Vermont Inspection and Maintenance
State Implementation Plan

The Vermont Motor Vehicle Emissions Inspection and Maintenance Program

April 29, 2022

Submitted by The Vermont Department of Environmental Conservation
on behalf of
The State of Vermont
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Executive Summary

This State Implementation Plan (SIP) is required pursuant to the Clean Air Act Section 182(c)(3)(A) and ensures that amendments to Vermont’s vehicle inspection and maintenance (I/M) program are fully incorporated into Vermont’s State Implementation Plan. The structure of this document comports with requirements that have been established by the United States Environmental Protection Agency (EPA) for I/M programs nationally. The vehicle I/M program, designed to identify vehicles that emit pollutants that exceed prescribed standards and require such vehicles to get repaired, is an important part of the strategy to ensure that Vermont is positioned to maintain compliance with the National Ambient Air Quality Standard for Ozone. Vermont’s program has a long history of effectively reducing vehicle emissions and consists of a decentralized network of inspection stations that are licensed by the Vermont Department of Motor Vehicles. The majority of Vermont vehicles obtain their annual inspections at these public stations; however, the program also allows commercial fleet owners, licensed by the Vermont Department of Motor Vehicles, to inspect their own vehicles. The emission reductions resulting from this program are an integral part of our air quality attainment efforts and are an important part of addressing emission reductions from mobile sources, which is Vermont’s largest source of air contaminant emissions.

Vermont operated a paper-based I/M program until early 2017. With the implementation of the Automated Vehicle Inspection Program (AVIP) in Vermont, significant improvements to the I/M program effectiveness and efficiency have been realized. This SIP reflects these and other programmatic changes that allow Vermont to comply with the I/M requirements in the Code of Federal Regulations.
Introduction
This document outlines the Vermont Inspection and Maintenance (I/M) program with each section providing both the details on specific elements of the program, including the supporting statutory and regulatory authority corresponding to the specific elements.

Vermont is required to adopt and implement an enhanced I/M program pursuant to Clean Air Act (CAA) Section 184(b)(1)(A), which requires that any state located within an ozone transport region, which has a metropolitan statistical area with a population of more than 100,000, implement an enhanced vehicle I/M program and comply with the provisions of CAA Section 182(c)(3). Vermont is included in the Ozone Transport Region established in CAA Section 184(a) and has one Metropolitan Statistical Area (MSA): Burlington with a population of more than 100,000.

The Vermont I/M program is administered by the Vermont Department of Motor Vehicles (DMV) in consultation with the Vermont Department of Environmental Conservation (DEC). Vermont has required vehicle safety inspections since 1935 and inspection procedures became codified as Administrative Rules in the 1960s. Prior to 2017, Vermont operated a paper-based safety and emissions inspection program. In early 2017, Vermont successfully implemented an electronic data collection and management system for its I/M program, also known in Vermont as the Automated Vehicle Inspection Program (AVIP), through a contract with Parsons Environment & Infrastructure Group, Inc (“Parsons”). A copy of the contract between DMV and Parsons is provided in Appendix D. Vermont anticipates full I/M program implementation by January 1, 2023.

This SIP is broken into sections that follow the requirements specified in sections 182(c)(3) of the Clean Air Act and regulations promulgated in 40 C.F.R. Part 51, Subpart S.

A. Applicability (51.350)
The Vermont I/M program will be implemented statewide. Although 40 C.F.R. §51.350 requires Vermont’s I/M program only be implemented in the Burlington, Vermont MSA, Vermont is voluntarily implementing a statewide program in an effort to capture additional reductions of vehicular emissions of air pollutants and to mitigate implementation and administrative burdens.

Applicable documentation and authority
The legal authority for the implementation of the I/M program is contained in 10 V.S.A. §567, which authorizes the Agency of Natural Resources (ANR), in conjunction with the Department of Motor Vehicles (DMV), to promulgate rules that prescribe requirements for the proper maintenance of the equipment designed to reduce or eliminate emissions from motor vehicles.

B. Enhanced I/M Standard (51.351)
EPA requires Vermont to implement an I/M program due to the State’s status in the Ozone Transport Region pursuant to Section 184 of the Clean Air Act. Vermont’s program meets the level of emission reductions required in the Enhanced Performance Standard for areas designated and classified under the 8-hour ozone standard, 40 C.F.R. §51.351(i).

Vermont has modeled the emissions impact of the I/M program using EPA’s MOVES model. Vermont DEC used the latest version of the model (MOVES3) to calculate the emissions reductions attributable to
the state I/M program and to compare those reductions against the modeled reductions achieved by the
EPA enhanced performance standard model program (40 C.F.R. §51.351(i)). Chittenden County was
chosen as the appropriate county for the modeling runs because the county boundary most closely
resembles the boundary of the required Burlington MSA and it encompasses all of the areas within the
defined MSA that have high population densities and would be considered metropolitan or urban.

The primary year for the analysis was 2023, but 2025 and 2027 were also modeled, and the Vermont
I/M program was evaluated with a 16-model year window of applicability, where only the newest 16
model year light duty vehicles and light duty trucks are required to undergo an annual on-board
diagnostics (OBD) test. Because Vermont does not need to quantify the mass of emissions reductions
for an attainment demonstration or shortfall calculation and is only required to demonstrate that the
I/M program meets the EPA performance standard, MOVES3 defaults were used as inputs to the model
in many cases as opposed to preparing inputs using Vermont specific data. Model inputs for the County
Scale runs used MOVES3 default data existing in the county database file (cdb) for each year of analysis
where they were available. Where default data did not exist in the County Scale cdb files MOVES3 was
run at the Default Scale for Chittenden County for each of the analysis years and the activity data
outputs from those runs were used to populate vehicle miles traveled (VMT) and source type population
inputs as necessary. Meteorological data was used from Vermont’s 2017 NEI onroad submission and
was kept constant through all runs.

As specified in the Performance Standard Modeling for New and Existing Vehicle Inspection and
Maintenance (I/M) Programs Using the MOVES Mobile source Emissions Model (January 2014)\(^1\) three
separate MOVES modeling runs were completed for Chittenden County for each year analyzed.
Emissions rates in grams per mile (g/mi) were calculated for nitrogen oxides (NOx), volatile organic
compounds (VOCs), total gaseous hydrocarbons, and carbon monoxide (CO), by running MOVES3 in
inventory mode and converting the calculated emissions quantities into g/mi emissions rates using the
MOVES3 post processing SQL script “EmissionRates.sql”.

The first MOVES run for each year analyzed was completed to determine a gram per mile rate for the
Vermont fleet, including passenger cars, passenger trucks, and light commercial trucks, assuming there
was no I/M program. The second model run was performed using identical input parameters but with
the inclusion of the EPA supplied enhanced performance standard I/M program template, with the
ending model year (endModelYearID) of the program adjusted as necessary to reflect the year of
analysis. The final model run was completed using the same input parameters as the first two runs but
with the Vermont specific I/M program, adjusted for the applicable end year and the 16-model year
window, in place of the EPA enhanced performance standard template. By subtracting the g/mi
emission rates for the fleet, by pollutant, produced by the enhanced performance standard run from the
g/mi rates from the no I/M program run, g/mi emissions reductions associated with the enhanced
performance standard were calculated. The same process was then completed to determine the
reductions associated with the Vermont specific I/M program by subtracting the g/mi rate associated
with the Vermont I/M program run from the no I/M run. These g/mi reductions associated with the
Vermont program were then adjusted as allowed by the performance standard modeling guidance
document by applying a 0.02 g/mi buffer to the g/mi reductions for each pollutant to obtain total
emissions reductions (in g/mi by pollutant) associated with the Vermont I/M program. Reductions from

\(^1\) EPA: https://nepis.epa.gov/Exe/ZyPdf.cgi?Dockey=P100HHMP.pdf
the Vermont specific I/M program were then compared to the reductions achieved by the enhanced performance standard. In all cases the reductions achieved by the Vermont I/M program were found to exceed those achieved by the enhanced performance standard program and so the Vermont I/M program meets the performance standard.

The most important component of this modeling demonstration is the Vermont I/M and performance standard templates. The Vermont I/M program input template for the year 2023 analysis covers a 16-model year window with a beginning model year date of 2008 and an end model year date of 2023. For compliance factor calculation, a compliance rate of 96% was recommended by EPA and was incorporated. A zero percent waiver rate was used in the calculation because there will not be a waiver component to the Vermont I/M program, and a default failure rate of 20% was applied. Updated regulatory class coverage adjustment values were taken from the MOVES3 Technical Guidance: Using MOVES to Prepare Emission Inventories for State Implementation Plans and Transportation Conformity – Appendix A. The regulatory class coverage adjustments were 100% for source type 21, 96% for source type 31, and 75% for source type 32. The only modifications made to the performance standard template previously supplied by EPA was that the ending model year of the program was adjusted as necessary to match the year of analysis.

Based on the results from these MOVES3 modeling runs, the Vermont I/M program will achieve the reductions needed to meet enhanced performance standard and the requirements of the Clean Air Act and its implementing regulations.

Applicable documentation and authority
Results of the MOVES modeling show that the Vermont I/M program will meet or exceed the required reductions achieved by the enhanced performance standard in the years 2023, 2025, and 2027. The gram per mile reductions achieved by the Vermont I/M program exceed those achieved by the enhanced performance standard when the 0.02 g/mi buffer is applied. The Vermont I/M program is also implemented statewide rather than exclusively for the Burlington MSA, where the program is required, and so achieves greater overall emissions reductions than would be achieved by a program covering a much smaller geographic area. Per EPA and modeling guidance these additional reductions are not included in the modeling exercise, nor can they be counted as reductions toward meeting the performance standard, but they are still an important consideration in overall air quality in the state.

Results from the MOVES modeling runs are shown in Table 1 below. The emissions reductions are shown in grams per mile for a summer day (July weekday) and the 0.02 g/mi buffer has been applied to the reductions achieved by the Vermont I/M program as described previously. Modeling results show that the Vermont I/M program (adjusted with the 0.02 g/mi buffer) achieves greater emissions reductions than those achieved by the Enhanced Performance Standard template, for all pollutants modeled for all three years analyzed, and so meets the performance standard in all cases.

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Table 1: Comparison of Emissions Reductions from the Vermont I/M program and the Enhanced Performance Standard

<table>
<thead>
<tr>
<th>I/M Program</th>
<th>Year</th>
<th>Total Gaseous HC</th>
<th>CO</th>
<th>NOx</th>
<th>VOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced Performance Standard reductions</td>
<td>2023</td>
<td>0.020</td>
<td>0.00</td>
<td>0.015</td>
<td>0.021</td>
</tr>
<tr>
<td>Vermont I/M Program reductions (with buffer)</td>
<td>2023</td>
<td>0.033</td>
<td>0.373</td>
<td>0.027</td>
<td>0.033</td>
</tr>
<tr>
<td>Enhanced Performance Standard reductions</td>
<td>2025</td>
<td>0.018</td>
<td>0.00</td>
<td>0.012</td>
<td>0.019</td>
</tr>
<tr>
<td>Vermont I/M Program reductions (with buffer)</td>
<td>2025</td>
<td>0.032</td>
<td>0.360</td>
<td>0.027</td>
<td>0.033</td>
</tr>
<tr>
<td>Enhanced Performance Standard reductions</td>
<td>2027</td>
<td>0.017</td>
<td>0.00</td>
<td>0.008</td>
<td>0.017</td>
</tr>
<tr>
<td>Vermont I/M Program reductions (with buffer)</td>
<td>2027</td>
<td>0.032</td>
<td>0.337</td>
<td>0.026</td>
<td>0.032</td>
</tr>
</tbody>
</table>

C. Network Type and Program Evaluation (51.353)

The Vermont I/M program is a decentralized inspection and repair system consisting of approximately 1,100 existing inspection stations licensed by DMV to conduct safety and emissions tests. The majority of Vermont vehicles obtain their annual inspections at public stations; however, the program also allows commercial fleet owners, licensed by DMV, to inspect their own vehicles. The state’s I/M Program contractor, currently Parsons, is required to implement an evaluation program that is consistent with the EPA regulations. Data are collected as part of the electronic data collection and management system during routine testing. DMV and the state’s contractor will audit the inspection process, analyze the results, and DEC will further analyze results and report information to EPA as required. Additional detail on the required annual inspection process is incorporated into the existing statewide Motor Vehicle Safety Inspection Program administered by the DMV (See Appendix A).

