



ARIZONA STATE TREASURER'S OFFICE

Request for Proposal # 24-02

RFP 24-02: STATE OF ARIZONA INVESTMENT MANAGEMENT SERVICES

Sealed Written Proposals will be accepted until
4:00 P.M. Arizona Time, Thursday, July 11, 2024

Chief Procurement Officer: Jackie Harding
Email: RFPproposal@aztreasury.gov

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SECTION 1

EXECUTIVE SUMMARY

TITLE

RFP 24-02 State of Arizona Investment Management Services

BACKGROUND AND PURPOSE

The ASTO is responsible for the investment of approximately \$30 Billion in investments on behalf of the State of Arizona, its agencies, boards and commissions, political subdivisions, Permanent Land Endowment Trust Fund and Arizona Endowment Trust Fund. ASTO is soliciting proposals from all qualified investment firms who want to be considered as an investment manager to provide the following:

Portfolio management services for two externally managed fixed income pools consisting of an investment grade fixed income pool that is approximately one hundred nineteen (119) million dollars, and a municipal tax-free non-AMT pool of approximately four hundred seventy-five (475) million dollars. The municipal pool has a finite termination date of October 1st, 2029. The firm selected should be considered extensions of the internal investment team and will follow the same investment mandate for each investment pool managed by the ASTO. The contractor may be asked to perform as a back-up to internal managers in the event of an emergency.

ASTO Investment Policy is located here: <https://tinyurl.com/4vfr57xk>. This RFP is for the funds that are currently managed externally. Those funds are:

- POOL 3 - STATE AGENCIES II (Diversified Asset Mix)
- POOL 10 – YIELD RESTRICTED AND TAX-EXEMPT NON-AMT POOL.

However, the contractor should be able to demonstrate that they have the capabilities of managing any of the funds in the investment policy on a contingency basis (Excluding Pools 9 and 9A).

Firms should bid on the combined fixed income portfolios included in this RFP. More detailed descriptions of these services are set forth under the heading of “Scope of Work”.

The successful proposer will enter into a contract with the State Treasurer, for a three-year term. All formal inquiries or requests for significant or material clarification or interpretation must be directed in writing or by e-mail to:

Jackie Harding

Deputy Treasurer of Operations

Chief Procurement Officer

Arizona State Treasurer’s Office

RE: RFP 24-02 Investment Management Services

1700 West Washington

Phoenix, Arizona 85007

or

Email: RFPproposal@aztreasury.gov

Reference “RFP 24-02 Investment Management Services” in the subject line.

The Arizona State Treasurer’s Office anticipates making one award for this RFP process.

AUTHORITY

The Arizona State Treasurer’s Office (ASTO) is authorized under A.R.S.§ 35-318 to contract for Investment Management Services for the State of Arizona.

POOL BALANCES (as of March 31, 2024)

External

Pool 3: State Agencies II – Diversified Asset Mix	\$ 118,658,552
Pool 10: State Operating Tax-Free Muni Non-AMT	\$ 474,951,376*

(*Pool 10 will terminate October 1st, 2029)

Internal

Pool 2: State Agencies I – FF&C	\$ 2,694,892,546
Pool 3: State Agencies I – Diversified Asset Mix	\$ 6,031,684,927
Pool 4: State Agencies IV – Restricted Diversified	\$ 1,152,247,577
Pool 5: LGIP	\$ 3,106,282,638
Pool 7: LGIP Gov – FF&C	\$ 2,720,967,505
Pool 10: Internal	\$ 1,069,706,170
Pool 12: CAWCD Medium-Term	\$ 559,623,662
Pool 16: ECDHB	\$ 187,038,842
Pool 500: LGIP Medium-Term	\$ 684,756,675

Pool 700: LGIP – FF&C Medium-Term	\$ 241,151,706
Pool 205: PLETF Endowment Fixed Income	\$ 2,929,886,545
Pool 123: PLETF Fixed Income	\$ 332,996,380
Pool 201: PLETF S&P 500 Indexed (Large Cap)	\$ 3,147,035,982
Pool 203: PLETF S&P 400 Indexed (Mid Cap)	\$ 1,362,942,178
Pool 204: PLETF S&P 600 Indexed (Small Cap)	\$ 852,996,380
Pool 301: AETF S&P 500 Indexed (Large Cap)	\$ 31,604,921
Pool 303: AETF S&P 400 Indexed (Mid Cap)	\$ 13,546,923
Pool 304: AETF S&P 600 Indexed (Small Cap)	\$ 8,826,963
Pool 305: AETF Endowment Fixed Income	\$ 33,363,301

SECTION 2

OFFER AND ACCEPTANCE

SUBMISSION OF OFFER:

The Undersigned hereby offers and agrees to provide Investment Management Services in compliance with all terms, conditions, specifications, and amendments in the Solicitation and any written exceptions in the Offer by the latest dated version below.

Offeror company name	Signature of person authorized to sign Offer & Date
Address	Printed name and title
City, State, ZIP	Contact name and title
	Contact email address Contact phone number

Revised Offers:				
	Date	Signature	Date	Signature
Best and Final Offer:				
	Date	Signature		

CERTIFICATION: By signature in the above, Offeror certifies that it:

1. Will not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, [Arizona] State Executive Orders 2023-01 and 2009-9 or A.R.S. §§ 41-1461 through 1465;
2. Has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause will result in rejection of the Offer. Signing the Offer with a false statement will void the Offer, any resulting contract, and may be subject to legal penalties under law;

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3. Complies with A.R.S. § 18-132 when offering electronics or information technology products, services, or maintenance;
 4. Has submitted this Offer as a firm offer for 180 days following the Solicitation due date and time. After 180 days, the Offer will remain open unless revoked by Offeror via written withdrawal of Offeror's proposal in accordance with the Arizona Procurement Code;
 5. Did not and will not involve collusion or other anti-competitive practices; and
 6. Is not debarred from, or otherwise prohibited, from participating in any contract awarded by federal, state, or local government.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the Materials or Services listed by the attached Contract and based upon the Solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

The Contract shall henceforth be referred to as Contract No. _____

The effective date of the Contract is _____

The Contractor is cautioned not to commence any billable work or to provide any Material or Service under this Contract until Contractor receives purchase order or written notice to proceed.

Office of the State Treasurer

This day of _____

Authorized Signature: _____

Name: _____

Title: _____

SECTION 3

SPECIAL INSTRUCTIONS TO OFFERORS

TERMS AND DEFINITIONS

For the purpose of this RFP and the ensuing contract, the following terms and definitions will apply:

- 1 “ASTO” means the Arizona State Treasurer’s Office.
- 2 “Attachment” means any item the Solicitation requires a Bidder to submit as part of the Offer.
- 4 “Bidder” means a vendor who responds to a Solicitation.
- 5 “Contract” means the combination of the Solicitation, including the Uniform and Special Instructions to Bidders, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work, the Offer and any Best and Final Offers, and any Solicitation Amendments or Contract Amendments.
- 6 “Contract Amendment” means a written document signed by the ASTO that is issued for the purpose of making changes in the Contract.
- 7 “Contractor” means any person who has a Contract with the State.
- 8 “Days” means calendar days unless otherwise specified.
- 9 “Exhibit” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 10 “Offer” means bid, proposal or quotation.
- 11 “Solicitation” means an Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
- 12 “Solicitation Amendment” means a written document that is signed by the ASTO and issued for the purpose of making changes to the Solicitation.
- 13 “Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 14 “State” means the State of Arizona and any Department or Agency of the State that executes the Contract.

PROPOSAL

1. **Deliverables:** Responses must include 1 ORIGINAL printed copy plus 3 complete electronic versions of the proposal on USB drives, that will be used in the evaluation process. The original copy of the proposal should be clearly labeled "ORIGINAL". The material should be in sequence and related to the Request for Proposal. **Note: Offeror shall not submit any documents/USB drives that are password protected.**

Proposals are due at the following address on or before 4:00 p.m. (Arizona Time) on Thursday, July 11, 2024. Mail all proposals to:

Jackie Harding
 Office of the State Treasurer
 Attn: RFP 24-02 Investment Management Services
 1700 W. Washington
 1st Floor Room 102
 Phoenix, AZ 85007

All questions should be sent to RFPproposal@aztreasury.gov and must include "RFP 24-02 Investment Management Services" in the subject line of the email.

Proposals received after the date and time specified herein will not be considered. Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each bidder shall be read publicly and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing bidders during the process of negotiation. Prices will **NOT** be read. Proposals will not be subject to public inspection until after contract has been awarded and signed.

