

**SERVICE CONTRACT
THE STATE OF WASHINGTON
OFFICE OF THE SECRETARY OF STATE
AND**

[_____ (NAME OF CONTRACTOR)]

This Contract is made and entered into by and between the Office of the Secretary of State ("OSOS") and (_____ Name of Contractor) ("Contractor") for the express purpose set forth below:

PURPOSE

The purpose of this Contract is to develop and implement a modern Elections Management System (EMS) for Washington State.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, OSOS and Contractor mutually agree as follows:

1. STATEMENT OF WORK; TERMS AND CONDITIONS

The Contractor agrees to furnish the necessary personnel, equipment, material and/or service(s) and otherwise do all things necessary for or incidental to the performance of work set forth in the Statement of Work.

The Special Terms and Conditions, and the General Terms and Conditions, govern the work to be performed under this Contract, the nature of the relationship between OSOS and Contractor, and specific obligations of both parties.

2. PERIOD OF PERFORMANCE

The period of performance is from January 1, 2018, through _____.

3. COMPENSATION AND PAYMENT

A. Amount of Compensation. OSOS will pay an amount not to exceed _____ (\$ _____) for the performance of all things necessary for or incidental to the performance of work as set forth in the Statement of Work.

B. Billing Procedures. Contractor will submit invoices to the OSOS Project Manager not more often than monthly.

OSOS will pay for approved and completed work, by warrant or electronic account transfer, within 30 calendar days of receipt of an invoice containing all information required for processing. The Contractor must provide OSOS with their Statewide Vendor number (SWV#). The Contract number and SWV number must be referenced on each reimbursement claim in order for the claim to be processed.

OSOS may, in its sole discretion, terminate this Contract or withhold payments claimed by Contractor for services rendered if Contractor fails to satisfactorily comply with any terms or conditions of this Contract.

Contractor will invoice, collect, and pay any applicable Washington state sales tax.

OSOS will make no payments in advance or in anticipation of services or supplies to be provided under this Contract.

4. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

Contractor certifies that Contractor is not debarred, suspended, or proposed for debarment by the federal government.

5. WAGE THEFT WARRANTY

Contractor warrants that, as of the date of signing this Agreement, Contractor has not been determined by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries (L&I) or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of RCW chapters 49.46, 49.48, or 49.52 within the last 3 years. Contractor further warrants that it will remain free of willful wage violations during the life of this Agreement. Contractor will immediately notify OSOS of any finding of such willful violation entered by L&I or by any court during the term of this Agreement.

6. CONTRACT MANAGEMENT

The Project Manager for each of the parties identified below shall be the contact person for communications regarding the performance of this Contract. Invoices shall be sent to the OSOS Project Manager.

Project Manager for the Contractor is:	Project Manager for the OSOS is:
Name Address Phone: Fax: E-mail address:	Name Address Phone: Fax: E-mail address:

7. SECURITY BREACH

Contractor shall notify OSOS of a breach of the system (security breach) as soon as practicable, but not later than 24 hours after Contractor becomes aware of a breach. A security breach is any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of any personal information maintained by Contractor on behalf of OSOS.

Contractor agrees that it shall not inform any third party of any Security breach without first obtaining OSOS' prior written consent. Further, Contractor agrees that OSOS, in coordination with the Washington State Office of CyberSecurity (OCS), shall have the sole right to determine: (i) whether notice of the security breach is to be provided to any individuals, regulators, law enforcement agencies, consumer reporting agencies or others as required by law or regulation, or otherwise at OSOS' discretion; and (ii) the contents of such notice, whether any type of remediation may be offered to affected persons, and the nature and extent of any such remediation.