DEC will conduct I/M Program evaluations through an ongoing process to quantify emission reduction benefits. The evaluation will be based on data provided by the contractor and will indicate whether or not the program is meeting the emission reduction targets.

Applicable documentation and authority

DEC, in conjunction with DMV, is authorized to adopt rules to implement an I/M program pursuant to 10 V.S.A. §567 and 23 V.S.A. §1222(a). Section 5-703 of the Vermont Air Pollution Control Regulations and the Vermont Periodic Inspection Manual establish emission inspection requirements for vehicles in Vermont. DEC, with assistance and data collected by DMV and the contractor, will submit annual reports required under 40 C.F.R. § 51.366, commencing 18 months after the initial implementation of the program³.

³ Vermont anticipates program implementation to be January 1, 2023. The first report would therefore be due July 1, 2024.
D. Adequate Tools and Resources (51.354)

Vermont commits to maintaining adequate administrative resources, staff and equipment dedicated to overt and covert auditing, data analysis, program administration, enforcement, and the other necessary program functions.

Administrative Resources: DMV’s Administrative Support Section is responsible for Vermont I/M program support functions. This section includes a dedicated Inspection Station Clerk who manages the certification, designation, and renewals of certified inspection stations and mechanics throughout the state.

Vermont Inspection stations are given discretion to set the appropriate fee for a combined safety and emissions inspection. For each inspection conducted, $6.00 is collected by the State per inspection sticker issued and deposited into the Transportation Fund and an additional $2.26\(^4\) per test fee and $1.63 per sticker fee are collected by Parsons. The Transportation Fund is used to pay for DMV program staff and cover other needs of the inspection program. Part of the Annual Registration Fee for Motor Vehicles is also used to partially pay for DEC’s administration of the Mobile Sources program, which includes support for the emissions inspection program. Additionally, some funds under a Performance Partnership Agreement between DEC and EPA may be utilized to support the development of I/M program elements.

In FY2021, DMV acquired approximately $3.3 million in revenue from inspection fees of which a portion was utilized to support overall program costs covering necessary equipment and personnel expenditures.

Personnel: There are currently 12 DMV full-time I/M program staff\(^5\) undertaking enforcement duties related to the Vermont I/M program. These duties include inspection station auditing, investigation of alleged inspection station malfeasance, on-road enforcement, sticker monitoring, and enforcing the statute regarding inspections. In addition, a minimum of two DMV and up to two DEC I/M Program staff conduct Program administration as well as data analysis and reporting.

Equipment: DMV full-time I/M program staff enforce and regulate inspection stations and are provided with state-issued vehicles and travel statewide. The Investigators are equipped with AVIP tablet computers (with OBDLink tool) to monitor, audit, and enforce compliance with the State’s safety and emissions program. Additionally, DMV Investigators have access to the AVIP-Portal website with additional enforcement trigger reporting tools available. Each DMV Investigator is equipped with OBD Scan tool and basic tools including a floor jack. Most DMV Investigators will arrange the use of a vehicle lift at an area state garage or Inspection Station garage where they can hoist the vehicle and look for emissions deficiencies.

Applicable documentation and authority

23 V.S.A. §1230 authorizes DMV to collect the state inspection fee and deposit the fee revenue into the Transportation Fund. 3 V.S.A. §2822(m) authorizes DMV to collect $2 of each motor vehicle registration fee and deposit the fee into the Environmental Permit Fund, which is to be partially used to fund motor

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\(^4\) Per the state’s contract with Parsons, this amount is subject to change pursuant to a fee schedule.

\(^5\) DMV I/M program staff include both Motor Vehicle Inspectors (DMV sworn law enforcement officers) and Motor Vehicle Field Inspectors (DMV civilian investigators).
vehicle related programs pursuant to 3 V.S.A. §2805(b). The contract with Parsons (See Appendix D, Vermont DMV-Parsons Contract) includes the fee amount that the contractor is eligible to collect for administration of the Automated Vehicle Inspection Program. (See Appendix B, I/M Budget)

E. Test Frequency and Convenience (51.355)
Inspection frequency is annual for all subject vehicles. All subject vehicles will be inspected for emissions during their annual Motor Vehicle Safety Inspection. For both new vehicles and vehicles registered in the state for the first time, the first inspection is required within 15 days of registration.

The inspections are required prior to expiration of vehicles' existing inspection stickers. The inspection sticker expires on the last day of the month, one year after the month in which the vehicle was last inspected. Upon change of ownership of a vehicle the inspection due date remains unchanged. The new owner will be required to present the vehicle for inspection by the same date as was applicable to the previous owner.

The Vermont I/M program is incorporated into the existing safety inspection program which has statewide coverage with approximately 930 public inspection stations located throughout Vermont to provide motorists convenient service as required by 40 C.F.R. §51.355. In addition, there are approximately 100 fleet inspection stations (for inspecting fleet vehicles), 48 government operated inspection stations (for inspecting government vehicles) and 21 sticker replacement stations. On average, there are approximately 50,000 inspections a month in Vermont, therefore each station averages less than 50 inspections a month, or approximately 2 inspections each workday, indicating the testing capacity is sufficient to ensure motorist convenience with minimal driving distances and waiting times. See Motorist Compliance Enforcement (Section K, below) for an explanation of how program enforcement corresponds to testing frequency.

Applicable documentation and authority
23 V.S.A. §1222 requires subject vehicles to be inspected annually and allows for inspections to be conducted and garages or qualified service stations as designated by the DMV Commissioner as official inspection stations.

F. Vehicle Coverage (51.356)
Under Vermont’s program, all motor vehicles registered in Vermont are required to receive a visual emissions inspection, while only light duty vehicles and light duty trucks, 16 model years old and newer that have a Gross Vehicle Weight Rating (GVWR) of 8,500 lbs or less are required to undergo an OBD test. If a vehicle was not originally equipped with one or more of the emission control devices requiring inspection, then that part of the inspection will be passed. A table showing the number of registered gasoline vehicles that are estimated to be subject to the I/M program is included below.
Table 2: Estimated number of subject vehicles

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVWR 0 - 6,000 lbs</td>
<td>184,964</td>
</tr>
<tr>
<td>GVWR 6,001 lbs – 8,501 lbs</td>
<td>71,711</td>
</tr>
<tr>
<td><strong>Total Vehicles Covered by Program</strong></td>
<td><strong>256,675</strong></td>
</tr>
</tbody>
</table>

Additionally, if vehicles meeting the parameters described above are registered in another state or Canadian province or territory and require a reciprocal emissions inspection in Vermont, these vehicles will undergo an OBD test.

The definition of motor vehicle includes all vehicles propelled or drawn by power other than muscular power, except farm tractors, vehicles running only upon stationary rails or tracks, motorized highway building equipment, road making appliances, snowmobiles, or tracked vehicles or electric personal assistive mobility devices.

Applicable documentation and authority

3 V.S.A § 1222 requires all motor vehicles to undergo a “visual emissions inspection once each year and all motor vehicles that are registered in this State and are 16 model years old or less shall undergo an emissions or on board diagnostic (OBD) systems inspection once each year as applicable.” The Vermont Periodic Inspection Manual requires only vehicles having a GVWR of 8,500 lbs or less to undergo the OBD test.

G. Test Procedure and Standards (51.357)

All vehicles subject to the visual emission inspection and OBD test are tested using the procedure established in the Vermont Periodic Inspection Manual (see Appendix A). These procedures are based on the test procedures established by EPA for light duty vehicles in 40 C.F.R. §85.2222 and are generally consistent with EPA guidance.

Readiness is an area where the Vermont I/M program procedures may vary from EPA’s procedures. For readiness, as an alternative to rejection, Vermont’s procedures require that a vehicle fail its initial test and retest if it would otherwise pass but does not meet readiness criteria. It is understood, that although the vehicle fails the inspection, unset readiness codes alone are not an indication of an

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6 Number of vehicles covered under the Vermont I/M program was estimated based on vehicle registration data from 9-25-2021. Values include passenger cars and light duty trucks ranging between 0 and 8,500 lbs as determined by the GVWR and within the applicable 16 model year window. Because the GVWR attribute does not split at 8,500 lbs, regulatory class distribution adjustment factors for the heavier weight class (6,001 – 10,000 lbs) were used from MOVES3 to estimate the number vehicles in this weight class that would be subject to the I/M program. It was assumed that all passenger cars and light duty trucks between 0 and 6,000 lbs would be subject to the I/M program. Although Vermont’s I/M Program includes OBD testing of diesel vehicles, the above values only include gasoline vehicles since only gasoline vehicles are accounted for in determining compliance with the performance standard.
emissions problem; therefore, readiness failures are identified separately from other OBD test failures in the Vermont I/M Program data.

**Applicable documentation and authority**
23 V.S.A. §1229 gives the Commissioner of DMV the authority to adopt rules necessary to implement the inspection requirement contained in §1222 of the same Title. The Periodic Inspection Manual is codified in the Code of Vermont Rules 14-050-022, and the emission inspection portion of the manual is adopted in consultation with DEC. Each licensed inspection station is required to perform inspections in accordance with the Periodic Inspection Manual.

**H. Test Equipment (51.358)**
Written test equipment specifications are required in the contract between DMV and Parsons. Necessary equipment and associated user manuals for OBD inspections are provided to inspection stations.

All test equipment is fully computerized, and all processes are automated to the highest degree possible. Automatic pass/fail decisions are made by the OBD test equipment. The test system includes access to real-time data and is connected to a central computer system. All test equipment and systems have undergone acceptance testing to ensure program compliance. Parsons maintains the test equipment to accommodate new technologies and program changes. The test equipment operating system and inspection software are configured to prevent tampering with the inspection software and allow for automatic, over the air updates provided directly from Parsons (no access is provided to the user). Parsons mobile device management prevents unauthorized use of any application on the test equipment. Specifically, the testing tablets are locked down completely preventing access while they are enrolled in the I/M program. The test equipment provides the motorist with a test record, including the reasons for any test failure, and the name of the inspection station and the inspector performing the test.

**Applicable documentation and authority**
Test equipment standards have been established as required in the contract with Parsons and meet the requirements of the OBD testing procedures.

**I. Quality Control (51.359)**
The State’s contract with Parsons requires them to employ reliable equipment, accurate and complete maintenance operating procedures, adequate spare parts provisioning, and a competent operations and maintenance staff. The contract also includes minimum durability and functional requirements to ensure accurate testing, processing, and recording of test results.

For communication failures, the test system requires the inspector to connect to a vehicle known to have no communication issues to test the functionality of the test equipment. If the test equipment communicates with the known “good” vehicle, then the noncommunicative vehicle undergoing the OBD test is failed. When test equipment is found to be faulty (i.e., does not communicate with the known “good” vehicle), the test equipment requires the inspector to abort the current test and contact Parsons.