2. **Proposed Timeline:**

Figure 1: Schedule	
Event	Date
Distribution of RFP	June 13, 2024
Deadline for Questions	June 20, 2024
Date for Answers to Questions	June 27, 2024
Proposals Due (no later than 4 p.m. Arizona time)	July 11, 2024

Finalist Presentations (if necessary)	TBD
Award Business By	July 31, 2024
Contract Start Date	TBD

SECTION 4

EVALUATION CRITERIA

MINIMUM CRITERIA

These minimum criteria must be met for a Proposal to be considered for award:

- The offer must be submitted by the deadline;
- The Offeror must provide a signed and complete offer;
- The Offeror must state its interest in performing the various Investment Management Services to The State of Arizona agencies as outlined in the scope of work;
- The Offeror must complete all Arizona Risk and Authorization Management Program (AZRamp) requirements, in their entirety, as described in the statewide enterprise architecture, and statewide Information Technology security policies, standards and procedures as listed in Section 6 – Special Terms and Conditions; and
- Offeror’s answers to Section 8 – Exhibits and Attachments, Exhibits A through I must be responsive and complete.

The Offeror’s eligible to submit an offer must demonstrate:

- \$10 billion or more of current AUM.
- At least 5 years’ experience of managing fixed income and/or equity portfolios of at least \$1 billion by the primary portfolio manager.
- Current experience in managing a portfolio of \$1 billion or more of short- and medium- term fixed income assets for a State, County or City Treasurer’s office.
- Current experience in managing investment grade corporate bonds, agency mortgages, municipal bonds, asset-backed securities, commercial paper, discount notes and treasury bills, notes and bonds.

EVALUATION

An award shall be made to the responsible Bidder whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed in Figure 2: Weightings. The Bidder is cautioned that it is the Bidder’s sole responsibility to submit information related to the evaluation

categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Bidder’s proposal. Failure of the Bidder to submit such information may cause an adverse impact on the evaluation of the Bidder’s proposal as to the responsiveness of the proposal and the responsibility of the Bidder.

Figure 2: Weightings		
Pricing (Cost)	Exhibit A	15%
Conformance to Scope of Work	Exhibit B	30%
Method of Approach	Exhibit C	30%
Experience of Company	Exhibit D	25%
Total		100%

PRICING

Provide a price schedule for the total cost of providing all services necessary under this proposal based on the amount of AUM on an annual basis. For example, if awarded \$600 Million in assets to manage for pool X and \$100 Million in assets to manage for pool Y, please breakdown the costs for pool X and pool Y individually and then combined costs for pools X and Y in the aggregate.

All prices must be shown in the pricing schedule of this RFP shown in Exhibit A – Pricing.

CONFORMANCE TO SCOPE OF WORK

Performance requires the Offeror to submit a written narrative which demonstrates the method or manner in which the Offeror proposes to satisfy the requirements of the Scope of Work. The language of the narrative should be straight forward and limited to fact, solutions to problems, and plans of proposed action. The written narrative should include specific responses to the items listed in the scope of work.

The written narrative should include specific responses to the items listed in Exhibit B - Scope of Work.

METHOD OF APPROACH

The Offeror should present a proposed method of satisfying the requirements of the Scope of Work as specified herein. The narrative should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described.

Indicate the number of full-time dedicated resources (individuals) you will provide in support of the ASTO account if awarded the contract. Also, specify if the person managing these resources will be exclusively assigned and responsible for this contract only. If the account manager is working on other accounts, specify the percent of time this individual will dedicate to this contract.

Describe how your firm will organize, as a team, to optimize its responsiveness to ASTO. Include how work is reviewed from junior to senior to executive level staff.

The offeror should present examples of similar governmental processes and similar governmental clients that will indicate successful relationships between the offeror and client.

At minimum, the written narrative should provide the information in Exhibit C – Method of Approach.

EXPERIENCE OF COMPANY

The Bidder should submit a written narrative that provides a description of the company and the employees that will be involved with the implementation and servicing of the State of Arizona relationship.

At minimum, the written narrative should provide the information requested in Exhibit D – Experience of Company.

SECTION 5

SOLICITATION INSTRUCTIONS TO OFFERORS

INQUIRIES

1. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine the Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. Submission of Inquiries. Any inquiry related to a Solicitation shall be by email and shall refer to the appropriate Solicitation number, page and paragraph.
4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven (7) days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. No Right to Rely on Verbal Responses. An Offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. Persons with Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

OFFER PREPERATION

1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
2. Typed or Ink, Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.
4. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the ASTO in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - Invitation for Offers. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
5. Subcontracts. The successful Offeror shall not subcontract any of its responsibilities in the Offer without the prior written consent of the State.
6. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.

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8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
 9. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
 10. Employee Identification. Offeror agrees to provide an employee identification number or social security number for the purposes of reporting to appropriate taxing authorities, monies paid under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
 11. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
 12. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
 13. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - Special Terms and Conditions & Exhibits to Special Terms and Conditions;
 - Uniform Terms and Conditions;
 - Statement or Scope of Work including exhibits;
 - Solicitation Instructions to Offerors;
 - Uniform Instructions to Offerors; and
 - Other documents referenced or included in the Solicitation.

SUBMISSION OF OFFER

1. Sealed Envelope or Package. The submission of offer must include 1 ORIGINAL printed copy plus 3 additional electronic versions of the proposal on separate USB drives, that will be used in the evaluation process. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with the name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified. **Note: Offeror shall not submit any documents/USB drives that are password protected.**
2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or another official contract form, the Offeror certifies that:
 - The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.
5. Best and Final Offer (BAFO). The BAFO, if requested, must contain all of the documents and attachments indicated in the request for a submitted offer. Make revisions in response to the negotiations/discussions and the Procurement Officer's request for BAFO in all applicable documents. Offeror shall follow any additional instructions from the Procurement Officer regarding requirements for BAFO responses. Offeror may be required to sign and date another "Offer and Acceptance" form.

MISCELLANEOUS CONSIDERATIONS FOR EVALUATION

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.

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2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
 3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
 4. Disqualification. A Bidder (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its Offer rejected.

WAIVER OF REJECTION RIGHTS

Notwithstanding any other provision of the Solicitation, State reserves the right to:

- Waive any minor informality;
- Reject any and all Offers or portions thereof; or
- Cancel the Solicitation.

AWARD

1. Most Advantageous to the State. Under A.A.C. R2-7-C317, contracts will be awarded to the responsible offeror(s) whose offer(s) is/are determined to be most advantageous to the State based on the stated evaluation factors set forth in the solicitation.
2. Number of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items, by group of line items, or to make an aggregate award, or regional awards, whichever is most advantageous to the State.
3. Contract Formation. An Offer does not constitute a Contract, nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the ASTO's (or designee) signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
4. Effective Date. The effective date of this Contract shall be the date that the ASTO or designee signs the Offer and Acceptance form or other official contract form unless another date is specifically stated in the Contract.
5. Contract Document Consolidation. The State may, at its option, consolidate the resulting contract documents after contract award. Examples of such consolidation are reorganizing Solicitation Documents and those components of the Accepted Offer not pertaining to the contract's operation and excluding any components of the Accepted Offer that were not awarded. Contract document

consolidation will not, however, include or be construed to include any material change to the Solicitation or the Contract.

PROTESTS

Any protest of the award will be handled pursuant to A.R.S. Title 41, Chapter 23, Article 9 and Arizona Administrative Code §§ R2-7-A901, *et seq.*, with the undersigned acting in the role as the Chief Procurement Officer and Arizona State Treasurer acting in the role of Director. All references to the State Procurement Administrator in A.A.C. §§ R2-7-A901, *et seq.*, are therefore not applicable to any protests, requests for stay, or appeals arising from this RFP. All protests shall be in writing and filed with the Chief Procurement Officer at RFPproposal@aztreasury.gov. A protest of a Solicitation shall be received by the Chief Procurement Officer before the Offer due date if the alleged improprieties are apparent before the offer due date and time. A protest of a proposed award or of an award shall be filed within ten (10) days after the Chief Procurement Officer makes the procurement file available for public inspection. A protest shall include:

- The name, address and telephone number of the protester;
- The signature of the protester or its representative;
- Identification of the purchasing agency and the Solicitation or Contract number;
- A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- The form of relief requested.