Immediately following Contractor's notification to OSOS of a security breach, the parties shall coordinate with each other to investigate the security breach. Contractor agrees to fully cooperate with OSOS and OCS in the handling of the matter, including, without limitation: (i) assisting with any investigation; (ii) providing OSOS and/or OCS with physical access to the facilities and operations affected; (iii) facilitating interviews with Contractor's employees and others involved in the matter; and (iv) making available all relevant records, logs, files, data reporting and other materials required to comply with applicable law, regulation, industry standards or as otherwise required by OSOS or OCS.

Contractor shall immediately remedy any security breach and prevent any further security breach at Contractor's expense in accordance with applicable privacy rights, laws, regulations and standards.

Contractor agrees to fully cooperate, at its own expense, with OSOS in any litigation or other formal action deemed necessary by OSOS to protect its rights relating to the use, disclosure, protection and maintenance of Personal Information.

Contractor shall be responsible for all costs incurred in responding to, and mitigating damages caused by, any security breach, including all costs of notice and/or remediation. Costs include those incurred in providing individuals affected by a security breach with notice of the breach, reissued payment cards, complimentary access for 1 year credit monitoring services, credit protection services, credit fraud alerts and/or similar services, which OSOS deems necessary to protect such affected individuals/in consultation with Contractor, shall determine is reasonable to protect such affected individuals in light of the risks posed by the security breach.

8. INSURANCE

Contractor is required, at all times during the term of the Contract, at its own cost and expense, to provide a program of self-insurance or buy and maintain insurance of the types and amounts listed below. Contractor agrees to provide OSOS with written notice before cancellation or non-renewal of any insurance required under the terms of this Contract. If Contractor fails to buy and maintain the required insurance, or fails to maintain an adequate program of self-insurance, OSOS may terminate the Contract.

Contractor shall include all subcontractors as insureds under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

The intent of the required insurance is to protect the state of Washington, its elected and appointed officials, agents and employees against any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of Contractor or subcontractor, or agents of either, while performing under the terms of this Contract. By requiring insurance herein, OSOS does not represent that coverage and limits will be adequate to protect Contractor and such coverage and limits shall not limit Contractor's liability under the indemnities and reimbursements granted to the State in this Contract.

SOFTWARE ERRORS AND OMISSIONS LIABILITY INSURANCE

Contractor agrees to maintain software errors and omissions liability insurance for damages arising out of negligent acts, errors, or omissions committed by the Contractor or the

Contractor's employees in the performance of this Contract, with a liability limit of at least \$2,000,000 per claim.

COMMERCIAL GENERAL LIABILITY (CGL) INSURANCE

Contractor agrees to maintain general liability (CGL) insurance, and, if necessary, commercial umbrella insurance with a limit of at least \$1,000,000 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit must be at least twice the "each occurrence" limit. CGL insurance must have products-completed operations aggregate limit of at least two times the "each occurrence" limit.

CGL insurance must be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage), and must cover liability arising out of premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insureds (cross liability) condition.

EMPLOYERS LIABILITY (STOP GAP) INSURANCE

Contractor must buy employers liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 per each accident for bodily injury by accident or \$1,000,000 per each employee for bodily injury by disease.

AUTOMOBILE INSURANCE

If work performed pursuant to this Contract involves the use of vehicles, owned or unowned by Contractor, Contractor must maintain automobile insurance with a limit of at least \$1,000,000 per accident using a Combined Single Limit for bodily injury and property damage. Contractor waives all rights of subrogation against State for recovery of damages to the extent they are covered by covered by automobile insurance or commercial umbrella liability insurance.

Automobile insurance coverage must be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01.

The insurance required must be issued by an insurance company/ies authorized to do business within the state of Washington, and must name the Office of the Secretary of State, State of Washington, its agents and employees as additional insureds on all general liability, umbrella, excess, and property insurance policies. These policies are primary to any other valid and collectable insurance. The Contractor agrees to instruct its insurers to give Contractor 30 days advance notice of any insurance cancellation.

The Contractor must submit to OSOS, within 7 days of the Contract's Effective Date, a certificate of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements specified in the Contract, or a complete description of the self insurance program and a financial statement showing the status of the self-insurance fund.