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7 In Vermont, inspectors are titled “State certified inspection mechanics”.

for approval to conduct the inspection utilizing their own OBD scan tool. Parsons authorizes an inspection station to conduct inspections in this manner until the replacement part arrives. Parsons ships equipment “next day”, allowing issues to be resolved within a business day. Tests conducted in this manner are flagged in the trigger reports discussed below. This practice prevents the vehicle from falsely failing the emissions test due to an equipment-related problem. Normal testing process resumes once the test equipment problems have been corrected.

Security measures are in place for all documents, including inspection stickers. Inspection stickers are durable, tamper-proof and cannot be removed intact once applied. All sticker stock is tracked using an accounting system and sticker stock is stored securely as per Parsons Sticker Stock Security Plan.

Applicable documentation and authority
The Periodic Inspection Manual and the contract with Parsons requires development and implementation of quality control procedures and document/recordkeeping security measures consistent with the requirements of 40 C.F.R. §51.359. Specific procedures concerning document security, including sensitive confidential business information, have been omitted from this document.

J. Waivers and Compliance via Diagnostic Information (51.360)
Effective January 1, 2023, and in accordance with Act 55 (2021), Vermont will not allow for the issuance of a waiver from program compliance pursuant to the requirements of 40 C.F.R. §51.360. If the situation arises where an abnormally high cost has been incurred for emissions-related repairs, resulting in a vehicle that continues to fail the I/M test, then the vehicle owner will be guided toward the many incentive programs in operation in the State, which may include the State of Vermont incentive program for new plug-in electric vehicle purchases or leases, the High Fuel-Efficiency Used-Vehicle Program (MileageSmart) for used fuel-efficient vehicle purchases, the Emissions Repair Assistance Program for financial assistance for emissions repairs, and the Replace You Ride program for encouraging the switch from older, higher polluting vehicles to cleaner transportation options.

Applicable documentation and authority

K. Motorist Compliance Enforcement (51.361)
The Vermont DMV will implement an effective form of motorist compliance through a sticker-based enforcement program. All Vermont registered motor vehicles are subject to an annual inspection (note – school bus and motor bus inspections are more frequent). All motor vehicles undergo safety testing, while only light duty vehicles and light duty trucks 16 model years old or newer are subject to the OBD test. Inspection stickers are not specific to test type (i.e., safety or emissions), but do incorporate vehicle specific information, such as make, model, model year and VIN.

All inspection sticker stock and sticker printing equipment are issued from Parsons. Sticker printing equipment is shipped directly from Parsons to each inspection station for initial setup. Sticker stock numbers are tracked throughout the lifecycle of the sticker. Sticker stock is entered into inventory by sticker number by Parsons. Sticker stock is shipped to inspection stations by Parsons once the appropriate fees have been paid by the station and the sticker stock numbers are recorded as in transit to a specific station when they are shipped. Once the station receives the sticker stock, the inspector
must electronically enter sticker stock numbers into the AVIP database via the tablet technology used by
the station to ensure receipt of the sticker stock, changing system status of the sticker stock as ready for
use, and allow for reconciliation with DMV data. The electronic system notes the sticker number in the
database when a sticker is printed and issued to a vehicle. Voided/damaged/lost stickers are also
recorded by sticker number in the inventory system.

When not being issued, inspection stickers must be kept in a locked drawer, cabinet, or other device
that is not easily moved or portable to prevent theft and limit access to only those persons authorized to
inspect vehicles. The mechanism used to secure inspection stickers must be approved by a DMV
Investigator. The security and management of stickers is audited by DMV Investigators, and Parsons.
State and local law enforcement may be involved if conducting a criminal investigation.

All full and part-time State, County and local law enforcement officers in Vermont attend Motor Vehicle
training and receive specific instruction on the Periodic Inspection Manual, state inspection
requirements, and investigative tools for detecting and enforcing inspection regulations through traffic
violations and referrals to DMV’s enforcement division. Also, law enforcement officers receive Law
Enforcement Bulletins from DMV as changes are made to the sticker make-up and color and any
relevant changes to the AVIP. Law enforcement officers and other state officials may perform surveys in
a variety of locations and at different times for the presence of valid stickers. The VT I/M Program is
enforced by use of a highly visible windshield sticker that includes the inspection expiration date to aid
law enforcement officers in the swift and efficient identification of vehicles that fail to comply. The
sticker-based enforcement system is used statewide, not just within the required Burlington, Vermont
MSA, which helps to avoid potential fraudulent classification of a vehicle as non-subject to the I/M
Program based on claims of residency outside the Burlington, Vermont MSA. Frequently, inspections
stations across the state display highly visible signs within direct view of roadways notifying motorists
what cycle inspections are currently due.

Detected violations, which can occur prior to the end of a registration cycle (thus identifying
noncompliant vehicles earlier than under a registration denial-based enforcement program) can result in
a written warning or a Civil Violation being issued to the operator. Civil violations can include the
following:

- Citation issued fining the driver $105 for operating a vehicle not inspected within 15 days of
  registration or inspection sticker expiration date;
- Citation issued fining the driver $5 for operating a vehicle with an invalid inspection sticker
  within 14 days of registration or inspection sticker expiration date;
- Citation issued fining the driver $299 for operating a vehicle with an inspection sticker that is
  not assigned to that vehicle; and,
- Citation issued fining the drive $105 for operating a vehicle with defective equipment.

Failure to pay fines result in automatic suspension of the driver’s license. The DMV Commissioner also
has the authority to suspend or revoke vehicle registration for vehicles operated without proper
equipment after the owner has been notified to procure and use such equipment as is required by law

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8 DMV staff undertaking enforcement and auditing duties related to the Vermont I/M program, including both
Motor Vehicle Inspectors (DMV sworn law enforcement officers) and Motor Vehicle Field Inspectors (DMV civilian
investigators).
or DMV rules, and in instances where the owner of the motor vehicle has perpetrated some fraud upon the DMV.

Vehicles found to have passed inspection that should not have result in further investigation of the inspection station. Administrative penalties or revocation of inspection station licenses may result.

In addition, as part of Vermont’s annual vehicle inspection program, all motor vehicles registered with the state, are required to undergo a safety and visual emissions inspection, which may identify non-compliance above and beyond what would have otherwise been identified by solely implementing an OBD-inspection. Specifically, if a vehicle was originally equipped with a catalytic converter(s), they must be visually examined for the presence of a properly installed catalytic converter(s) and if a vehicle was originally equipped with a fuel cap, visual examination of the fuel cap must occur to pass the safety inspection and receive a vehicle inspection sticker.

As described in Section D, DMV has dedicated significant resources to the enforcement of the Vermont I/M Program, both at the inspection station and consumer levels. In addition to those enforcement resources, State, County, and local law enforcement officers (any of whom may issue, at a minimum, the citations listed above) represent the significant statewide enforcement ability leading to the likelihood of motorists being pulled over for lack of a compliant inspection sticker.

The State of Vermont’s goal is to ensure a compliance rate of no less than 96% among subject vehicles. This compliance rate reflects the compliance rate used in the program modeling demonstration discussed above in Section B. If it is determined that the I/M program is not meeting the compliance rate goal, appropriate measures will be taken to improve compliance.

Applicable documentation and authority
23 V.S.A. §§1222, 1225, and 1231 allow for administrative penalties for violations related to issuance of stickers and operation of a vehicle with an expired inspection sticker or without an inspection sticker. Rules regarding sticker issuance and replacement are contained in the Periodic Inspection Manual.

L. Motorist Compliance Enforcement Program Oversight (51.362)
The Vermont I/M Program includes many quality assurance and quality control elements including data collection through bar-code scanners or redundant data entry, as well as program-maintained audit trails, written procedures for I/M enforcement personnel and prevention of fraudulent procurement or use of inspection documents.

The State of Vermont will permit the U.S. EPA, with prior notice to the State, to conduct periodic audits of the State’s enforcement program.

Applicable documentation and authority
The authority for the implementation of the Vermont Inspection Program is in 23 V.S.A. §1222 and 10 V.S.A. §567. Considerable data control requirements allowing for oversight of the motorist compliance enforcement program are in place as per the contract between DMV and Parsons.

M. Quality Assurance (51.363)
Vermont’s quality assurance program consists of digital audits on inspection station and inspector performance, performance audits conducted by DMV Investigators, and equipment audits.
DMV performs performance audits and includes sufficient record keeping supporting the imposition of enforcement actions based on audit findings. DMV staff will perform overt performance audits at inspection stations and will also perform the equipment audits at the inspection stations. Overt audits, also known as Inspection Station Checks, include checking document security and recordkeeping practices, certifications and required display information, and a quality control evaluation of test equipment. Upon initial inspection station setup, observation and written evaluation of each inspector’s ability to perform the test procedure are typically performed by DMV Investigators. Test records are reviewed weekly to flag statistically inconsistent or improbable test results (see discussion of trigger reports, below). DMV will conduct, on average, 300 Inspection Station Checks annually.

When an inspection station is suspected of not meeting the requirements of the Vermont Periodic Inspection Manual, a covert operation may be initiated. DMV is currently in the process of preparing an updated covert auditing plan that will conform to the requirements of the section and supplement the trigger analysis (discussed below) to evaluate the performance of certified inspection stations and inspectors. Procedures for conducting covert operations are considered a sensitive enforcement procedure and therefore is not included here. Additional detail may be provided to EPA upon request.

DMV and Parsons will implement a comprehensive set of trigger reports to identify inspection stations and inspectors that are suspected of performing fraudulent or inaccurate inspections. Trigger reports focus on finding the types of fraud in an OBD testing program and other forms of fraud as they are discovered. Trigger reports are not stagnant summary versions that are produced by the I/M data system, but they are produced weekly or more frequently on an on-demand basis by DMV staff as needed to monitor inspections on an ongoing basis and to assist in investigations of specific stations or to search for particular patterns of potential violations or anomalies. This allows the DMV to monitor the statewide decentralized inspection system more effectively and efficiently than implementing a labor-intensive covert auditing program. Trigger data will be accessible in real time and weekly trigger reports will be sent to all DMV Investigators to identify workstations suspected of performing improper inspections. Results to be accessible to DEC and DMV staff on a regular basis.

Applicable documentation and authority
Parsons addresses quality assurance items mentioned above in the contract. Document security is implemented pursuant to the requirements of the contract. Overt and covert audit procedures exist but have been omitted to ensure that sensitive details of such procedures do not become public knowledge.

N. Enforcement against Contractors, Stations and Inspectors (51.364)
DMV has the authority to take enforcement actions against inspection stations and inspectors. All records of enforcement activities, including warnings, fines, suspensions, and revocations, and other notices of violation will be maintained by the State. The penalties increase, based upon frequency of commission and relative severity. Penalties may also result in license suspension.

Inspectors that are found to have violated DMV Rules, may with cause be required by DMV Investigators to perform a practical proficiency test. In accordance with DMV Rules (Administrative Penalties & Suspensions), DMV Investigators may recommend to the Commissioner of Motor Vehicles that the inspection mechanic license be penalized, revoked or suspended.

Applicable documentation and authority
DMV may take enforcement action, including penalties, against an inspection station for any violation of the Vermont Periodic Inspection Manual or state law related to inspection station licensing or inspection requirements pursuant to the penalty schedule in 23 V.S.A. §1231.

O. Data Collection (51.365)
Vermont’s I/M program data is collected and managed by Parsons while the State of Vermont owns the data. All data is collected and retained within a database. Data collected and stored in the database include, but are not limited to: test record number, inspection station number, inspection identification number, date of the test, emission test start time, the time final emissions pass/fail is determined, VIN, license plate number, test certificate number, GVWR, model year, make and vehicle type of each vehicle tested, odometer reading, category of test performed, vehicle fuel type, visual inspection results, emission test sequences used, and emission malfunction codes.

