the name of the other party, or the name(s) of the other party's employees, logos, trademarks or other identifiers, without the prior written consent of the other party, except that Contractor may list this project in its reports of sponsored activities.

21. Taxes

Unless prohibited by law or otherwise stated to the contrary to this contract, the Contractor shall pay and has not included in the price of this contract, any Federal, State or Local Sales Tax, Transportation Tax, or other similar levy which is required to be imposed upon the work or services to be performed.

22. Term and Termination

The Contract shall be for such term as is set forth in the Contract. The Contract may be terminated by CESER prior to the end of any term on fifteen (15) days written notice.

In addition, this Contract may be terminated by either party on written notice should the other party: (a) fail to cure a material breach within ten (10) days of delivery of written notice; (b) become insolvent; (c) be the subject of a bankruptcy filing; or (d) cease doing business. Upon termination of this Contract, the Contractor shall deliver to CESER: all Work, whether in final or draft form, that has been produced as of the date of termination of this Contract; all Confidential Information; and any materials or items previously provided to the Contractor by CESER. Upon receipt thereof by CESER, the Contractor shall be paid for work performed through the date of termination. In all instances of terminations, the Contractor shall use best efforts to not incur new costs and expenses after the notice of termination, and shall cancel as many outstanding obligations as possible.

23. Warranty of Services

The Contractor warrants and represents that: (a) the Services shall conform to the Contract and Statement of Work in all respects; (b) the Work shall be original to the Contractor and shall not infringe the copyright or other rights of any party; (c) the Contractor possesses, and shall employ, the resources necessary to perform the Services in conformance with the Contract; (d) the services shall be performed, and the Work produced, in accordance with high standards of expertise, quality, diligence, professionalism, integrity, and timeliness; and (e) the Contractor has no interest, relationship, or bias that could present a financial, philosophical, business, or other conflict with the performance of the Work or create a perception of a conflict or a lack of independence or objectivity in performing the Work.

24. Special Damages

Neither party shall be liable to the other for consequential or indirect damages, including lost profits, or for punitive damages, arising from breach of the Contract.

25. Concerned Funding Agency

This Contract is subject to the terms of any agreement between CESER and a Concerned Funding Agency and in particular may be terminated by CESER without penalty or further obligation if the Concerned Funding Agency terminates, suspends or materially reduces its funding for any reason.

Additionally, the payment obligations of CESER under this Contract are subject to the timely fulfillment by Concerned Funding Agency of its funding obligations to CESER.

26. Review and Coordination

To insure adequate review and evaluation of the Services and Work, and proper coordination among interested parties, CESER shall be kept fully informed concerning the progress of the Work and services to be performed hereunder, and, further, CESER may require the Contractor to meet with designated officials of CESER from time to time to review the same.

27. Entire Agreement

The Contract constitutes the entire agreement between the parties relating to the subject matter of the Contract. The Contract supersedes all prior negotiations, representations and undertakings, whether written or oral.

28. Flow down Provisions

The Contractor agrees to assume, as to CESER, the same obligations and responsibilities that CESER assumes toward the Concerned Funding Agency under those Federal Acquisition Regulations (FAR), if any, and applicable Concerned Funding Agency acquisition regulations, if any, that are mandated by their own terms or other law or regulation to flow down to subcontractors or subgrantees, and therefore the Contract incorporates by reference, and the Contractor is subject to, all such mandatory flow down clauses. Such clauses, however, shall not be construed as bestowing any rights or privileges on the Contractor beyond what is allowed by or provided for in the Contract, or as limiting any rights or privileges of CESER otherwise allowed by or provided for in the Contract. The Contractor also agrees to flow down these same provisions to any lower-tier subcontractors.

29. Compliance with Applicable Laws

In performing its responsibilities under this agreement, the Contractor hereby certifies and assures that it will fully comply with the following regulations and cost principles, including any subsequent amendments:

Uniform Administrative Requirements:

2 CFR 200

Cost Principles:

2 CFR 200

Other Requirements (As Applicable):

29 CFR Part 93, Lobbying Certification

29 CFR Part 37, Nondiscrimination and Equal Opportunity Requirements

29 CFR Part 98, Debarment and Suspension; Drug Free Workplace

30. Indemnification

Should one party (the "Indemnified Party") incur or suffer any liability, damage, or expense, including reasonable attorney's fees, in connection with the defense of a legal proceeding brought by a third party arising out of the negligent or other wrongful actions of the other party (the "Indemnifying Party"), then the Indemnifying Party shall indemnify and hold harmless the Indemnified Party for such liability, damage, or expense.

31. Survival

The following sections of these General Terms and Conditions shall survive the termination of this Contract:

The section titled "Relationship."

The section titled "Arbitration and applicable law."

The section titled "Assignment and Subcontracting."

The section titled "Remedies."

The section titled "Ownership Rights."

The section titled "Confidential Information."

The section titled "Limitation of Liability."

The section titled "Public release of information."

The section titled "Special Damages."

The section titled "Flow down Provisions"

The section titled "Indemnification."

This section titled "Survival."