An interested party may request a stay of procurement during a protest or appeal pursuant to §§ R2-7-A901, *et seq.* Should the stay requested be denied by the Chief Procurement Officer, the protestant may request a procurement stay from the Arizona State Treasurer, who will serve as the Director in place of the ADOA Director for all requests and appeals under A.A.C. § R2-7-A905(A). An interested party may also appeal a decision entered by the Chief Procurement Officer regarding the protest to the Arizona State Treasurer in writing within 30 days after the date the decision is received under A.A.C. § R2-7-A903. During the procurement process and any protest, there will be a firewall in place between the Chief Procurement Officer and the Director—including all applicable staff.

All requests to the Arizona State Treasurer shall be submitted in writing and email to RFPproposals@aztreasury.gov, with a copy to the Chief Procurement Officer.

SECTION 6

SPECIAL TERMS AND CONDITIONS

The Special Terms and Conditions modify the Uniform Terms and Conditions. It can modify them by replacing, deleting, appending to, or revising the text of an existing provision or by inserting a new paragraph into an existing article. No other document modifies or adds to the Uniform Terms and Conditions, except as may subsequently be otherwise and expressly agreed and incorporated by Contract Amendment.

DEFINITION OF TERMS: As used in the Contract, the terms listed below are defined as follows:

1. Acceptance: The document titled “Offer and Acceptance Form” bearing the state contract number once Procurement Officer has signed it to signify (1) State’s formal acceptance of the Accepted Offer and (2) the formation of the Contract. For clarity of intent, the foregoing is not to be confused with the term “acceptance” used throughout the Contract in the context of delivery, inspection, etc., with respect to Materials or Services.
2. Acceptance Offer:
 - a. If State did not request a Revised Offer, then “Accepted Offer” means the Initial Offer.
 - b. If State requested a Revised Offer but not a Best and Final Offer, then “Accepted Offer” means the latest Revised Offer.
 - c. If State requested a Best and Final Offer, then “Accepted Offer” means the Best and Final Offer.
3. “AI” means the science and engineering of making machines capable of performing tasks that are typically associated with human intelligence, such as learning and problem-solving, and includes without limitation: AI systems, classic AI, external AI, generative AI, and large language model (LLM) AI.
4. Arizona Procurement Code: The Arizona Procurement Code consists of Arizona Revised Statutes (A.R.S.) §§ 41-2501 et seq. and Arizona Administrative Code (A.A.C.) R2-7-101 et seq. There is additional information in the Solicitation Instructions regarding how to access these state statutes and rules.

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5. Arizona Risk and Authorization Management Program (AZRAMP): is used by the Arizona Department of Homeland Security to evaluate Cloud services and Contractors that will transfer, process, or store state data outside of state-managed or controlled networks, and has three levels of control review:
 - a. AZ Mandatory Control Baseline: 35 Controls
 - b. NIST Low Impact Control Baseline: Public Data Classification
 - c. NIST Moderate Impact Control Baseline: Confidential Data Classification
 6. Arizona Transaction Privilege Tax (TPT): For information, refer to the Arizona Department of Revenue (DOR) website at: <https://azdor.gov/transaction-privilege-tax-tpt>.
 7. Attachment. Any item that:
 - a. The Solicitation required Offeror to submit as part of the Offer (e.g., Initial Offer, Revised Offer, or Best and Final Offer);
 - b. Was attached to an Offer when submitted; and
 - c. Was included in the Accepted Offer.
 8. Cloud Services: Cloud or Cloud Services means any Software as a Service (SaaS), Infrastructure as a Service (IaaS), or Platform as a Service (PaaS) involving the transfer, processing, or storage of state Data outside the control of state-managed and controlled networks.
 9. Contract Terms and Conditions: The Special Terms and Conditions and the Uniform Terms and Conditions taken collectively.
 10. Contractor: The Person identified on the Accepted Offer who has entered into the Contract with the State.
 11. Contractor Indemnitor: Contractor or any of its owners, officers, directors, agents, employees, or Subcontractors.
 12. Co-Op Buyer: A member of the State Purchasing Cooperative that has entered into a “Cooperative Purchasing Agreement” with the Arizona Department of Administration State Procurement Office under A.R.S. § 41-2632. Unless there is an applicable Cooperative Purchasing Agreement in effect at the time, a State Purchasing Cooperative member cannot be a Co-Op Buyer. For reference, “Co-Op Buyer” is to be construed as encompassing an “eligible procurement unit” under A.A.C. R2-7-101(23).

NOTE: Membership in the State Purchasing Cooperative is open to all Arizona political subdivisions, including cities, counties, school districts, and special districts. Membership is also available to non-profit organizations, other state governments, the federal government and tribal nations. For reference, “non-profit organizations” are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the I.R.S. under Section 501(c)(3) through 501(c)(6) of the tax code.

13. Data Breach: Data Breach is used herein as defined as stated in A.R.S. Title 18, chapter 5, article 4 (Data Security Breaches), or in any relevant state or federal standard, to indicate an unauthorized acquisition of and unauthorized access that materially compromises the security or confidentiality of unencrypted and unredacted computerized personal information maintained as part of a database of personal information regarding multiple individuals.
14. Eligible Agency:
 - a. If the Special Terms and Conditions indicate that the Contract is a “single agency” contract, then “Eligible Agency” means the particular State of Arizona agency, university, commission, or board identified therein.
 - b. If the Special Terms and Conditions indicate that the Contract is a mandatory statewide contract, then “Eligible Agency” means any State of Arizona department, agency, university, commission, or board.
 - c. If the Special Terms and Conditions indicate that the Contract is a “cooperative” contract available for use by Co-Op Buyers, then “Eligible Agency” means any State of Arizona department, agency, university, commission, board, or any Co-Op Buyer.
15. Federal Risk and Authorization Management Program (FedRAMP): A federal government program that provides a standardized approach to security assessment, authorization, and continuous monitoring specifically for Cloud products and services relied upon by federal entities that store, process and transmit federal information.
16. Instructions to Offerors: The Solicitation Instructions document of the Solicitation.
17. NIST: NIST is the National Institute of Standards and Technology. For more information, see <https://www.nist.gov/>.
 - a. NIST Low Impact: If a Contractor may process, transmit, or store Public State Data (per State Data Classification Policy P8110), metadata, and/or Data that may be released to the public that requires no additional levels of protection during its work under the Contract, or as directed by the State

Chief Privacy Officer (Arizona Department of Homeland Security Governance, Risk, and Compliance team), then the Contractor shall comply with NIST Low Impact security controls.

- b. NIST Moderate Impact: If a Contractor may process, transmit, or store Confidential State Data (per State Data Classification Policy P8110) or metadata during its work under the Contract, then the Contractor shall comply with NIST Moderate Impact security controls.

18. Order: The instrument by which the Eligible Agency or Co-Op Buyer authorizes a Contractor to perform some or all of the Work. Whether the Contract will have one Order or many Orders depends on the scope of the Contract and how the State will use it. The Special Terms and Conditions provide that information. Any of the following are construed as an "Order": "Purchase order," "task order," "service order," or "job order".

19. State's eProcurement System: The State's official electronic procurement system, established pursuant to A.A.C. R2-7-201 as set forth in the Arizona Department of Administration State Procurement Office policy document Technical Bulletin No. 020, The State's eProcurement System—The Official State eProcurement System. Technical Bulletin No. 020 is available online at:

https://spo.az.gov/sites/default/files/documents/files/TB_020_APP_20181024.pdf.

20. State: With respect to the Contract generally, "State" means the State of Arizona and its department, agency, university, commission, or board that has executed the Contract. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Order, "State" means each Eligible Agency or Co-Op Buyer who has issued the Order.

21. State Indemnitees: Collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.

22. StateRAMP: A non-profit organization that provides a uniform approach to verifying that the cybersecurity of Cloud service providers (CSPs) meets the standards and regulations needed to do business with state and local governments.

23. Work: The totality of the Materials and the Services and all the acts of administration, creation, production, and performance necessary to fulfill and incidental to fulfilling all of Contractor's obligations and duties under the Contract in conformance with the Contract and applicable laws.

TERM OF CONTRACT

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1. The term of contract shall commence on the acceptance of the bid and shall remain in effect for a period of three (3) years thereafter unless terminated or canceled as otherwise provided herein.
 2. A.R.S. § 35-318 does not allow for an extension of this contract.
 3. The contract shall not bind nor purport to bind the State for any contractual commitment in excess of the original contract period.