In order to ensure collection of accurate data, the contractor is required to perform periodic upgrades in the database system to maintain a system with appropriate performance and functionality.

Applicable documentation and authority
The contract with Parsons requires that Parsons meet all data reporting and collection requirements imposed by EPA.

P. Data Analysis and Reporting (51.366)
The State of Vermont will report annually summary data based upon program activities taking place from January through December of the previous year. This report will provide statistics for the inspection program, the quality control program, the quality assurance program, and the enforcement program. At a minimum, the State will address all of the relevant data elements listed in 40 C.F.R. Section 51.366.

The State of Vermont will report biennially on all changes made in the program design, funding, personnel levels, procedures, regulations, and legal authority, and will supply detailed discussion of the impact of such changes upon the program. Any program changes that require a revision to the SIP will be submitted to EPA pursuant to applicable SIP revision and approval regulations. This report will also detail and discuss any weaknesses or problems discovered in the program over the previous two-year period, as well as the steps that were taken to address those problems, the result of those corrective actions, and any future efforts planned.

Applicable documentation and authority
The contract with Parsons requires data analysis and reporting to allow for monitoring and evaluation of the program. This reporting requirement is the responsibility of DEC using data collected by Parsons and DMV. The reporting requirement is a component of a QA/QC Plan within the contract. Parsons is required to communicate the required data to Vermont DMV and DEC. DMV communicates enforcement and other administrative information to DEC to complete the required reporting.

Q. Inspector Training and Licensing and Certification (51.367)
Inspections may only be performed by inspectors who have been certified by the DMV Commissioner. In Vermont, these inspectors are titled “State certified inspection mechanics”. To be a State certified
inspector, persons shall submit a complete application, be at least 18 years of age, and pass an
examination based on the Vermont Periodic Inspection Manual for each type of vehicle to be inspected.
Certifications remain in effect for a period of five years or until the certification is surrendered,
suspended, or revoked.

When adequate resources are available, Automotive Emissions Repair Technician Training is offered 2-3
times annually by DEC.

Parsons maintains a list of State certified inspection stations and inspectors.

Applicable documentation and authority
The procedure for certification of inspectors is conducted pursuant to 23 V.S.A. §1227. Per an MOU
between DMV and DEC, DMV currently provides funding to DEC to implement technician trainings for
emissions diagnosis and repair.

R. Public Information and Consumer Protection (51.368)
The State of Vermont will implement an ongoing public information and consumer protection program.

The program provides materials to inform and educate the public about the relationship between motor
vehicles and air pollution, the need for an I/M Program, and other related matters. Materials are
distributed to inform motorists about federal and state laws, regulations and policies regarding emission
control system tampering, manufacturer warranties, and emissions.

The AVIP and the DMV Inspection websites are designed to provide information about the inspection
program to motorists, the general public, and inspectors. DEC’s website also provides information to
motorists regarding the air quality benefits and the emissions warranty. Material is also distributed to
motorists during the inspection process. The Vehicle Inspection Report (VIR) provided to the motorist at
the end of the inspection shows diagnostic trouble codes (DTCs), if applicable, and provides the motorist
with information on next steps to resolve the emissions failure.

The VIR provides motorists with notification of any open safety recalls from the National Highway
Transportation Safety Administration, and, if available, emissions recalls issued directly by a limited
number of Original Equipment Manufacturers.

Applicable documentation and authority
Parsons’ responsibility regarding program education, information, and support are contained in the
contract. The Vermont AVIP website is located at: https://www.vt-avip.com/. DMV’s Inspection website
is located at: https://dmv.vermont.gov/avip. DEC’s Emissions Inspection website is located at:

S. Improving Repair Effectiveness (51.369)
The State of Vermont provides technical assistance and training opportunities to the repair industry.
Technical assistance includes information relating to inspection procedures, common problems, changes
in the program, and legal requirements of state and federal law. The State will continue to provide
training opportunities for emission control systems diagnosis and repair as resources allow.
Parsons has an inspection station hotline to respond to general questions and concerns regarding the program. All calls and emails are managed, tracked, and analyzed.

Applicable documentation and authority
Pursuant to an MOU, DMV currently provides DEC with dedicated funding, annually, to administer an emissions repair training program. The Parsons contract requires implementation of the inspection station hotline.

T. Compliance with Recall Notices (51.370)
Vermont commits to pursue compliance with EPA's recall requirements as soon as EPA establishes the national database for accessing unresolved recall information based on VINs. It is our understanding that access to this information will be free of charge to states and motorists. In the interim, information on emissions and safety recalls are provided in an advisory nature to inspectors and motorists on Technical Service Bulletins and other databases, and on the Vehicle Inspection Report (VIR) that is generated after each inspection is conducted.

Applicable documentation and authority
The contract with Parsons and the State Inspection program website provide for the necessary tools to meet the interim commitment described above.

U. On-road Testing (51.371)
As described in Section D, DMV has dedicated significant resources to the enforcement of the Vermont I/M Program, both at the inspection station and consumer levels. In addition to those enforcement resources, State, County, and local law enforcement officers (any of whom may issue, at a minimum, the citations listed above in Section K) represent the significant statewide enforcement ability leading to the likelihood of motorists on the road being pulled over for lack of a compliant inspection sticker. On-road vehicles pulled over by law enforcement for lack of a compliant inspection sticker will be directed to appear for an inspection. Additional emission reduction credit for the Vermont I/M Program is not applicable since out-of-cycle repairs for confirmed high-emitting vehicles identified under the on-road testing program are not required.

The use of remote sensing or roadside emissions measurement is not an accurate way to determine if OBD systems are operating correctly. Pilot testing of remote emissions testing technologies may be conducted when these technologies are demonstrated to be reliable.

Applicable documentation and authority
Law enforcement personnel have the authority to assess inspection related violations pursuant to 23 V.S.A. §§ 203, 1222, and 1223.
Appendix A – The Vermont Periodic Inspection Manual

## Appendix B - Vermont I&M Spending Plan FY 21 – FY 22

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY21</th>
<th>Planned FY22</th>
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<tbody>
<tr>
<td>Salaries</td>
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<td>Fringe Benefits</td>
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<td>$108,733.20</td>
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<tr>
<td>Administrative Expenses</td>
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<td>$ -</td>
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<td>IT Non-Payroll Expenses</td>
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<td>$ -</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$1,625,598.75</strong></td>
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FY22 cost increase due to implementation of Sticker on Demand 1/1/22
Appendix C – Relevant State laws and regulations

**Vermont Statutes Annotated**

10 V.S.A. §567 – Motor Vehicle Pollution
23 V.S.A. §1222 – Inspection of Registered Vehicles
23 V.S.A. §1230 – Charge
3 V.S.A. §2822 – Budget and report; powers
3 V.S.A. §2805 – Environmental Permit Fund
23 V.S.A. §1229 – Rules
23 V.S.A §1225 – Penalty
23 V.S.A. §1231 – Administrative Penalties
23 V.S.A. §1227 – Certified Inspection Mechanics
Act 55 (2021)

**Vermont Regulations**

Code of Vermont Rules 12-031-001 – Vermont Air Pollution Control Regulations
Appendix D – Vermont Department of Motor Vehicles contract with Parsons
### I. CONTRACT INFORMATION:

- **Agency/Department:** Agency of Transportation/ Department of Motor Vehicles
- **Vendor Name:** Parsons Environment & Infrastructure Group Inc.
- **Vendor Address:** 4701 Hedgemore Drive, Charlotte, NC 28209
- **Starting Date:** 3/29/2016
- **Ending Date:** 3/28/2021
- **Summary of agreement or amendment:** Automated Vehicle Inspection Program for the State of Vermont

### II. FINANCIAL INFORMATION

- **Maximum Payable:** $100,000.00
- **Prior Maximum:** $0
- **Current Amendment:** $0
- **Cumulative amendments:** $0
- **% Cumulative Change:** %

### III. PUBLIC COMPETITION

- Standard bid or RFP
- Simplified Bid
- Sole Sourced
- Qualification Based Selection
- Statutory

### IV. TYPE OF AGREEMENT & PERFORMANCE INFORMATION

- Service
- Personal Service
- Architect/Engineer
- Construction
- Marketing
- Information Technology
- Other, describe:

### V. SUITABILITY FOR CONTRACT FOR SERVICE

- If this is a Personal Service contract, does this agreement meet all 3 parts of the “ABC” definition of independent contractor? (See Bulletin 3.5)
- If NO, then contractor must be paid through Payroll

### VI. CONTRACTING PLAN APPLICABLE:

- Are one or more contract or terms & conditions provisions waived under a pre-approved Contracting Plan?  Yes  No

### VII. CONFLICT OF INTEREST

- By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.
- Is there an “appearance” of a conflict of interest so that a reasonable person may conclude that this party was selected for improper reasons? (If yes, explain)

### VIII. PRIOR APPROVALS REQUIRED OR REQUESTED

- Agreement must be approved by the Attorney General under 3 VSA §311(a)(10) (personal service)
- I request the Attorney General review this agreement as to form No, already performed by in-house AAG or counsel: _______________ (initial)
- Agreement must be approved by the Comm. of DII; for IT hardware, software or services and Telecommunications over $100,000
- Agreement must be approved by the CMO; for Marketing services over $15,000
- Agreement must be approved by Comm. Human Resources (privatization and retiree contracts)
- Agreement must be approved by the Secretary of Administration

### IX. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL

- I have made reasonable inquiry as to the accuracy of the above information:
- April 12, 2016  E-SIGNED by Robert Ide on 2016-04-12 16:08:42 GMT
- April 11, 2016  E-SIGNED by Jaye Johnson on 2016-04-11 16:58:07 GMT
Contract # 31130

1. Parties
This is a contract for services between the State of Vermont, Department of Motor Vehicles (hereafter called “State”) and Parsons Environment & Infrastructure Group Inc., with a principal place of business of 4701 Hedgemore Drive, Charlotte, North Carolina 28209, (hereafter called “Contractor” or “Parsons”). Contractor’s form of business organization is a corporation. It is the contractor’s responsibility to contact the Vermont Department of Taxes to determine if, by law, the contractor is required to have a Vermont Department of Taxes Business Account Number.

2. Subject Matter
The subject matter of this contract is services generally on the subject of the design, development and implementation of a Vermont Automated Vehicle Inspection Program (AVIP). Detailed services to be provided by the contractor are described in Attachment A.

3. Maximum Amount
In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed $100,000.

4. Contract Term
The period of Contractor’s performance shall begin on March 29, 2016 (“Effective Date”) and end on, March 28, 2021 (the “Term”). The State may renew this contract for two additional two-year periods.

5. Prior Approvals
If approval by the Attorney General’s Office, Secretary of Administration, DII CIO/Commissioner, or Chief Marketing Officer is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by such persons.

- Approval by the Attorney General’s Office ☒ is ☐ is not required.
- Approval by the Secretary of Administration ☐ is ☒ is not required.
- Approval by the CIO/Commissioner of DII ☐ is ☒ is not required.
- Approval by the CMO/Marketing Services ☐ is ☒ is not required.

6. Amendment
This contract represents the entire agreement between the parties; No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. Cancellation
This contract may be canceled by the State by giving written notice at least 30 days in advance. In the event of such cancellation, Contractor shall be entitled to receive compensation for milestone deliverables accepted by the State and/or materials accepted by the State pursuant to the Contract prior to the effective date of cancellation, as well as any actual costs incurred by Contractor as a result of the State’s request for subcontractor services, as further described in Attachment A and any other actual, reasonable costs for which Contractor incurs contractually solely in support of this Contract; provided, however Contractor shall have a duty to mitigate damages for which the State may be liable, to the extent practicable. Contractor
shall notify the State of any such contracts and estimated contingent liabilities. Any such costs shall be supported by documentation acceptable to the State.