9. INDUSTRIAL INSURANCE COVERAGE

Contractor is required to comply with all applicable provisions of Title 51 RCW, the Industrial Insurance Act.

If the Contractor or any subcontractor is exempt from the Industrial Insurance Act, the Contractor agrees to provide workers compensation coverage for all employees of Contractor and/or employees of any subcontractor not covered under Washington's Industrial Insurance Act. Coverage must include bodily injury (including death) by accident or disease, which arises out of or in connection with the performance of this Contract. Except as prohibited by law, Contractor waives all rights of subrogation against State for recovery of damages to the extent they are covered by workers compensation, employers liability, commercial general liability or commercial umbrella liability insurance.

If Contractor or subcontractor fails to comply with the Industrial Insurance Act or otherwise fails to provide workers compensation coverage as described above, Contractor will indemnify State for all fines, payment of benefits to Contractor or subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees. Any amount owed to State by Contractor pursuant to the indemnity agreement may be deducted from any payments owed by State to Contractor for performance of this Contract.

10. ORDER OF PRECEDENCE

Each of the exhibits listed below is by this reference hereby incorporated into this Contract. In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- i. Applicable Federal and Washington State statutes, rules, and regulations;
- ii. Special Terms and Conditions;
- iii. General Terms and Conditions;
- iv. Statement of Work;
- v. Contractor's response to RFP 18-02;
- vi. RFP 18-02; and
- vii. Any other provision, term, or material incorporated by reference or otherwise incorporated.

11. ENTIRE AGREEMENT

This Contract, including referenced exhibits, represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this Contract shall be deemed a part hereof.

12. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

13. APPROVAL; AMENDMENTS

This Contract is subject to the written approval of OSOS' authorized representative and is not binding until so approved. This Contract may be altered, amended, or waived only by written amendment executed by both parties.

THIS CONTRACT is executed by the persons signing below who warrant that they have the authority to execute this Contract.

Authorized Signatory:
Print Name:
Title:

Date:

Authorized Signatory:
Print Name:
Title:

Date:

SAMPLE

GENERAL TERMS AND CONDITIONS

These General Terms and Conditions marked as Exhibit ___ are attached and incorporated into the Service Contract (the "Contract") by and between the Office of the Secretary of State ("OSOS") and [_____] dated [_____] [___], 20[___]. Capitalized terms used and not defined herein shall have the meanings given to them in the Contract.

1. **DEFINITIONS**

- a. "Agent" means the Secretary of State, and/or the delegate authorized in writing to act on the Secretary of State's behalf.
- b. "Contractor" means that firm, provider, organization, individual or other entity performing service(s) under the contract, and shall include all employees of Contractor.
- c. "Materials" means all items produced pursuant to the Contract in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions.
- d. "Subcontractor" means one not in the employment of Contractor, who is performing all or part of those services under the Contract under a separate contract with Contractor. The terms "Subcontractor" and "Subcontractors," means Subcontractor(s) in any tier.

2. **ACCESS TO DATA** – In compliance with RCW 39.26.180, Contractor agrees to provide access to data generated under the Contract to OSOS, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of Contractor's reports, including computer models and methodology for those models.

Contractor agrees to make personal information covered under the Contract available to OSOS for inspection or to amend the personal information. Contractor shall, as directed by OSOS, incorporate any amendments to the personal information into all copies of such personal information maintained by Contractor or its Subcontractors.

3. **AMERICANS WITH DISABILITIES ACT (ADA)** – Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

4. **NO ASSIGNMENT** – Contractor agrees not to transfer or assign the Contract or any claim arising under the Contract without prior written consent of OSOS. For the purposes of the Contract, assignment includes assignment by merger.

5. **ATTORNEY'S FEES** – In the event of litigation or other action brought to enforce the terms of the Contract, each party agrees to bear its own attorney's fees and costs.