PROJECT MANAGEMENT

1. The Contractor shall appoint a project manager to be responsible for the planning; conducting progress; and successful completion of all activities during the contract period.
2. The Contractor shall, within seven (7) days after the award of the contract, submit a written identification and notification to the ASTO of the name, title, address, and telephone number of one (1) individual within its organization as a duly authorized representative to whom all correspondence, official notices, and requests related to the contractor's performance pursuant to the contract shall be addressed. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary with written approval of ASTO.
3. The ASTO shall provide the Contractor with the name of a contact person who will coordinate all information to and/or from the Contractor.

INSURANCE

1. The Contractor shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
 - The insurance requirements herein are minimum requirements for this Contract and in no way, limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.
2. Commercial General Liability (Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.)

Commercial General Liability	
General Aggregate	\$2,000,000
Products – Completed Operation Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability – Written/Oral	\$1,000,000
Fire Legal Liability	\$50,000
Each Occurrence	\$1,000,000

3. The policy shall be endorsed, as required by this written agreement, to include:

- “The State of Arizona, and its departments, agencies, boards, commissions, universities and its officers, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.
- Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

4. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Business Automobile Liability	
Combined Single Limit (CSL)	\$1,000,000

- Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor, involving automobiles owned, leased, hired and/or non-owned by the Contractor.
- Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

5. Worker’s Compensation and Employers’ Liability

Worker's Compensation and Employer's Liability	
Worker's Compensation	Statutory
Each Accident	\$1,000,000
Disease-Each Employee	\$1,000,000
Disease-Policy Limit	\$1,000,000

- Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such contractor or subcontractor executes the appropriate waiver form (Sole Proprietor/Independent Contractor).

6. Professional Liability (Errors and Omissions Liability)

Errors and Omissions Liability	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

7. Commercial Crime Policy or Blanket Fidelity Bond

Commercial Crime Policy or Blanket Fidelity Bond	
Coverage Amount	100% of the value of funds held

Coverage should include but is not limited to:

- Employee Dishonesty (to include coverage for theft and mysterious disappearance and inventory shortage)
- Money & Securities Inside/Outside
- Computer Fraud
- Funds Transferred (if applicable)
- Forgery or Alteration

- f. The policy shall be endorsed to include the State of Arizona (and the respective agency) as Loss Payee
- g. The policy shall not contain a condition requiring a conviction or arrest in order to file a claim
- h. Coverage shall be extended to 3rd parties

8. Technology Errors & Omissions Insurance – Required as applicable to the services provided.

Technology Errors and Omissions Liability	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

- Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.
- Coverage shall include copyright infringement, infringement of trade dress, domain name, title or slogan.
- In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.

9. Network Security (Cyber) and Privacy Liability – Required as applicable to the services provided.

Network Security (Cyber) and Privacy Liability	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

- Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.
- In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy

shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to vicarious liability of the insured arising out of the activities performed by or on behalf of the Contractor.
- Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its department, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

10. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include the following provisions:

- The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 E
- Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

11. NOTICE OF CANCELLATION: Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the Arizona State Treasurer's office if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to:

Arizona State Treasurer's Office
1700 W. Washington Street
Suite 102
Phoenix, AZ 85007
Fax: (602) 542-7176
Email: info@aztreasury.gov

12. ACCEPTABILITY OF INSURERS: Contractor's Insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance and Financial Institutions List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating

of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

13. **VERIFICATION OF COVERAGE**: Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.
- All such certificates of insurance and policy endorsements must be received by the State before work commences. The State’s receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
 - Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
 - All such certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
14. **SUBCONTRACTORS**: Contractors’ certificate(s) shall include all subcontractors as insured under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.
15. **APPROVAL AND MODIFICATIONS**: The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.
16. **EXCEPTIONS**: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of self-insurance. If the Contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.
17. **INDEMNIFICATION**: To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’

fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers’ Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgement costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnification will survive the termination of the above listed contract with the Contractor.

This indemnity shall not apply if the Contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

18. If the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
19. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Service of this contract.

DISASTER RECOVERY

1. The successful Offeror is required to maintain a tested disaster recovery and business continuity plan throughout the term of the contract resulting from this Request for Proposal. This plan, along with any modifications or testing results will be available for review by the ASTO with notice.
2. At a minimum, such disaster recovery plan will
 - a. Include information regarding the steps taken to avoid interruptions in service availability to the State of Arizona.
 - b. The plan must address the recovery time objective (RTO)
 - c. The recovery point objective (RPO)
 - d. The establishment of a minimum level of critical support
 - e. A maximum tolerable downtime.

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- f. Information regarding at least one alternative processing facility, its capacity and capability levels, along with specific methods to provide access to information if the primary system is out of service.

SSAE-18

The successful bidder must provide its most current report by its independent auditors of its internal controls. The SSAE-18 report must cover the services provided by the contractor resulting from this document.

PANDEMIC CONTRACTUAL PERFORMANCE

1. The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at any time prior or post award of a contract. At a minimum, the pandemic performance plan shall include:
 - a. Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.
 - b. Alternative methods to ensure there are products in the supply chain.
 - c. An up-to-date list of company contacts and organizational chart.
2. In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:
 - a. After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms.
 - b. The State shall not incur any liability if a pandemic is declared, and emergency procurements are authorized pursuant to § 41-2537 of the Arizona Procurement Code.
 - c. Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

CONFIDENTIALITY OF RECORDS: The Contractor shall establish and maintain procedures and controls acceptable to the State for the purpose of assuring that information or data in its possession is not mishandled, misused, released, disclosed, or used in an inappropriate manner by it, its agents, officers, or employees. This includes information contained in its records obtained from the State or others, necessary for contract performance. The Contractor shall take all reasonable steps and precautions to

safeguard this information and data and shall not divulge the information or data to parties other than those needed for the performance of duties under the contract.

WARRANTIES AND REQUIREMENTS RELATED TO ARIZONA INFORMATION TECHNOLOGY STATEWIDE POLICIES, STANDARDS, AND PROCEDURES

*****To be susceptible for award, Offerors are required to complete and pass the Arizona Baseline Infrastructure Security Controls Prerequisite Assessment and submit Prerequisite Assessment as part of the Offer.*****

Arizona Department of Homeland Security (AZDOHS) Cyber Command has established a NIST 800-53 revision 4 based process to assess risk associated with storing, processing, and transmitting State of Arizona Data with Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS) vendors.

The [State Data Classification Policy](#) (8110) and a Confidentiality, Integrity, Availability (CIA) model are used to determine which level of assessment to administer for the vendor's Infrastructure / IaaS. A Microsoft Excel spreadsheet is currently used for each level of assessment.

The solicitation requires the Offeror to complete the Arizona Baseline Infrastructure Security Controls prerequisite assessment spreadsheet, which can be found at:

- <https://azdohs.gov/file/4357>
- Contractor is required to provide any requested documentation to include System Security Plan (SSP), policies, and procedures supporting the review of the assessment.

AZDOHS Cyber Command will evaluate and rank submitted Arizona Baseline Infrastructure Security Controls for completeness, attention to detail, and understanding of NIST security controls and framework. AZDOHS Cyber Command will forward assessment results and recommendations to the Procurement Officer. Results of these IT security control reviews are for internal use only and will not be shared with responding bidders but may impact the Offeror's susceptibility for award.

*****All Offerors must complete the assessment above, and complete with their Offers as a separate attachment. This task is a mandatory requirement for an Offeror to be susceptible for award.*****

*NOTE: If the contractor will be receiving data solely from a third party and NOT any State of Arizona agency or entity, the contractor will not need to undergo an AZRamp assessment. The State will assume that an AZRamp assessment is required until the bidder proves otherwise.



FINANCIAL SOUNDNESS: The State must be notified in writing of any substantial change in the Offeror's financial condition during the term of the Contract. Failure to notify the State of such a substantial change in financial condition will be sufficient grounds for terminating the Contract.