8. **Attachments**
   This contract consists of 70 pages including the following attachments which are incorporated herein:
   
   Attachment A – Specifications of Work to be Performed and the following documents included by reference:
   - Exhibit 1- Functional and Technical Requirements
   Attachment B – Payment Provisions.
   Attachment C – Standard State Provisions for Contracts and Grants
   Attachment D – Other Terms and Conditions
   Attachment E – Service Level Agreements

9. **Order of Precedence**
   Any ambiguity, conflict or inconsistency in the Contract Documents shall be resolved according to the following order of precedence:
   
   1) Standard Contract
   2) Attachment D – Other
   4) Attachment B – Payment Provisions
   5) Attachment A – Exhibit 1

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT:

<table>
<thead>
<tr>
<th>By the State of Vermont:</th>
<th>By the Contractor:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: April 12, 2016</td>
<td>Date: April 12, 2016</td>
</tr>
<tr>
<td>Signature: ____________</td>
<td>Signature: ____________</td>
</tr>
<tr>
<td>Name: ____________ E-SIGNED by Robert Ide on 2016-04-12 16:08:42 GMT</td>
<td>Name: ____________ E-SIGNED by Peter Marrocco on 2016-04-12 20:35:42 GMT</td>
</tr>
<tr>
<td>Title: ____________</td>
<td>Title: ____________</td>
</tr>
</tbody>
</table>
ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED

1. PURPOSE

This Contract sets forth the terms and conditions under which Contractor agrees to design, develop and implement an Automated Vehicle Inspection Program (AVIP) including a web-based Automated Vehicle Inspection System (AVIS), maintenance and support of that system, and post-deployment Operations services. Post-deployment operational services shall include service of the hardware in the field, fees and billing and staffing a technical support hotline. The AVIS will automate data collection for the State’s vehicle inspection program, store and report the inspection and audit data and perform administrative penalty tracking. AVIP will allow inspection mechanics to perform both safety and On-Board Diagnostic (OBD) emissions inspections on vehicles and transmit inspection data to the AVIS which will retain and manage the inspection data and other related data such as audit, administrative penalties and sticker data.

The Contractor shall provide development and design services, project and operations management, support and maintenance, resource management, engineering, materials and items necessary to operate and support the program, monitoring, support, backup and recovery, change management, technology upgrades, and training (individually and collectively referred to herein as the “Services”), as necessary for the State’s productive use of the AVIS as further set forth in this Contract. This Contract specifies the obligations of each party with additional provisions detailed in the attached Attachments and Exhibits.

2. THE SERVICES.

The focus of the services to be provided will be:

- Project management, program operations, regular meeting with State staff
- Development, submission and continuous updating of all plans
- Startup JAD sessions with State staff
- AVIS (VID and VIS) software development and acceptance testing
- Provisioning of the VID hardware and software
- Provisioning of the VIS hardware and software
- Delivery of the VIS units to the Official Inspection Stations and training on VIS use
- Training of State staff on AVIS (VID, AIM Portal, VIS) use
- Operation and maintenance of the VID environments and the AIM Portal
- Operation and maintenance of the AVIP website
- Software licensing (Contractor developed and third party)
- VID communications, hosting costs and security maintenance and testing
- VIS service including providing and delivering VIS supplies
- Operate the Official Inspection Station Technical Support Hotline
- Operate the High Repair Cost Time Extension application system
- Sending passing inspection information to the State registration system when the State indicates it is ready
- Billing Official Inspection Stations
- Compliance with service levels as set forth herein and payment of Liquidated Damages if violated
- Contractual compliance and reporting requirements, taxes and registration fees
- AVIS maintenance and support
- Configure, qualify, and maintain a disaster recovery solution
• Participate in independent security assessments of the System, and make process and product changes resulting from assessment recommendations
• Train State staff in the configuration and use of the System
• Provide System updates and technical support to the State
• Perform all necessary legacy electronic data migration of sticker inventory, financial data, Inspection Mechanic data and Official Inspection Station data
• Ensure a successful and timely Project implementation

2.1 EXISTING SYSTEMS

The existing inspection system is a paper based vehicle safety and emissions inspection system.

2.2 OBJECTIVE

This Contract identifies the tasks required by each party to implement and support the System through the following major activities: development of a project plan; requirements collection and validation, system design and development, data migration, configuration, integration and testing; deployment and training; operations, support, and maintenance services.

The project will be executed in phases as further described in Section 5 herein:
- Implementation Phase (planning, requirements gathering, design, development, and rollout)
- Operations Phase
- Post-Operational Phase

The successful outcome of the project is defined by the following:
- operational in a timely fashion;
- completed without any unresolved functional and operational deficiencies;
- completed within budget;
- configured to meet all specified requirements and needs of the State;
- the AVIS is supportable by Contractor;
- the AVIS is fully documented, including but not limited to requirements specifications, architecture, design, configuration and operational environment; and
- trained State staff and official inspection stations.

2.3 PERIOD OF PERFORMANCE

The period of implementation shall not exceed twelve months from the date of this Contract. The term for maintenance, support and program operations is anticipated to be four additional years.

3 DEFINITIONS.

Capitalized terms used in this Contract not specifically defined in the text shall have the following meanings:

(a) “Certificate of Acceptance.” Written certification, delivered to Contractor and signed by an authorized representative of the State, stating that any Defects in a particular Phase or the System discovered after implementation and testing have been corrected as required under this Contract, and that the Phase complies in all material respects with all of the applicable System Requirements.
(b) “Certificate of Completion.” Written certification, delivered to the State and signed by the Oversight Contractor, stating that any Defects in a particular Phase or the System discovered after
implementation, testing and Acceptance have been corrected as required under this Contract, and that the Phase or System complies in all material respects with all of the applicable System Requirements. The State must provide written acceptance to Contractor of any and all Certificates of Completion for them to become effective.

(c) “Contractor Personnel” means and refers to Contractor’s employees and employees of Contractor’s permitted subcontractors or permitted agents assigned by Contractor to perform Services under this Contract.

(d) “Defect.” Any failure by the System or any Phase or component thereof to conform in any material respect with applicable System Requirements.

(e) “Defect Correction.” Either a modification or addition that, when made or added to the System, establishes material conformity of the System to the applicable System Requirements, or a procedure or routine that, when observed in the regular operation of the System, eliminates the practical adverse effect on the State of such nonconformity.

(f) “Documentation” means any and all descriptions and specifications of the Requirements included herein or created or developed hereunder, operational, functional and supervisory reference guides, manuals and instructive materials, in whatever form and regardless of the media on which it may be contained, stored or transmitted, which is developed, prepared, used or otherwise available from Contractor and/or Contractor’s suppliers, in connection with and applicable to the provision, use, operation and support of the Services hereunder. Documentation shall be sufficient to enable State personnel to understand, operate, use, access, support, maintain, update and modify Services, notwithstanding that Contractor is or may be responsible for any or all of the foregoing obligations. Documentation shall also include all standards applicable to the Services, including those applicable to: (i) Contractor for its own comparable items or services; (ii) the State for its own comparable items or services; and (iii) such standards and guidelines as the parties mutually agree apply to the Services involved.

(g) “Equipment” means all hardware and tangible equipment, including computers, information processing units, servers, network facilities, controllers, routers, modems, communications and telecommunications equipment (voice, data, audio and video), cables, storage devices and media, printers, terminals, peripherals, input, output and transmission devices, and other tangible fixtures, mechanical and electronic equipment, whether owned or leased by or for the benefit of Contractor or the State in connection with the Services or used by or for the benefit of Contractor to provide or support the provision of Services. Absent any specific reference to the contrary, the term “Equipment” shall refer to: (i) all or any portion of Equipment owned by the State (“State Equipment”); and (ii) Equipment leased, rented or otherwise contracted from a third party (“Third Party Equipment”); and/or (iii) Equipment that is owned or controlled by Contractor (“Contractor Equipment”).

(h) “Final Acceptance” means the issuance of Certificate of Acceptance executed by the State which specifies the mutually agreed upon Go Live Date for the System.

(i) “Facilities” means the physical premises, locations and operations owned or leased by the State (a “State Facility”), Official Inspection Stations or Contractor locations (a “Contractor Facility”), and from or through which the Contractor and/or its permitted contractors will provide any Services.

(j) "Go Live Date." The date that the entire System is first available for use by the State as specified in the Final Acceptance in an operational, non-test environment, utilizing actual production data. The start of the Operational Phase.

(k) “Implementation Master Schedule.” Is the overall schedule for the project included in the Project Management Plan.

(l) “Major Security Breach.” Is when financial, personally identifiable information (PII) or administrative penalty data is lost, or when a breach of the system makes the system unavailable for use by Official Inspection Stations or the State.

(m) “Minor Security Breach.” Is when data is stolen which is not covered under Major Security Breach.
4. PROJECT MANAGEMENT

The scope of work as detailed below describes the services and deliverables, Contractor will develop an overall project schedule that details the tasks, timelines, and deliverables for the fully integrated solution.

The Contractor shall, at a minimum, provide the State an AVIP System that meets the tools and functionality requirements of the State set forth in Attachment A.

4.1. CONTRACTOR PROJECT MANAGEMENT AND SUPPORT

4.1.1 CONTRACTOR’S PROJECT MANAGER

Contractor will designate an individual to serve as the “Contractor Project Manager” who will: (i) be a senior employee within Contractor’s organization, with the information, authority and resources available to properly discharge the responsibilities required hereunder; (ii) serve as primary interface and the single-point of accountability and responsibility for the provision of Services by Contractor; (iii) have day-to-day responsibility for, and authority to manage, State customer satisfaction; (iv) devote full time and dedicated efforts to managing and coordinating the Services; and (v) be located at State Facilities or such other appropriate location as Contractor and the State may mutually agree.

Contractor’s Project Manager shall be responsible for all tasks necessary to manage, oversee, and ensure success of the project. These tasks include documenting requirements, developing and updating project plans,
assigning staff, scheduling meetings, developing and publishing status reports, addressing project issues, risks, and change orders, and preparing presentations for the State.

Contractor’s project manager shall be responsible for the successful delivery of all Contractor tasks and subtasks defined in the Project Management Plan (as defined herein). Progress will be monitored and plans adjusted, as necessary, in project status meetings. The Project Management Plan deliverables (for both State and Contractor tasks) shall be updated by the Contractor, subject to review and approval of the State, and reports printed for each status meeting.

Contractor’s project manager shall be responsible for providing the following project management deliverables:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Description</th>
<th>Update Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Charter</td>
<td>The Project Charter provides basic information about the project. It includes a: Scope Statement (what’s in and out of scope); list of Project Deliverables; high level Project Timeline; Key Roles &amp; Responsibilities; known Risks, Assumptions and/or Constraints. It should be approved by the project Sponsor.</td>
<td>Once unless there are changes</td>
</tr>
<tr>
<td>Change Requests Log</td>
<td>Tracks the specific change requests approved and their impact to the project scope, budget and schedule.</td>
<td>As needed/applicable</td>
</tr>
<tr>
<td>Issue/Action Items/Decision Log</td>
<td>A Log of open and resolved/completed Issues and Decisions.</td>
<td>As needed/applicable</td>
</tr>
<tr>
<td>Project Status Reports</td>
<td>Provides an update on the project health, accomplishments, upcoming tasks, risks and significant issues.</td>
<td>Bi-weekly until three months after operations begin then monthly</td>
</tr>
<tr>
<td>Meeting Agenda/Minutes</td>
<td>All scheduled meetings will have an agenda and minutes</td>
<td>Per occurrence</td>
</tr>
<tr>
<td>Lessons Learned</td>
<td>A compilation of the lessons learned having 20/20 hindsight</td>
<td>Once at end of implementation phase</td>
</tr>
</tbody>
</table>

The followings Plans and Manuals shall also be submitted at the following dates, with “start” defined as the date the contract is signed by all parties.