6. **CONFIDENTIALITY / SAFEGUARDING OF INFORMATION** – Contractor will not use or disclose any information concerning OSOS, or information which may be classified as confidential, for any purpose not directly connected with the administration of the Contract without prior written consent of OSOS, or as may be required by law.

7. **CONFLICT OF INTEREST** – Notwithstanding any determination by the Executive Ethics Board or other tribunal, OSOS may, in its sole discretion, by written notice to Contractor

terminate the Contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving Contractor in the procurement of, or performance under the Contract.

In the event the Contract is terminated as provided above, OSOS is entitled to pursue the same remedies against Contractor as it could pursue in the event of a breach of the contract by Contractor. The rights and remedies of OSOS provided for in this clause are not exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Agent makes any determination under this Section shall be an issue and may be reviewed as provided in the "Disputes" Section.

8. COPYRIGHT PROVISIONS – Unless otherwise provided, all Materials produced under the Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by OSOS. OSOS shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, Contractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to OSOS effective from the moment of creation of such Materials. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, Contractor hereby grants to OSOS a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to OSOS.

Contractor shall exert all reasonable effort to advise OSOS, at the time of delivery of Materials furnished under the Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of the Contract. OSOS shall receive prompt written notice of each notice or claim of infringement received by Contractor with respect to any data delivered under the Contract. OSOS shall have the right to modify or remove any restrictive markings placed upon the data by Contractor.

9. COVENANT AGAINST CONTINGENT FEES – Contractor warrants and represents that no person or selling agent has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by Contractor for the purpose of securing business. OSOS shall have the right, in the event of breach of this Section by Contractor, to annul the Contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

10. DISPUTES – Except as otherwise provided in the Contract, when a bona fide dispute arises between OSOS and Contractor and it cannot be resolved by direct negotiation, either party may request a dispute hearing with the Agent. The request for a dispute hearing must:

- a. be in writing;
- b. state the disputed issue(s);
- c. state the relative positions of the parties;
- d. state Contractor's name, address, and contract number; and
- e. be mailed to the Agent and the other party's (respondent's) Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requester's statement to both the Agent and the requester within 15 working days. The Agent shall review the written statements and reply in writing to both parties within 10 working days. The Agent may extend this period if necessary by notifying the parties.

This dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in the Contract limits the parties' choice of a mutually acceptable Alternate Dispute Resolution method in addition to the dispute resolution procedure outlined above.

11. GOVERNING LAW – The Contract shall be construed and interpreted in accordance with the laws of the state of Washington. Any action brought hereunder shall be filed in the Superior Court for Thurston County.

12. INDEMNIFICATION – To the fullest extent permitted by law, Contractor agrees to indemnify, defend, and hold harmless Washington State, agencies of Washington State and all officials, agents and employees of Washington State, from and against all claims for injuries or death arising out of or resulting from the performance of the Contract. Contractor's obligation to indemnify, defend, and hold harmless includes any claim by Contractors' agents, employees, representatives, or any Subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless Washington State for any claim arising out of or incident to Contractor's or any Subcontractor's performance or failure to perform the Contract. Contractor's obligation to indemnify, defend, and hold harmless Washington State shall not be eliminated or reduced by any actual or alleged concurrent negligence of Washington State or its agents, agencies, employees and officials.

Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless Washington State and its agencies, officials, agents or employees.

13. INDEPENDENT CAPACITY OF THE CONTRACTOR – The parties intend that an independent contractor relationship will be created by the Contract. Contractor and his or her employees or agents performing under the Contract are not employees or agents of OSOS. Contractor will not hold himself/herself out as or claim to be an officer or employee of OSOS or of the state of Washington by reason hereof, nor will Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with Contractor.

14. LICENSING, ACCREDITATION AND REGISTRATION – Contractor agrees to comply with all applicable local and state licensing, accreditation, registration, and bonding requirements/standards, necessary for the performance of the Contract.