SECTION 7

UNIFORM TERMS AND CONDITIONS

DEFINITION OF TERMS

As used in this solicitation and any resulting contract, the terms listed below are defined as follows:

1. AI. "AI" means the science and engineering of making machines capable of performing tasks that are typically associated with human intelligence, such as learning and problem-solving, and includes without limitation: AI systems, classic AI, external AI, generative AI, and large language model (LLM) AI.
2. Attachment. "Attachment" means any item the solicitation which required the Offeror to submit as part of the offer:
3. Contract. "Contract" means the combination of the Solicitation, including the Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
4. Contract Amendment. "Contract Amendment" means a document signed by the Procurement Officer that has been issued for the purpose of making changes to the Contract.
5. Contractor. "Contractor" means any person who has a contract with the State.
6. Data: "Data" means recorded information, regardless of form or the media on which it may be recorded. The term may include technical data or computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.
7. Days. "Days" means calendar days unless otherwise specified.
8. Exhibit. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation generally containing maps, schematics, examples of reports, or other documents that will be used to perform the requirements of the Scope of Work after contract award.
9. Gratuity. "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

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10. Materials. “Materials” means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
 11. Procurement Officer. “Procurement Officer” means the person, or his or her designee, who has been duly authorized by the State to enter into and administer the Contract and to make written determinations with respect to the Contract.
 12. Services. “Services” means the furnishing of labor, time or effort by a Contractor or Subcontractor which does not involve the delivery of a specific end product other than required reports and performance but does not include employment agreements or collective bargaining agreements.
 13. State. “State” means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona that executes the Contract.
 14. State Fiscal Year. “State Fiscal Year” means the period beginning with July 1 and ending June 30.
 15. State Indemnitees. “State Indemnitees” means, collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.
 16. Subcontract. “Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party, delegating, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 17. Subcontractor. “Subcontractor” means a person who contracts to perform work or render Services to a Contractor or to another Subcontractor as a part of a Contract with the State.

CONTRACT INTERPRETATION

1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
3. Contract Order of Precedence:

In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

The Solicitation Documents, in the order:

- Special Terms and Conditions;
 - Uniform Terms and Conditions;
 - Statement or Scope of Work;
 - Specifications;
 - Attachments;
 - Exhibits;
 - Any other documents referenced or included in the Solicitation including, but not limited to, any Bid or Offer documents provided by the Contractor that do not fall into one of the above categories.
4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
 5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
 6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
 7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

CONTRACT ADMINISTRATION AND OPERATION

1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

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2. Non-Discrimination. Contractor shall comply with Executive Orders 2023-09, 2023-01, and 2009-9, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act. The contractor shall include these provisions in contracts with subcontractors when required by Federal or State law.
 3. Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
 4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547. The State shall also have the right to test, at its own cost, the Materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor Materials testing shall constitute final acceptance of the Materials or Services. If the State determines non-compliance of the Materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
 5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
 6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the ASTO.
 7. Continuous Improvement. Contractor shall recommend continuous improvements on an on-going basis in relation to any Materials and Services offered under the Contract, with a view to reducing State costs and improving the quality and efficiency of the provision of Materials or Services. The State may require Contractor to engage in continuous improvements throughout the term of the Contract.
 8. Other Contractors. The state may undertake on its own or award other contracts to the same or other suppliers for additional or related work. In such cases, the Contractor shall cooperate fully with State employees and such other suppliers and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, Materials, Services, or records to State or the other suppliers. Contractor shall not commit or permit any act that interferes with the State's or other suppliers' performance of their

work, provided that, State shall enforce the foregoing section equitably among all its suppliers so as not impose an unreasonable burden on any one of them.

9. Ownership of Intellectual Property.

- Rights in Work Product. All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product as and when it was delivered to State.
- Government Purpose Rights.
 - the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose and create derivatives from that work product without restriction for any activity in which State is a party;
 - the right to release or disclose that work product to third parties for any State government purpose; and
 - the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.
 - Government Purpose Rights do not include any right to use, modify, reproduce, perform, release, display, create derivative works from or disclose that work product for any commercial purpose, or to authorize others to do so.
- Joint Developments. The Contractor and State may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without obligation of notice or accounting to the other party.
- Pre-existing Material. All pre-existing software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 9a above, and will remain the exclusive property of Contractor, provided that:
 - any derivative works of such pre-existing Materials or elements thereof that are created pursuant to the Contract are part of that work product;
 - any elements of derivative work of such pre-existing Materials that was not created pursuant to the Contract are not part of that work product; and

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- except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor's or its affiliates' ownership of such pre-existing Materials.

- Development Outside of Contract. Unless expressly stated otherwise in the Contract, this Section does not preclude Contractor from developing competing Materials outside the Contract, irrespective of any similarity to Materials delivered or to be delivered to State hereunder.

10. Property of the State. If there are any materials that are not covered by Section 9 above created under this Contract, including but not limited to, reports and other deliverables, these materials are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
11. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect the papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
12. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
13. Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.
14. Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.
15. Artificial Intelligence (AI) Prohibitions. Consistent with State policy, if Contractor supplies AI Services or Materials (either directly or through Subcontractors or the sale of licenses), such as research, development, training, implementation, deployment, maintenance, provision, or sale of AI systems, then Contractor is prohibited from using State of Arizona Materials or Data in generative AI queries or

for building or training proprietary generative AI programs unless explicitly approved in advance by the State in writing.

- Contractor shall also disclose the utilization of generative AI before producing works owned by the State and/or integrating generative AI into Materials or Services used by the State.
- Contractor shall perform due diligence to ensure proper licensure of model training data for all generative AI services throughout the life of the Contract.

16. Certification Required by State Law.

- If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 et seq. and will refrain from any such boycott for the duration of this Contract.
- Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

COSTS AND PAYMENTS

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net thirty (30) days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
2. Delivery. Unless stated otherwise in the Contract, per A.R.S. § 47-2319, all prices shall be F.O.B. (free on board) Destination and shall include all freight delivery and unloading at the destination.
3. Firm, Fixed Price. Unless stated otherwise in the Special Terms and Conditions of the Contract, all prices shall be firm-fixed-prices.
4. Applicable Taxes.
 - Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
 - State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - Tax Indemnification. The contractor and all subcontractors shall pay all federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall and

require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

- IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
5. Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
6. Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations for any reason and these goods or services are not funded, the State may take any of the following actions:
- Accept a decrease in price offered by the contractor;
 - cancel the contract; and
 - cancel the contract and re-solicit the requirements.

CONTRACT CHANGES

1. Amendments. This Contract is issued under the authority of the ASTO. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the ASTO in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the ASTO. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
3. Assignment and Delegation. Contractor acknowledges that Contractor's experience and expertise is a substantial consideration in the ASTO's review of the Offer. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the ASTO.

RISK AND LIABILITY

1. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss of nonconforming materials shall remain with the Contractor regardless of receipt.
2. Indemnification
 - Contractor/Vendor Indemnification (Not Public Agency). To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or Subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or Subcontractor(s) is/ are an agency, board, commission or university of the State of Arizona.
 - Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which

it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

4. Force Majeure.

- a. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- b. Force Majeure shall not include the following occurrences:
 - i. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
 - ii. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
 - iii. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- c. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- d. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services applied by third parties to the Contractor, toward fulfillment of this Contract.

WARRANTIES

1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the materials, they shall be:
 - Of a quality to pass without objection in the trade under the Contract description;
 - Fit for the intended purposes for which the materials are used;
 - Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - Adequately contained, packaged and marked as the Contract may require; and
 - Conform to the written promises or affirmations of fact made by the Contractor.
3. Conformity to Requirements. Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for one (1) year after acceptance and in each instance:
 - Conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any and all Contractor affirmations included as part of the Contract;
 - Be free from defects of material and workmanship;
 - Conform to or perform in a manner consistent with current industry standards; and
 - Be fit for the intended purpose or use described in the Contract.
 - Mere delivery or performance does not substitute for express acceptance by the State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation or invoicing, the forgoing warranty will not begin until the State's explicit acceptance of the Materials or Services.
4. Inspection/Testing. The warranties are not affected by inspection or testing of or payment for the materials or services by the State.
5. Contractor Personnel. Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further

warrants that its key personnel will maintain any and all certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.

6. Compliance with Applicable Laws. The Materials and Services supplied under this Contract shall comply with all applicable federal, state, and local laws and policies (including, but not limited to, information technology policies, standards, and procedures available on the State's website and/or the website of any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona). Federal requirements may be incorporated into this Contract, if required, pursuant to A.R.S. § 41-2637. Contractor shall maintain any and all applicable license and permit requirements. This requirement includes, but is not limited to, any and all Arizona state statutes that impact state contracts, regardless of whether those statutory references have been removed during the course of contract negotiations; this is notice to Contractors that the State does not have the authority to modify Arizona state law by contract.
7. Intellectual Property. Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.
8. Licenses and Permits. Contractor warrants that it will maintain all licenses required to fully perform its duties under the Contract and all required permits valid and in force.
9. Operational Continuity. Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation (under the Assignment and Delegation paragraph) that expressly recognizes the event.
10. Performance in Public Health Emergency. The Contractor warrants that it will:
 - a. Have in effect, promptly after commencement, a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:
 - Identification of response personnel by name;
 - Key succession and performance responses in the event of sudden and significant decrease in workforce; and
 - Alternative avenues to keep sufficient product on hand or in the supply chain.