<table>
<thead>
<tr>
<th>Document</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Management Plan</td>
<td>Start +30d</td>
</tr>
<tr>
<td>Project Management Plan Including Baseline IMS</td>
<td>Start +30d</td>
</tr>
<tr>
<td>Quality Assurance Plan</td>
<td>Start +30d</td>
</tr>
<tr>
<td>Transition / Rollout Plan</td>
<td>Start +60d</td>
</tr>
<tr>
<td>System Requirements Specification</td>
<td>Start +60d</td>
</tr>
<tr>
<td>System Architecture and Design Specification</td>
<td>Start +90d</td>
</tr>
<tr>
<td>Equipment Supply, Maintenance and Repair Plan</td>
<td>Start +120d</td>
</tr>
<tr>
<td>System Backup and Recovery Plan</td>
<td>Start +120d</td>
</tr>
<tr>
<td>Training Plan</td>
<td>Start +150d</td>
</tr>
<tr>
<td>Plan</td>
<td>Start + Period</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Financial Billing Plan</td>
<td>180d</td>
</tr>
<tr>
<td>Operations Service Plan</td>
<td>180d</td>
</tr>
<tr>
<td>Acceptance Testing / Performance Testing Plan</td>
<td>220d</td>
</tr>
<tr>
<td>Business Continuity Plan / Disaster Recovery Plan</td>
<td>280d</td>
</tr>
<tr>
<td>Technical Support Hotline Training Manual</td>
<td>320d</td>
</tr>
<tr>
<td>VIS User Manual</td>
<td>340d</td>
</tr>
<tr>
<td>AIM Portal User Manual</td>
<td>350d</td>
</tr>
<tr>
<td>Closeout and Data Transition Plan</td>
<td>350d</td>
</tr>
</tbody>
</table>

Contractor’s project manager shall assist the State’s project manager (upon request) in creating materials for periodic presentations to State project sponsors and key stakeholders. Contractor’s project manager may be required to present information to, and answer questions from, State stakeholders at these presentations.

4.1.2 PROJECT MANAGEMENT AND SUPPORT
The Contractor will apply PMI (Project Management Institute’s PMBOK) principles to ensure on-time and in-budget delivery of the System, while meeting all of the Requirements in this Contract. The State will approve all project management methods and tools used during the project. These project management methods and tools are considered project deliverables.

4.1.3 KEY PROJECT STAFF
Contractor will perform and support the Services consistent with the Requirements. Contractor Personnel will be properly educated, trained and qualified for the Services they are to perform and Contractor will put appropriate training in place to meet initial and ongoing training requirements of Contractor Personnel assigned to perform Services.

(a) Contractor shall be responsible, at its own cost and expense, for any and all recruitment, hiring, Contractor-specific training, education and orientation for all Contractor Personnel assigned or to be assigned to perform Services or support the Requirements.

(b) All Contractor Personnel, in addition to any Contractor security policies and procedures, shall be required to comply with the security requirements in this Contract.

(c) Contractor Personnel in a position to obtain or have access to State Data may be subject to background checks as required by the State. No Contractor Personnel shall be placed on the project until any required investigation is complete. No Contractor Personnel will be placed on the project when a felony conviction is present or a misdemeanor conviction that involves a crime against a person; a crime involving the use or misuse of computer network; a crime involving weapons, explosives or arson; a crime involving trade secret/proprietary information; a crime involving theft, dishonesty, embezzlement, breach of fiduciary duty, identity theft, or other financial-related crimes, or a crime involving illegal drugs and/or controlled substances.

(d) All Contractor Personnel providing or assigned to provide Services or otherwise in a position to obtain or have access to State Information, shall be subject to a non-disclosure agreement.

(e) The timing for transfer, reassignment or replacement of Contractor Personnel will be coordinated with requirements for timing and other elements of the Services so as to maintain continuity in the performance of the Services and avoid interruption or disruption to the Services or any failures to maintain Service Levels.

Contractor shall assign the following “Key Project Staff”, to meet the Requirements of this Contract:

Vermont AVIP
<table>
<thead>
<tr>
<th>Name</th>
<th>Project Role</th>
<th>Type of Work on Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michelle Marinelli</td>
<td>Program Manager</td>
<td>As Program Manager, Michelle Marinelli will be responsible for the success of the program. She will work closely with the state during the implementation and operational phases. Michelle will manage the project office in the state of Vermont and be in frequent contact with the state during the duration of the project.</td>
</tr>
<tr>
<td>Mike Butler</td>
<td>Executive Manager</td>
<td>As Executive Manager, Mike Butler will oversee the project team from a management perspective. He will support the program manager in any way needed by obtaining resources and support as necessary from our corporate-wide VIC team.</td>
</tr>
<tr>
<td>Howard Deal</td>
<td>AVIP Advisor</td>
<td>As an advisor for Parsons, Mr. Deal will provide guidance and local expertise based on his 35 year career with the Vermont Department of Motor Vehicles and as a multi-generation native Vermonter.</td>
</tr>
<tr>
<td>Gord Blair</td>
<td>VP Systems Development</td>
<td>Gord will be responsible for the design, startup and implementation of the AVIP from a systems development perspective. He will ensure all scope items are met and delivered in a timely fashion. He will oversee all systems development for the Vermont AVIP. Gord will be engaged in all JAD sessions through the entire implementation phase of the project and be available as support through and after the transition to the operational phase.</td>
</tr>
<tr>
<td>Darryl McCarthy</td>
<td>Vehicle Inspection Database Systems Development</td>
<td>Darryl will be responsible for the VID and all components. He will oversee and lead his team in developing and maintaining a secure and proven solution for the state. He will be engaged with the state and involved in JAD sessions. During the operational phase, Darryl will transition to the oversight of systems development and ensuring all systems function as the best solution to the state.</td>
</tr>
<tr>
<td>Eric “Rick” Goebel</td>
<td>Equipment Deployment</td>
<td>Rick will be responsible for ensuring all inspection equipment used in this program will be deployed in an efficient manner in order to meet all deadlines. He will ensure all stations receive all the equipment for the new program and ensure any servicing issues are rectified in an efficient and prompt manner.</td>
</tr>
<tr>
<td>Bonnie McPherson</td>
<td>Training Manager</td>
<td>Bonnie will oversee and manage the development of all training materials, will train all trainers, and will support all ongoing training refresher and update activity. She will ensure that the state users receive training on all systems and VIS units. Bonnie will oversee all Inspection Mechanic training to ensure the success of each user. Bonnie will also be responsible for all industry and public information outreach as required.</td>
</tr>
<tr>
<td>Janet Luz</td>
<td>Station Enrollment</td>
<td>Janet will be responsible for enrolment activities for all stations participating in the program. She will work closely with the project manager during time of implementation to communicate with all stations and ensure they complete their registration in the program in order for our equipment deployment and servicing team to deliver and provide training on the VIS units.</td>
</tr>
<tr>
<td>Chrishalni Simmon</td>
<td>Technical Support Hotline</td>
<td>Scott will be leading the Technical Support Hotline. He will ensure optimal staffing to ensure coverage Monday through Saturday, from 7:30 AM to 5:00 PM and ensure that his staff handle all calls in a professional</td>
</tr>
</tbody>
</table>
and experienced manner to result in customer satisfaction. He will also ensure high quality standards are being met with the Technical Support Hotline staff through daily coaching, team huddles, review of recorded calls, quality assurance monitoring, test calls, knowledge retention quizzes, and the refresher training sessions.

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mehran Khansari</td>
<td>Quality Assurance</td>
<td>Mehran is responsible for the IT quality assurance of the VID and VIS units. He will be responsible for the testing of all systems prior to implementation and through all phases and upgrades. Mehran will also oversee the deployment of applications to various environments.</td>
</tr>
<tr>
<td>Mehrshad Azad</td>
<td>Infrastructure &amp; Support</td>
<td>Mehrshad is responsible for deployment and maintaining the infrastructure and databases. He oversees the information security planning and implementations, capacity planning and disaster recovery.</td>
</tr>
<tr>
<td>Anthony Liebusch</td>
<td>VIS Unit</td>
<td>Anthony will be responsible for systems development and operations of the VIS units. He will be responsible for hardware procurement of the VIS units and in working closely with software development team for the VIS unit software.</td>
</tr>
<tr>
<td>Nash Budhwani</td>
<td>Database Administration</td>
<td>Nash will be responsible for installation, operation and maintenance of the databases. His responsibilities include database capacity planning, performance tuning, monitoring, backup and restores. He will be engaged in all new deployments and in administration of the database and all new deployments.</td>
</tr>
<tr>
<td>Jakub Kowalczyk</td>
<td>Network Infrastructure Manager</td>
<td>Jacob will be responsible for the deployment and maintenance of the system, network, servers, storage infrastructure. He will ensure that all application servers, database servers, network deployments on production software and all portal and reporting servers are functioning at all times. Jakub will also oversee the systems and network security.</td>
</tr>
<tr>
<td>Jerry “G” Truglia</td>
<td>Inspector/Safety Curriculum Development</td>
<td>G will be responsible for development of inspector mechanic training and will ensure usability of the training materials and training approach from an industry perspective.</td>
</tr>
</tbody>
</table>

Contractor will cause the Contractor Personnel filling the Key Project Staff positions to devote dedicated effort to the provision of the Services and the achievement of Service Levels required as part of this contract.

4.1.4 KEY PROJECT STAFF CHANGES
Contractor shall not change the project assignment of key personnel as outlined in Section 5.2 of Contractors proposal during the Implementation or Operations Phases. Contractor shall not change other members of Key Project Staff without providing the State written justification and obtaining prior written approval of the State. State approvals for replacement of Key Project Staff will not be unreasonably withheld.

The replacement of Key Project Staff shall have comparable or greater skills and applied experience than being replaced and be subject to reference and background checks described above. If Contractor removes Key Project Staff for any reason without the State’s approval, Contractor agrees to replace new Key Project Staff member if performance unacceptable to State and provide the first thirty (30) days of a replacement resource with equivalent skill at no charge.

If Contractor fails in any material respect to meet the Requirements, and a root-cause analysis determines that the failure was due in material part to an inadequate number of Contractor Personnel, then Contractor shall promptly assign appropriate personnel to address the inadequacy at no additional cost to the State.
Notwithstanding the foregoing, the State acknowledges that Key Project Staff may become unavailable due to termination of employment for any reason, through disability or death, illness, or through leave of absence such as FMLA or National Guard duty for example. In such circumstances, Contractor shall promptly notify the State in writing of the impending or actual departure of any Key Personnel and of the qualifications and identity of proposed replacement Key Project Staff. The State has the right to reasonably disapprove of any replacement Key Project Staff.