15. LIMITATION OF AUTHORITY – Only the Agent or Agent's delegate by writing (delegation to be made prior to action) has the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of the Contract. Furthermore, any alteration, amendment, modification, or waiver of any clause or condition of the Contract is not effective or binding unless made in writing and signed by the Agent.

16. COMPLIANCE WITH NONDISCRIMINATION LAWS – During the performance of the Contract, Contractor agrees to comply with all federal and state nondiscrimination laws, regulations and policies. In the event of Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy the OSOS may rescind, cancel, or terminate the Contract in whole or in part, and may declare Contractor ineligible for further contracts with

OSOS. OSOS agrees to give Contractor a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the procedures set forth in the "Disputes" Section.

17. PRIVACY – Contractor agrees to protect against unauthorized use, disclosure, modification or loss all personal information collected, used, or acquired in connection with the Contract. Contractor agrees to ensure its directors, officers, employees, Subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth in the Contract. Contractor and its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of OSOS or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. Contractor agrees to indemnify and hold harmless Washington State for any damages related to Contractor's unauthorized use of personal information.

18. PUBLICITY – Contractor agrees to submit to OSOS all advertising and publicity matters relating to the Contract wherein OSOS' name is mentioned, inferred, or implied, in OSOS' judgement. Contractor shall not publish or use such advertising and publicity matters without the prior written consent of OSOS.

19. RECORDS MAINTENANCE – Contractor agrees to maintain books, records, documents, data and other evidence relating to the Contract and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of the Contract. Contractor agrees to retain such records for a period of six (6) years following the date of final payment. At no additional cost to OSOS, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review or audit by OSOS, personnel duly authorized by OSOS, the Office of the State Auditor, and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

20. REGISTRATION WITH DEPARTMENT OF REVENUE – Contractor must complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under the Contract.

21. RIGHT OF INSPECTION – Contractor agrees to provide right of access to its facilities to OSOS, or any of its officers, or to any other authorized agent or official of Washington State, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under the Contract.

22. SAVINGS – In the event funding from State, or other sources is withdrawn, reduced, or limited in any way after the Effective Date of the Contract and prior to normal completion, OSOS may terminate the Contract as provided in the "Termination for Convenience" Section, without the ten day notice requirement, subject to renegotiation under those new funding limitations and conditions.

23. SITE SECURITY – While on OSOS premises, Contractor, its agents, employees, and Subcontractors shall conform in all respects with physical, fire, and other security policies or regulations.

24. SUBCONTRACTING – Neither Contractor nor any Subcontractor may enter into subcontracts for any of the work contemplated under the Contract without obtaining prior written approval of OSOS. In no event may the existence of the subcontract operate to release or reduce the liability of Contractor for any breach in the performance of Contractor's duties. This clause does not include contracts of employment between Contractor and personnel assigned to work under the Contract.

Additionally, Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in the Contract are carried forward to any subcontracts.

25. TAXES – Contractor agrees to bear sole responsibility for all payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for Contractor or its staff.

26. TERMINATION FOR CAUSE – In the event OSOS determines Contractor has failed to comply with the conditions of the Contract in a timely manner, OSOS has the right to suspend or terminate the Contract. Before suspending or terminating the Contract, OSOS agrees to notify Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 days, the Contract may be terminated or suspended. In the event of termination or suspension, Contractor is liable for damages as authorized by law including, but not limited to, any cost difference between the original Contract and the replacement or cover Contract and all administrative costs directly related to the replacement Contract, e.g., cost of the competitive bidding, mailing, advertising and staff time. OSOS reserves the right to suspend all or part of the Contract, withhold further payments, or prohibit Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by Contractor or a decision by OSOS to terminate the Contract.

A termination is deemed to be a "Termination for Convenience" if it is determined that Contractor: (1) was not in default; or (2) failure to perform was outside of Contractor's control, fault, or negligence. The rights and remedies of OSOS provided in the Contract are not exclusive and are in addition to any other rights and remedies provided by law.