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- b. Provide a copy of its current plan to State within three (3) business days after State's written request. If Contractor claims relief under Force Majeure paragraph for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence or mitigate those effects to the extent that overcoming entirely is not practicable.
 - c. A request from the State related to this paragraph does not necessarily indicate that there has been an occurrence of force majeure, and the Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement a plan.
 - d. Failure to have or implement an appropriate plan will be a material breach of contract.

11. Lobbying.

- a. Prohibition. Contractor warrants that it will not engage in lobbying activities, as defined in 40 Code of Federal Regulations (CFR) part 34 and A.R.S. § 41-1231, et seq., using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety. The contractor shall implement and maintain adequate controls to assure compliance with the above. The contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.
- b. Exception. This paragraph does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.

12. Covered Telecommunications or Services. Contractor warrants that the Materials and Services rendered under this Agreement will not require Contractor to use for the State, or provide to the State to use, "covered telecommunications equipment or Services" as a substantial or essential component of any system, or as critical technology as part of any system, within the meaning of Federal Acquisition Regulation ("FAR") Section 52.204-25.

13. Debarment, Suspension, U.S. Government Restricted Party Lists. Contractor warrants that it is not, and its Subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specially Designated Nationals and Blocked Parties List, and neither the Contractor nor any Subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.

14. False Statements. Contractor represents and warrants that all statements and information Contractor prepared and submitted in response to the Solicitation or as part of the Contract documents are

current, complete, true, and accurate. If the Procurement Officer determines that Contractor submitted an Offer or Bid with a false statement or makes material misrepresentations during the performance of the Contract, the Procurement Officer may determine that Contractor has materially breached the Contract and may void the submitted Offer or Bid and any resulting Contract.

15. Survival of Rights and Obligations after Contract Expiration or Termination.

- a. Survival of Warranty. All representations and warranties made by the Contractor under the Contract will survive the expiration or earlier termination of the Contract.
- b. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12- 529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- c. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

STATE'S CONTRACTUAL REMEDIES

1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to or is unable to perform or continue performing under this Contract, the ASTO may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
2. Stop Work Order.
 - The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

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- If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The ASTO shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
 4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
 5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

CONTRACT TERMINATION

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38- 511.
2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to,

being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

4. Termination for Convenience. The State reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.
5. Termination for Default.
 - In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The ASTO shall provide written notice of the termination and the reasons for it to the Contractor.
 - Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
 - The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

CONTRACT CLAIMS

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

ARBITRATION

The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41).

SECTION 8

EXHIBITS AND ATTACHMENTS

EXHIBIT A: PRICING

1. Please list your fee schedule for this product. Please include performance-based fees, the basis for those fees, and any other fees that may be applicable to the managing of this account.
2. What is the minimum account your firm will accept?
3. Does your firm charge a minimum annual fee? If so, what is this fee? Will it stay the same or change in the future based on some set formula?
4. Under what circumstances are fees negotiable?
5. What is your billing frequency?
6. Have you or will you pay a finder's fee to any third party for business related to this account?

EXHIBIT B: SCOPE OF WORK

The following is a description of the Investment Management Services Scope of Work and Requirements ASTO is requesting. Each bidder must be currently capable of providing the required services outlined below and therefore, respond affirmatively to each item and elaborate where requested to be considered.

General Requirements:

1. This Request for Proposal is to provide the ASTO the ability to contract with an external investment management firm for managing two fixed income pools; the investment grade fixed income pool of approximately one hundred nineteen (119) million dollars and the municipal tax free non-AMT pool of approximately four hundred seventy five (475) million dollars. The municipal pool has a finite termination date of October 1st, 2029.
2. This contract may also include contingency planning for the State of Arizona Treasurer's Office. The contractor may be asked to perform as a back-up to internal managers in the event of an emergency. The contractor may be required to take additional management responsibilities if an emergency should occur and would need to demonstrate the capabilities of managing all the internal funds shown in Exhibit G.
3. Asset Allocations will be determined by ASTO staff from time to time and those allocations to external managers are to be managed to the duration target and credit profile of each pool's objective and policy. For any investment pool that has an external credit rating, the external managers shall manage assets for that pool in line with the criteria required to maintain the highest credit rating possible for that pool. (Currently Pool 5 is rated AA Af/ S1+ by S & P)
4. Securities purchased by an external fund manager will be required to be held at ASTO's custodial bank and will be subject to existing securities lending program operated by the custodial bank.
5. Funds managed by external managers should be considered extensions of the internal investment management team and are expected to follow the quarterly investment plans developed by the internal portfolio managers.
6. Any corporate credit exposure for the fixed income funds is limited to a 5% concentration limit per corporate name per pool assets.
7. Daily market values, holding reports and compliance of external managers will be provided by ASTO custodial bank as well as monthly performance of accounts. Manager performance will be measured against the benchmarks established for each investment pool.

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8. External managers are expected to meet at least quarterly with the Investment Risk Management Committee and annually with the Board of Investment.

Client Service

1. Please indicate the scope of services that will be provided for this account. Please include a description of how client servicing/communication responsibilities are divided between portfolio managers and client service/marketing personnel and how often portfolio managers meet with clients to review the portfolio.
2. Please describe the client-reporting process. How frequently are reports made available?

EXHIBIT C: METHOD OF APPROACH

Assets Under Management

1. Please fill out the following tables for the current AUM below.
2. Please discuss the reasons for the loss of any accounts indicated in the table below (not including plan terminations).
3. Please provide a representative client list of public funds managed and three client references. For each reference, please include the client's name and the length of the relationship as well as the client's e-mail address and phone number.

Account Type	Asset Amounts	Number of Accounts
Corporate		
Public fund		
Union/multi-employer		
Foundation and endowment		
Insurance		
Other, please explain		
Total		

	Public Accounts Lost			Public Accounts Gained		
	No.	Dollars (US\$ Millions)	% of Product Assets	No.	Dollars (US\$ Millions)	% of Product Assets
2023						
2022						
2021						

2020						
2019						
2018						
2017						
2016						
2015						
2014						

Investment Philosophy and Process

1. Please briefly describe your firm’s investment philosophy.
2. Please discuss your firm’s investment strategy, screening processes, and portfolio construction methodology in general and in terms of how you would manage any funds for the ASTO investment Pools.
3. How do you decide to buy or sell a security?
4. Are portfolios managed by individual managers or teams?
5. Do managers follow a “model” portfolio, and if so, to what extent is management permitted to deviate from such a model portfolio?
6. How frequently are investment policy or strategy meetings held?
7. For \$1 NAV portfolios, have any of your portfolios “broken the buck”, lost principal, interest or have there been any restrictions on access to funds in any \$1 NAV funds operated by your firm in the past fifteen (15) years? If yes, please describe the circumstances.
8. Describe your credit review process.

Product Risk

1. Please describe how your firm controls portfolio investment risk.

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2. How does your firm currently measure/track risk for a public funds account (e.g., standard deviation, beta, other)?
 3. Do you stress test your portfolios? If so, how do you stress test your portfolios?

Research

1. Please provide an overview of your research, including the use of fundamental, technical, and quantitative analyses. Please provide any additional comments that are unique to your firm.
2. What is the distribution of your portfolios managed in this investment approach according to the following capitalization ranges (in U.S. dollars) for the last five years?

Range	% of Portfolio by Year				
	2023	2022	2021	2020	2019
\$0 to \$250 Million					
\$250 Million to \$500 Million					
\$500 Million to \$1 Billion					
\$1 Billion to \$5 Billion					
\$5 Billion to \$10 Billion					
\$10 Billion +					
	100%	100%	100%	100%	100%

Compliance

1. Please describe the firm’s compliance process.
2. To whom does the chief compliance officer report?
3. When was your firm’s last regulatory inspection? Please provide a summary of the inspection results.

-
4. Has any regulatory body or market authority issued any orders or other sanctions against your firm in the last five years? If yes, please describe.
 5. Is your firm or any affiliate the focus of any pending or ongoing litigation, formal investigation, or administrative proceedings related to money management activities? If yes, please describe.
 6. Have the principals, managers or staff of your firm been under investigation related to money management activities in the last five years? If yes, please explain.

Governance

1. Please provide a summary of your firm's internal control structure.
2. Please describe any potential conflicts of interest your firm may have in the management of this account. If there are conflicts, please describe how they are addressed.