4.1.5 CONTROL OF CONTRACTOR PERSONNEL. Contractor shall be fully responsible for the management, compensation, and performance of all Contractor Personnel, and the filing of any and all returns and reports and the withholding and/or payment of all applicable federal, State, and local wage tax, or employment-related taxes, including, but not limited to, income taxes, gross receipt taxes, taxes measured by income, social security taxes, and unemployment taxes for Contractor and Contractor's employees. Notwithstanding the foregoing, Contractor's employees shall adhere to the State’s policies and procedures, of which Contractor is made aware while on State Premises, and shall behave and perform in a professional manner. The State, may, in its reasonable discretion, require Contractor to replace any Contractor Personnel, including but not limited to Key Project Staff, working hereunder who does not adhere to, behave, and perform consistent with the State’s policies and procedures, or otherwise engages in unprofessional or unethical conduct, or abuses any illegal substance or alcohol, or engages in illegal activities. The State shall provide written notice to Contractor of the requirement of replacement, or with whom there are irresolvable personality conflicts. Contractor shall use reasonable efforts to promptly and expeditiously replace Key Project Staff and replace all other personnel within fifteen (15) business days of receipt of the written notice unless otherwise mutually agreed. The State’s right to request replacement of Contractor personnel hereunder relates solely to the removal of individuals from work on this Contract with the State and does not create an employment relationship. Nothing in this Contract authorizes the State to direct the Contractor’s termination of the employment of any individual.

4.1.6 CONTRACTOR THIRD PARTY CONTRACTS. In addition to any subcontractors or agents of the Contractor which Contractor may seek to engage for performance of certain Services, Contractor acknowledges and agrees that the State may require Contractor to enter into subcontracts for the performance of AVIS and VID plan reviews and acceptance testing of the VID, AIM Portal and AVIS acceptance testing, and training for the benefit of the State as set forth in this Section.

Oversight Contractor

Upon the direction of the State, the Contractor shall engage an oversight subcontractor selected by the State to provide technical support during the operation of the AVIP to ensure Contractor compliance with SLAs, a smooth rollout of the AVIP, improvements in testing technology and consideration of proposed AVIP improvements (“Oversight Contractor”). The subcontract will provide review of Contractor generated documents, SLA compliance review performed at the direction of the State, and assistance to the State with auditing Contractor operations.

Contractor shall pay Oversight Contractor all costs not to exceed $90,000 during the first year of the AVIP operations, and $60,000 during the remaining years of AVIP operation.

Automotive Repair Technician Training

Upon the direction of the State, the Contractor shall engage a training consultant selected by the State to provide training classes for automotive repair technicians on diagnosing and repairing emissions-related
vehicle malfunctions (“Training Consultant”).
Contractor shall pay the Training Consultant all costs not to exceed $60,000 per year beginning on the
Go-Live Date through the Term of this Contract.

Acceptance Testing Contractor

Upon the direction of the State, Contractor shall engage with an independent third party selected by the
State to perform quality assurance and acceptance testing of the VID, AIM Portal and VIS (“Acceptance
Testing Contractor”).

Contractor shall pay Acceptance Testing Contractor all costs not to exceed $100,000 per year beginning
on the Effective Date of this Contract through final acceptance of the AVIS.

The Oversight Contractor, Training Consultant and the Acceptance testing Contractor shall all be selected
by the State in accordance with State policies and procedures. Contractor’s subcontracts with the
Oversight Contractor, Training Consultant and Acceptance Testing Contractor shall include the following
provisions of Attachment C: Section 2, Applicable Law; Section 10, Records Available for Audit; Section
11, Fair Employment Practices and Americans with Disabilities Act; Section 13, Taxes Due the State;
Section 14, Child Support; Section 16, No Gifts or Gratuities; Section 18, Certification Regarding
Debarment; Section 19, Certification Regarding Use of State Funds; and Section 22, Conflict of Interest.

The Oversight Contractor, Training Consultant and Acceptance Testing Contractor shall each certify that
has no past state or federal violations, convictions or suspensions relating to miscoding of employees in
NCCI job codes for purposes of differentiating between independent contractors and employees.

Further, the Oversight Contractor, Training Consultant and Acceptance Testing Contractor shall be required
to include the State of Vermont and its officers and employees as additional insureds for liability arising out
of the subcontracts.

Each contract with the Oversight Contractor, Training Consultant and Acceptance Testing Contractor shall
be subject to state review and approval.

4.2. PROJECT PLANNING
The State and Contractor Project Managers will arrange for kick-off dates and procedures for managing the
project – such as reporting status and resolving issues. This will provide an opportunity to introduce all key
members of the project teams and walk through the project management plan and key milestones.

4.2.1. MEETING PROTOCOLS
For regular weekly project status meetings, Contractor’s Project Manager shall provide a meeting agenda at
least one business day in advance of the scheduled meeting.

The Contractor will establish a SharePoint site, or some other collaboration mechanism, that is accessible to
the Contractor and the State. This will provide a common area for Contractor’s project documents, artifacts,
and deliverables.

4.2.2. STATUS REPORTS

Vermont AVIP
Contractor’s Project Manager shall provide project documentation and collaboration to meet the State’s vendor reporting requirements. Status information shall include, at a minimum: all planned tasks accomplished, planned tasks that are incomplete, or behind schedule in the previous week (with reasons given for those behind schedule); all tasks planned for the upcoming two weeks; an updated status of tasks (entered into the Project Schedule and attached to the status report – e.g., percent completed, resources assigned to tasks, etc.); and the status of any corrective actions undertaken. The report will also contain items such as the current status of the project’s technical progress and contractual obligations; achievements to date; risk management activities; unresolved issues; requirements to resolve unresolved issues; action items; problems; installation and maintenance results; and significant changes to Contractor’s organization or method of operation, to the project management team, or to the deliverable schedule, where applicable.

The State Project Manager and Contractor’s Project Manager will come to agreement on the exact format of the project documentation and collaboration reports, at or before the project kick-off meeting.

Each report shall include a project dashboard at the top outlining the overall status of the project in terms of the standard triple constraint: cost, time, resources (using a legend or icon of green, yellow, and red based upon the following definitions):

- **Green** – on track to deliver committed scope by committed deadline with committed resources/funding.
- **Yellow** – not on track to deliver committed scope by committed deadline with committed resources/funding, but have a plan to get back to green.
- **Red** – not on track and currently do not have a plan to get back to green. Need project management intervention or assistance.

In the event of yellow or red overall project status, there should be a specific task(s) and/or issue(s) identified as yellow or red which are the root cause of the overall project status being yellow or red.

5. **SCOPE OF SERVICES.**

5.1 **IMPLEMENTATION PHASE REQUIREMENTS.** Contractor agrees to provide and shall perform the Services described herein. The Contractor shall, at a minimum, provide State a web-based Vehicle Information Data system (VID) that meets the tools and functionality requirements of the State set forth in Exhibit 1 to this Attachment A.

5.1.1 **Joint Application Design Sessions**

The Contractor shall conduct Joint Application Design (JAD) sessions with the State to jointly complete the specifics of all requirements and for review of the proposed system designs prior to system development. The JAD sessions shall take into account the Service Level Agreements (SLAs) related to the performance of the AVIS.

5.1.2 **Plans**

5.1.2.1 **Project Management Plan and Schedule**

The project plan shall properly represent tasks that are dependent upon each other and shall name resources accountable for the completion of each task. The project plan shall incorporate new tasks as they are
identified each reporting cycle. The schedule shall identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask. The Contractor shall use Microsoft Project to manage schedule activities and will promote the schedule reports into portable document file (PDF) format onto a project collaboration portal (PCP).

5.1.2.2 System Requirements Specification

The Contractor shall develop a Systems Requirement Specification (SRS) that incorporates a “requirements traceability matrix” (RTM). This document must identify each requirement defined in both this Contract and the JAD sessions. The requirements shall be traced throughout the entire System Development Lifecycle (SDLC) from requirements through post-project review to ensure all requirements are met throughout every phase of the project lifecycle. All AVIS system functionality will be compared against this matrix to ensure all requirements are met. The RTM will be used to generate test cases during system testing. As appropriate, it must completely describe the requirements agreed to during the JAD sessions, document reviews, and meetings with DMV/DEC subject matter experts.

5.1.2.3 System Architecture and Design Specification

The Contractor shall complete and deliver an AVIS System Architecture and Design Specification to the State for review and approval within 90 days of the Effective Date that describes the system and addresses the technical requirements set out in this Contract and the technical solutions needed to meet the requirements. The document must explain how the hardware, software, VIS tablets and other components will inter-operate in order to fulfill all required system functions, and identify all assumptions or constraints used in developing the design. The document shall describe the logical process and data requirements of the AVIS. The System Architecture and Design Specification shall be developed using current industry principles and best practices.

The document shall, at a minimum, address the following topics:

- Overall description of how the system design meets the State’s requirements;
- A description of the components of the AVIS, including an outline of each component and a description of what it does and how it relates to other components;
- A description of the outputs of the AVIS, including user interface screens and standard reports;
- A description of the channels of delivery (web browser, client/server, batch, web service, etc.);
- A description of the inputs to the system, including user interfaces (such as messages, batch files, web services, etc.);
- A description of interfaces to the system:
  - Identify all interfaces;
  - Map of dataflow to and from each external component of the system;
  - Inbound or outbound or bi-directional data flow, discuss who is the authoritative source;
  - Security implications; and
  - Messaging structures, protocols.
- An overall security plan covering each component of the AVIS:
  - Discuss the general security philosophy of the AVIS to meet State requirements;
  - Identify which parts of security are handled by which components (network,
operating system, middleware, application, firewall, etc.); and

- List roles and conceptually what privileges they hold (e.g., Inspection Mechanic, State Auditor, State staff, etc.).
- System, Administrative and Personnel security responsibilities for administration of the infrastructure, implementing or maintaining security and the protection of the confidentiality, integrity, and availability of information systems or processes.
- Workforce Security process for hiring and terminating of Contractor’s employees, and method used for granting and denying access to the Contractor’s network, systems and applications. Identify and define audit controls when employment of the employee terminates.
- Products and methods used for role based security and access to the Contractor’s infrastructure and access to the State’s infrastructure.
- Password Management controls used by the Contractor to meet defined regulation or security requirements.
- Logging and Auditing controls used by the Contractor to meet audit control requirements.
- Methods for detecting, reporting and responding to and managing an incident, vulnerabilities and threats.
- Vulnerability and Security Assessment products and methods used by the Contractor for scanning the Contractor’s infrastructure for vulnerabilities and remediation of the vulnerabilities. Identify and define methods used for initiating and completing security assessments.
- The products and methods used by the Contractor for anti-virus and malware controls that meet the highest industry standards. This shall include policy statements that require periodic anti-viral software checks of the system to preclude infections and set forth its commitment to periodically upgrade its capability to maintain maximum effectiveness against new strains of software viruses.
- The products and methods used by the Contractor for firewall control process and intrusion detection methodology.
- The products and methods used by the Contractor for safeguarding the database(s).
- The products and methods used by the Contractor for "hardening" of the hardware’s operating systems.
- The products and methods used by the Contractor to addresses security measures regarding communication transmission, access and message validation.
- The products and methods used by the Contractor to ensure the integrity of all stored data and the electronic images, and the security of all files from unauthorized access. The Contractor must be able to provide reports on an as-needed basis on the access or change for any file within the system.
- A discussion of the capacity of the AVIS, including maximum capacity of Official Inspection Stations and transactions and a characterization of the network traffic.
- A description of the VIS application architecture, including:
  - Description of each software component in Contractor’s solution;
  - Description of the language component in which each software component is written;
  - Description of operating system on which each AVIS component operates;
  - A list of communication protocols and formats with which each AVIS component communicates; and
  - A list of the hardware (structures and components) which comprise the AVIS solution.
The Architecture and Design Specification must include an integration plan which provides details on integrating the VID, the VIS tablets and exchanging data with the State. The System Architecture and Design Specification must thoroughly describe the AVIS network architecture.