27. TERMINATION FOR CONVENIENCE – Except as otherwise provided in the Contract, OSOS may, by 10 calendar days written notice, beginning on the second day after mailing of written notice, terminate the Contract, in whole or in part. If the Contract is so terminated, OSOS is liable only for payment required under the terms of the Contract for services rendered or goods delivered prior to the effective date of termination.

28. TERMINATION PROCEDURES – Upon termination of the Contract OSOS, in addition to any other rights provided in the Contract, may require Contractor to deliver to OSOS any property specifically produced or acquired for the performance of such part of the Contract as has been terminated. The provisions of the "Treatment of Assets" Section shall apply in such property transfer.

OSOS shall pay to Contractor the agreed upon price, if separately stated, for completed work and services accepted by OSOS, and the amount agreed upon by Contractor and OSOS for (i) completed work and services for which no separate price is stated, (ii) partially completed work

and services, (iii) other property or services which are accepted by OSOS, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agent shall determine the extent of the liability of OSOS. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" Section. OSOS may withhold from any amounts due Contractor such sum as the Agent determines to be necessary to protect OSOS against potential loss or liability.

The rights and remedies of OSOS provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

After receipt of a notice of termination, and except as otherwise directed by the Agent, Contractor shall:

- a. Stop work under the Contract on the date, and to the extent specified, in the notice;
- b. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract as is not terminated;
- c. Assign to OSOS, in the manner, at the times, and to the extent directed by the Agent, all of the rights, title, and interest of Contractor under the orders and subcontracts so terminated, in which case OSOS has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- d. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent to the extent Agent may require, which approval or ratification shall be final for all the purposes of this clause;
- e. Transfer title to OSOS and deliver in the manner, at the times, and to the extent directed by the Agent any property which, if the contract had been completed, would have been required to be furnished to OSOS;
- f. Complete performance of such part of the work as shall not have been terminated by the Agent; and
- g. Take such action as may be necessary, or as the Agent may direct, for the protection and preservation of the property related to the Contract which is in the possession of Contractor and in which OSOS has or may acquire an interest.

29. TREATMENT OF ASSETS

- a. Title to all property furnished by OSOS remains in OSOS. Title to all property furnished by Contractor, for the cost of which Contractor is entitled to be reimbursed as a direct item of cost under the Contract, passes to and vests in OSOS upon delivery of such property by Contractor. Title to other property, the cost of which is reimbursable to Contractor under the Contract, passes to and vests in OSOS upon (i) issuance for use of such property in the performance of the Contract, or (ii) commencement of use of such property in the performance of the Contract, or (iii) reimbursement of the cost thereof by OSOS in whole or in part, whichever first occurs.
- b. Contractor agrees to use any property furnished by OSOS only for the performance of the Contract, unless otherwise provided herein or approved by OSOS.
- c. Contractor is responsible for any loss or damage to property of OSOS which results from the negligence of Contractor or which results from the failure on the part of Contractor to maintain and administer that property in accordance with sound management practices.
- d. If any of OSOS property is lost, destroyed or damaged, Contractor agrees to notify OSOS and shall take all reasonable steps to protect the property from further damage.
- e. Contractor agrees to surrender to OSOS all property of OSOS prior to settlement upon completion, termination or cancellation of the Contract.

- f. All references to Contractor under this Section include Contractor's employees, agents or Subcontractors.

30. WAIVER – Waiver of any default or breach will not be deemed to be a waiver of any subsequent default or breach. Any waiver will not be construed to be a modification of the terms of the Contract unless stated to be such in writing and signed by authorized representative of OSOS.

SAMPLE

STATEMENT OF WORK

The (Contractor) shall provide (description of services). This work shall include:

DELIVERABLES/COSTS

REPORTS REQUIRED

SCHEDULE

SAMPLE