Trading

1. Please describe any restrictions you may have on client-directed transactions.
2. Please describe your policies and procedures concerning trading and execution, including those relating to:
 - How your firm seeks to achieve best execution;
 - How your firm ensures equitable trading for all clients (i.e., the account of one client is not favored above the account of another) and exceptions to this policy, if any;
 - Allocation of trades (e.g., by portfolio manager or automated);
 - Side-by-side management of hedge funds and other products, if applicable;
 - How your firm trades against clients (i.e. taking the opposite position).
3. If the firm is affiliated with a broker/dealer, an investment bank, insurance company, or other lines of business that are not asset management related, but could present conflicts, briefly describe your firm's policies and procedures for dealing or trading through or with these affiliates.

Brokerage/Soft Dollars

What is your firm's approach to the use of soft dollar arrangements?

Firm Risk

Please provide a short biography or resume of the person(s) who is (are) responsible for the overall risk management of your firm.

EXHIBIT D: EXPERIENCE OF COMPANY

Firm Information

Please provide the following information:

1. Firm name.
2. Firm business address.
3. Firm telephone number, including country code.
4. Name of individual(s) completing the questionnaire.
5. Individual(s) telephone number(s), including country code(s), and address(es).
6. Individual(s) fax number(s), including country code(s).
7. Individual(s) e-mail address(es).
8. Date questionnaire completed (Day/Month/Year).
9. Firm classification:
 - Bank
 - Insurance Company
 - SEC-Registered Investment Adviser
 - Non-U.S. Registered Investment Manager (country and entity registered with: _____)
 - Other; please explain _____.
10. A brief history of the firm, including ownership, with an emphasis on any material developments in the past three years. Please include prior names and the length of time your organization has been in business under its present name and ownership.
11. Organizational chart of the firm.
12. Firm's current succession plans.
13. Name of parent firm (if any) and the name of affiliations or subsidiaries (if any).

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14. Date of firm inception.
 15. Name of regulatory body overseeing the firm, and the dates of registration, as appropriate.
 16. Firm’s fidelity bond and fiduciary liability insurance policies, including coverage amounts.
 17. Location of nearest office to the Arizona State Treasurer’s Office.

Personnel

Please provide a list of all key personnel involved in the management of this product (i.e., dedicated to the product), including the lead portfolio manager, marketing personnel, and research analysts. For the lead portfolio manager, please include the size and quantity of portfolios they currently manage within this product and any other strategies they work on. For each individual, please provide the information listed below and attach biographies.

- Name
- Title
- Education
- Role at Firm
- Total Investment Experience (years)
- Tenure with Firm (years)

Performance

1. If your firm is GIPS® compliant, please attach a GIPS-compliant presentation for similarly managed accounts.
2. If your firm is NOT GIPS compliant, please either attach a chart detailing your firm’s performance for similarly managed accounts for at least the past five (5) years, including as much detail as possible beyond merely performance data, OR fill out the following table:

Year	Gross of Fees Return (%)	Net of Fees Return (%)	Benchmark Return (%)	Number of Portfolios	Total Public Account Composite Assets	Total Firm Assets

2023						
2022						
2021						
2020						
2019						

GIPS Compliance

Please respond to Questions 1– 2 if your firm is GIPS compliant:

1. How many years has your firm been GIPS compliant?
2. Has your firm been verified? Please specify the name of your verifier and provide a verification letter. Please provide the number of years your firm has been verified.

Please respond to question below if your firm is NOT GIPS compliant:

1. Please name and define the composite for the strategy that is the subject of this RFP.
2. When presenting gross of fees returns, please disclose if any other fees are deducted in addition to trading expenses.
3. When presenting net of fees returns, please disclose exactly what other fees are deducted in addition to the investment management fees and trading expenses.
4. If your firm uses a custom benchmark, please describe the benchmark and the process and rationale behind the creation of this benchmark.
5. Please disclose the policy used to allocate cash to disburse returns, if applicable.
6. Please disclose the use of any sub adviser(s) and the periods used.
7. Is there a minimum asset level below which portfolios are not included in a composite? If so, what is that level?
8. Is additional information regarding policies for calculating and reporting returns available upon request?
9. Please disclose if your firm does not value portfolios at the end of each month (i.e., either the last day of the month or the last business day of the month). If so, explain why not.



EXHIBIT E: CONFIDENTIAL INFORMATION DESIGNATION

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recognizing there may be materials included in a solicitation response that are proprietary or a trade secret, a process is set out in A.A.C. R2-7-103 (copy attached) that will allow qualifying materials to be designated as confidential and excluded from disclosure. For purposes of this process the definition of “trade secret” will be the same as that set out in A.A.C. R2-7-101(51).

Complete this form and return it with your Offer **along with the appropriate supporting information** to assist the State in making its determination as to whether any of the materials submitted as part of your Offer should be designated confidential because the material is proprietary or a trade secret and therefore not subject to disclosure. **Offerors shall create a redacted version of documents containing confidential information upon request from the Procurement Officer.**

STATE WILL NOT CONSIDER ANY MATERIAL IN YOUR OFFER “CONFIDENTIAL” UNLESS DESIGNATED ON THIS FORM.

Check one of the following – if neither is checked, State will assume that as equivalent to “DOES NOT”:

<input type="checkbox"/>	This response DOES NOT contain proprietary or trade secret information. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
<input type="checkbox"/>	This response DOES contain trade secret information because it contains information that: <ol style="list-style-type: none"> 1. Is a formula, pattern, compilation, program, device, method, technique or process, 2. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; AND 3. Is the subject of efforts by myself or my organization that are reasonable under the circumstances to maintain its secrecy.

NOTE: Failure to attach an explanation may result in a determination that the information does not meet the statutory trade secret definition. All information that does not meet the definition of trade secret as



defined by A.A.C. R2-7-101(50) will become public in accordance with A.A.C. R2-7-C317. State may make its own determination on materials in accordance with A.A.C. R2-7-103.

If State agrees with Offeror's designation of trade secret or confidentiality and the determination is challenged, the undersigned hereby agrees to cooperate and support the defense of the determination with all interested parties, including legal counsel or other necessary assistance.

By submitting this response, Offeror agrees that the entire Offer, including confidential, trade secret and proprietary information may be shared with an evaluation committee and technical advisors during the evaluation process. Offeror agrees to indemnify and hold State, its agents and employees, harmless from any claims or causes of action relating to State's withholding of information based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by State in defending such an action.

Attachment: Confidential Information Designation (for reference only)

A.A.C. R2-7-103 [Confidential Information] as was current at time of Solicitation issuance

- A. *If a person wants to assert that a person's offer, specification, or protest contains a trade secret or other proprietary information, a person shall include with the submission a statement supporting this assertion. A person shall clearly designate any trade secret and other proprietary information, using the term "confidential". Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information under this Section.*
- B. *Until a final determination is made under subsection (C), an agency chief procurement officer shall not disclose information designated as confidential under subsection (A) except to those individuals deemed by an agency chief procurement officer to have a legitimate state interest.*
- C. *Upon receipt of a submission, an agency chief procurement officer shall make one of the following written determinations:*
- 1. The designated information is confidential, and the agency chief procurement officer shall not disclose the information except to those individuals deemed by the agency chief procurement officer to have a legitimate state interest;*
 - 2. The designated information is not confidential; or*
 - 3. Additional information is required before a final confidentiality determination can be made.*
- D. *If an agency chief procurement officer determines that information submitted is not confidential, a person who made the submission shall be notified in writing. The notice shall include a time period for requesting a review of the determination by the state procurement administrator.*
- E. *An agency chief procurement officer may release information designated as confidential under subsection (A) if:*
- 1. A request for review is not received by the state procurement administrator within the time period specified in the notice; or*
 - 2. The state procurement administrator, after review, makes a written determination that the designated information is not confidential.*

EXHIBIT F: LETTER OF INSURABILITY

The Offeror shall provide a Letter of Insurability from the Insurance Company as a proof that the Offeror currently possesses the required insurance as stated in the Special Terms and Conditions or the Offeror is able to obtain the required Minimum Scope and Limits of Insurance should a contract be awarded to them.

The Letter of Insurability (and any additional letters) should be clearly marked.

NOTE: Awarded Contractors shall provide a Certificate of Insurance (e.g., ACORD forms) and associated policy endorsement(s) **electronically** prior to beginning Service(s) or performing any other work under the Contract. Contractors shall also provide updated Certificates of Insurance **electronically**, so the State has current Certificates of Insurance as required under the Contract.

EXHIBIT G – BOYCOTT OF ISRAEL DISCLOSURE

Please note that if any of the following apply to this Solicitation, Contract, or Contractor, then the Offeror shall select the “Exempt Solicitation, Contract, or Contractor” option below:

- The Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. §35-393.01, public entities are prohibited from entering into contracts “unless the contract includes a written certification that the company is not currently engaged in and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel.”

Under A.R.S. §35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
 - (a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
 - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
3. "Public entity" (a) means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State. (b) Includes the universities under the jurisdiction of the Arizona board of regents and community college districts as defined in section 15-1401.

The certification below does not include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. See A.R.S. §35-393.03.

In compliance with A.R.S. §35-393 et seq., all offerors must select one of the following:

The Company submitting this Offer **does not** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. §§35-393 *et seq.* I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.

The Company submitting this Offer **does** participate in a boycott of Israel as described in A.R.S. §§35-393 *et seq.*

Exempt Solicitation, Contract, or Contractor.

Indicate which of the following statements applies to this Contract (may be more than one):

- Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; and/or
- Contractor is a non-profit organization.

Signature of person authorized to sign

Company Name

Printed name and title

Date

Contact email address

Contact phone number

EXHIBIT H -- FORCED LABOR OF ETHNIC UYGHURS BAN

Please note that if any of the following apply to this Solicitation, Contract, or Contractor, then the Offeror shall select the “Exempt Solicitation, Contract, or Contractor” option below:

- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. §35-394, the State of Arizona prohibits a public entity from entering into or renewing a contract with a company unless the contract includes written certification that the company does not use the forced labor, or any goods or services produced by the forced labor, of ethnic Uyghurs in the People's Republic of China.

Under A.R.S. §35-394:

1. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
2. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

In compliance with A.R.S. §35-394 et seq., all offerors must select one of the following:

The Company submitting this Offer **does not** use, and agrees not to use during the term of the contract, any of the following:

- Forced labor of ethnic Uyghurs in the People’s Republic of China;
- Any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China; or
- Any Contractors, Subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China.

The Company submitting this Offer **does** participate in use of Forced Uyghurs Labor as described in A.R.S. § 35-394.

Exempt Solicitation, Contract, or Contractor.

Indicate which of the following statements applies to this Contract (may be more than one):

- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; and/or
- Contractor is a non-profit organization.

Signature of person authorized to sign

Company Name

Printed name and title

Date

Contact email address

Contact phone number

EXHIBIT I -- AZ BASELINE INFRASTRUCTURE SECURITY CONTROLS

Contractor shall follow the State of Arizona's Data security policy standard (currently [State of AZ Data Security Std S8120](#)) and the Special Terms and Conditions, titled Warranties and Requirements Related to Arizona Information Technology Statewide Policies, Standards, and Procedures when storing, processing, or transmitting State Data.

Contractor acknowledges and agrees that only NIST Cybersecurity Framework (CSF) [NIST SP800-53 Security and Privacy Controls](#) will be accepted for evaluation. No other forms of CSF will be accepted including ISO/IEC, SOC 2/3 reports, or other forms of self-attestations.

The State Data classification:

NIST Low Impact: If a Contractor may process, transmit, or store **Public State Data** (as per [Statewide Information Security Policy P8110](#) Data Classification) and/or metadata, or as directed by the State Chief Privacy Officer (Arizona Department of Homeland Security, Governance, Risk, and Compliance team), then the Contractor **shall** follow the NIST Low Impact security controls.

NIST Moderate Impact: If a Contractor may process, transmit, or store **Confidential State Data** (as per [Statewide Information Security Policy P8110](#) Data Classification) and/or metadata during its work under the Contract, or as directed by the State Chief Privacy Officer (Arizona Department of Homeland Security, Governance, Risk, and Compliance team), then the Contractor **shall** complete NIST Moderate Impact security controls.

Pursuant to [State Data Classification Policy P8110](#) and the above Data classification, **Contractor will have access to the following type of Data as part of its work under the Contract:**

- Low Impact Data (AZRAMP 125 / NIST Low Impact)
- Moderate Impact Data (AZRAMP 325 / NIST Moderate Impact)

For this Offer to be considered, the Offeror shall follow the Infrastructure Security Controls and acknowledge its agreement below.

A) If the Offeror has achieved AZRAMP, FedRAMP, or StateRAMP Authorization, check the box below, submit certification information, and sign the signature section.

- AZRAMP Authorized

-
- FedRAMP Authorized
 - StateRAMP Authorized

B) If the Offeror has **not** achieved AZRAMP, FedRAMP, or StateRAMP Authorization, complete the steps below, and sign the signature section.

Step 1: Solicitation Proposal Stage

Submit a completed Arizona Baseline Infrastructure Security Controls Prerequisite (35 questions) assessment spreadsheet [Pre-Requisite \(35 questions\)](#) as a separate attachment submitted with the proposal.

Step 2: Contract Award Stage:

If awarded a contract, the Contractor shall complete the AZRAMP 325 Moderate Impact Control spreadsheet titled “Arizona Infrastructure Security Controls 2017 (Excel),” and fill out column’s from **I to N** and submit to State Chief Privacy Officer (Enterprise Security, Privacy & Risk Compliance team) [AZRamp 325 Moderate](#) **within forty-five (45) days of award**. Supporting documentation required for the AZRAMP assessment are contractor IT System Security Plan (SSP) or Written Information Security Program (WISP) to obtain AZRAMP Moderate (respond to Column F controls and control enhancements), or contact the State Chief Privacy Officer (Enterprise Security, Privacy & Risk Compliance team) with questions via GRC@AZDOHS.gov.

Step 3: Contract Management Stage:

1. Register with StateRAMP (membership link: <https://stateramp.org>) **within forty-five (45) days of notification**. Supply StateRAMP membership number to State Chief Privacy Officer (Enterprise Security, Privacy & Risk Compliance team) via GRC@AZDOHS.gov.

AND

2. Within **one (1) year of notification**, awarded contractor **shall** obtain StateRAMP NIST Moderate Impact Authorization (authorized or provisional) security status, or contact the State Chief Privacy Officer (Enterprise Security, Privacy & Risk Compliance team) via GRC@AZDOHS.gov for an extension to the one-year deadline.



Signature of person authorized to sign

Company Name

Printed name and title

Date

Contact email address

Contact phone number

StateRAMP Number

FedRAMP Number



EXHIBIT J: CONFORMANCE STATEMENTS

ASTO WILL NOT CONSIDER ANY EXCEPTIONS UNLESS DESIGNATED ON THIS FORM. READ THE INSTRUCTIONS TO OFFERORS BEFORE TAKING ANY EXCEPTIONS – TAKING EXCEPTIONS CAN BE GROUNDS FOR STATE REJECTING OR DOWN-GRADING YOUR OFFER IN EVALUATION.

CONFORMANCE TO THE INSTRUCTIONS:

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- YES – Offeror acknowledges that it has read and understands the Instructions to Offerors of the Solicitation Documents and attests that its Offer complies.
- NO – Offeror acknowledges that it has read and understands the Instructions to Offerors of the Solicitation Documents, and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Exhibit G Supplement 1**.

CONFORMANCE TO THE SCOPE:

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- YES – Offeror acknowledges that it has read and understands the Scope Document of the Solicitation Documents and attests that its Offer complies.
- NO – Offeror acknowledges that it has read and understands the Scope Document in Part 2 of the Solicitation Documents and attests that its Offer complies EXCEPT FOR the exceptions listed in **Exhibit G Supplement 2**.

CONFORMANCE TO THE CONTRACT TERMS AND CONDITIONS:

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- YES – Offeror acknowledges that it has read and understands the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits of the Solicitation Documents and attests that its Offer complies with both.
- NO – Offeror acknowledges that it has read and understand the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Exhibit G Supplements 3 and 4**.



EXHIBIT J – SUPPLEMENT 1: EXCEPTIONS TO INSTRUCTIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.1: Instructions to Offerors		





EXHIBIT J – SUPPLEMENT 2: EXCEPTIONS TO SCOPE OF WORK

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.2: Scope of Work		





EXHIBIT J – SUPPLEMENT 3: EXCEPTIONS TO SPECIAL TERMS AND CONDITIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.3: Special Terms & Conditions		





EXHIBIT J – SUPPLEMENT 4: EXCEPTIONS TO UNIFORM TERMS AND CONDITIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.4: Uniform Terms & Conditions		



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