Detailed diagrams must be provided which show each user community (internet, intranet, virtual private network (VPN), firewall, server, software component and interactions between ports). Descriptions of communication protocols must be included. The System Architecture and Design Specification shall, at a minimum, include the following:

- Narrative of the entire system and the flow of data through the system, inclusive of all components of AVIS and its data interfaces.
- Descriptions and flow diagrams of all proposed system functions, features and processes, including manual procedures. These shall include, but not be limited to, external, conceptual, logical and physical models where appropriate.
- Layouts for all files, including file names and numbers, data element names, numbers, number of occurrences, field length and type, file maintenance data and file/database sizing information.
- Program narratives and module narratives, identifying the processes associated with each, the purpose of the program or module, and interrelationships between programs and modules.
- Layouts for inputs and outputs including the input/output names and field lengths, sources for each input/output field and examples of each input/output.
- Design, layout and composition of all user interface screens.

5.1.2.4 Change Management Plan

The Contractor shall develop a Change Management Plan that documents the methods and procedures by which changes will be introduced and managed within the AVIS. This includes the complete lifecycle of change within the system; introducing, review, managing, implementing, monitoring and closing out of change requests.

5.1.2.5 System Backup and Recovery Plan

The Contractor must provide for AVIS data and configuration backups, backup set redundancy, and offsite backup capability. The System Backup and Recovery Plan shall, at a minimum, address the following topics:

- Tools (hardware, software or otherwise) to be utilized to support system backup and recovery of the AVIS VID;
- Participant roles, organization and responsibilities;
- Stakeholder roles, organization and responsibilities;
- Backup and Recovery document and artifact management;
- Details regarding creating an AVIS inventory (hardware, software, licensing, and configurations);
- Details regarding how components of the AVIS will be backed up, via what methods and timeframes, and staff responsibilities;
- Details regarding offsite rotation policies, cataloging of offsite backups, backup schedules,
and backup procedures;
- Details regarding recovery priorities, recovery procedures, timelines, and staff responsibilities;
- Identify what data could be lost in the event of a disaster;
- How to update and test the AVIS disaster recovery plans on an annual basis; and
- An appendix of relevant acronyms and terms.

The Contractor shall provide the State with any updates and/or changes to the plan. The Contractor must describe how its backup and recovery strategy will meet the SLA requirements described herein. All backups and system maintenance that require downtime shall be performed during non-business hours (outside of 7:45 AM to 5:00 PM, Monday through Saturday); the State shall be given at least three days’ notice and State approval shall be required prior to execution.

Near line backups must be local to the production hardware. Production restore/recovery from failure must be from near line backup. Offsite backups must be retained for at least one year. In the event of a disaster affecting the Contractor’s system, State records must be recovered intact with no transactions processed more than once and with the loss of no transactions.

5.1.2.6 Business Continuity and Disaster Recovery Plan

The Contractor shall provide a Business Continuity and Disaster Recovery Plan designed to meet the SLA requirements described herein for downtime. This is a high level plan that incorporates some components of the System Backup and Recovery Plan, but also addresses the overall AVIS. In the event operations are not able to continue at the Contractor’s normal place of business servicing the AVIP (e.g. offices, work sites, data centers, etc.) due to such events as adverse physical conditions, staff and/or systems must continue to work at alternate locations. The plan shall be physically tested prior to the Operations Phase and annually thereafter.

The Business Continuity and Disaster Recovery Plan shall, at a minimum, address the following topics.

- Tools (hardware, software or otherwise) to be utilized to support business continuity and disaster recovery of AVIS;
- Participant roles, organization and responsibilities;
- Stakeholder roles, organization and responsibilities;
- Continuity and recovery document and artifact management;
- Business impact analysis and recovery objectives of AVIS;
- Threat and risk analysis for AVIS, including everything from short term localized issues to complete and permanent loss of a facility;
  - Document the steps to protect against identified threats and to mitigate risk;
  - Solution design of disaster recovery that meets recovery objectives and minimizes business impact, including both IT and non-IT domains of AVIS;
  - Develop a plan that shall enable full recovery and the resumption of normal operations;
- Testing and Maintenance of the Plan; and,
- An appendix of relevant acronyms and terms.

5.1.2.7 Quality Assurance Plan
The Contractor shall submit a Quality Assurance (QA) Plan to ensure tests are performed accurately, the VIS units and VID are operating properly, fraud is prevented in accordance, and operations are accurate and secure. Every 90 days during the project, the Contractor shall hold meetings with the State to review the status of the QA plan implementation, to evaluate and determine whether the Contractor is meeting the quality metrics in the plan and discuss any concerns related to quality. The primary outcome from these meetings shall be to determine how to rectify any QA/QC measures or customer service measures that may be lacking, along with follow-up to ensure they are satisfactorily corrected per the State recommendations and requirements.

5.1.2.8 Training Plan

The Contractor shall provide training for all components of AVIS to appropriate State DMV and DEC staff.

The Contractor shall develop training curriculum and perform training to provide complete familiarization in applicable system operation for select State management, operational, technical personnel and other appropriate staff. The training program shall include, at a minimum, use of the AIM Portal, VIS tablet software, ad hoc reporting tools, issue tracking system and other tools developed for use as part of AVIS. The training shall consist of Contractor instructor led, hands-on classroom training. All training materials shall be prepared and provided by the Contractor, stored in the Document Repository and owned by the State. The State shall review and approve all training materials prior to use.

The Contractor shall provide the Training Plan described in their proposal for approval by the State. The Plan is due within 150 days of the Effective Date. The Contractor shall implement the plan to train up to 30 State staff on the operation of the VIS tablet software and VID during the Implementation Phase. The Contractor shall maintain documentation of successful completion of the approved AIM Portal training program and the individuals trained.

The Training Plan shall, at a minimum, address the following topics:

- Tools (hardware, software or otherwise) to be utilized to support training on AVIS;
- Participant roles, organization and responsibilities;
- Documentation, status, completion and artifact management;
- Details on how to train State staff on use of the AIM Portal, VIS tablet software, ad hoc reporting tools, issue tracking system and other tools developed for use as part of AVIS;
- Details on how initial and subsequent new employee training will be accomplished for each category of training, including overall training on AVIS, and technical training for State staff that interact with AVIS IT operations; and,
- An appendix of relevant acronyms and terms.

The Contractor must provide specialized training for one System Administrator at DMV and one at DEC (who will be appointed by the State) regarding the following:

- Specialized report development;
- Interface maintenance and operation;

The training materials must be provided for approval a month in advance of the training. All training
must be conducted at DMV and/or DEC or in a designated facility the State will provide during regular work hours. Class size shall be determined by the State. The State must approve the Contractor’s trainer(s) and has the right to request replacements without cause.

5.1.2.9 Transition/Rollout Plan

While the current I/M program is paper based, Transition Planning to an electronic solution is a key component for the success of the AVIP implementation. Within 60 days after contract start, the Contractor shall provide a Transition Plan to the State that thoroughly describes how the Contractor shall phase in the use of the VIS equipment to Official Inspection Station owners and Inspection Mechanics. The Transition Plan must be reviewed and approved by the State. At a minimum, the Transition Plan shall describe the following:

- Rollout of new VIS equipment into all Official Inspection Stations
- Creation of new user ID’s for Inspection Mechanics
- Training that will be made available to Official Inspection Station owners and Inspection Mechanics on use of the new VIS equipment
- Outreach program that will include education of all I/M entities such as Official Inspection Stations on the I/M program environmental benefits, changes and requirements
- Move from the current paper system to the AVIS solution, including the transfer/migration of legacy sticker, financial and Inspection Mechanic licensing data. Any necessary parallel operations or planned overnight cutover shall be described in detail if applicable.

5.1.2.10 Operations Service Plan

The Contractor shall submit an Operations Service Plan and schedule, within 180 days after the Effective Date, to be approved by the State. The Plan shall include details of:

- How new Official Inspection Stations will be signed up;
- How equipment will be delivered and set up at new Official Inspection Stations;
- How the Contractor will maintain, repair, and/or replace all inspection equipment at the Official Inspection Stations;
- How the Contractor will maintain, repair, and/or replace tablets utilized by the State Auditors; and,
- How supplies will be distributed to the Official Inspection Stations.

The Contractor shall utilize reliable and durable equipment, establish an effective ongoing program of preventive maintenance in accordance with the manufacturer’s standards, ensure the availability of sufficient spare parts, and repair or replace defective or worn out equipment.

5.1.2.11 Financial Billing Plan

The Contractor shall submit a plan describing how they will invoice the State for additional work, report to the State their billings to Official Inspection Stations and report Service Level Agreement compliance and credit due. The plan shall detail how each month the Contractor will provide a summary of Official Inspection Station billings broken out by the source for each charge (equipment purchases and payments, per inspection transaction fees, late fees, etc.). The plan shall show how SLA compliance will be monitored and reported. Any additional software programming, agreed to in advance by the State in
excess of the 500 hours per year provided, will be billed in accordance with Attachment B.

5.1.3 Contractor Support/Training

As noted in the Plans section, the Contractor shall provide training for up to 30 State staff on the operation of the VIS tablet software, the VID operation, the AIM Portal and the AVIS audit functions before the Operations Phase of the project begins. The Contractor shall train all Official Inspection Station staff regarding the setup and use of the equipment including connecting the equipment to the internet, initial use and changing of passwords, performing inspections using the AVIS and how to perform sticker replacements.

5.1.4 Documentation

The Contractor shall provide the State with all documentation, including all information, data, descriptive materials, software source code annotations, instructions for building object code versions of the software from the source code, command files used in constructing such object code, object code files as built by Contractor from source code, any other ancillary files and listings created in the course of building such object code files and listings created in the course of building such object code files and any additional tools and subroutines required to build the software that are not generally commercially available and documentation in accordance with such programming and coding documentation standards applicable to high quality entities that develop, publish, license, maintain and support software generally, all approved specifications, service level descriptions and details, any and all descriptions and specifications of the requirements hereunder or created or developed hereunder, operational, functional and supervisory reference guides, manuals and all other information which is developed, prepared, used or otherwise available from the Contractor, in connection with and applicable to the provision, use, operation and support of the AVIS. Documentation shall be sufficient to enable the State to understand, operate, use, access, support, maintain, update and modify the AVIS. Documentation shall include all standards applicable to the AVIS.

5.1.4.1 User Manual for VIS

Prior to commencement of the State ATP, the Contractor shall provide an electronic copy of the user manuals for VIS hardware and software usage.

The user manuals must explain all aspects of VIS usage including all procedures, methods of operation, and other functions. The documentation must include instructions for users accessing the applications and must be written in common English using neither technical language nor pseudo code. The documentation must include application narrative overviews and diagrams, input document descriptions, screen display diagrams, error message listings and descriptions, sample vehicle inspection reports and forms, and manual procedures to accompany the automated functions of the system.

The manuals shall be completed at the end of acceptance testing and will be a portion of the AVIS overall acceptance. They shall be updated by the Contractor each time a process is changed, within 10 business days of the change’s beta test (or release start date if the change does not warrant a beta test), and placed in the Document Repository to be available via the AIM Portal after approval.

The Contractor must provide electronic copies of this documentation in Microsoft Word format to the State. Hardcopies shall be provided to the State upon request. The VIS manual shall exist on the VIS in a format such as PDF that can be viewed and searched by the Inspection Mechanics.
5.1.4.2 User Manual for AIM Portal

Prior to commencement of the State Acceptance Testing Plan (ATP), the Contractor shall provide an electronic copy of the user manuals for the AIM Portal.

The user manuals must explain all aspects of the AIM Portal usage including all procedures, methods of operation, and other functions. The documentation must include instructions for users accessing the Portal and must be written in common English using neither technical language nor pseudo code. The documentation must include application narrative overviews and diagrams, input document descriptions, screen display diagrams, error message listings and descriptions, sample vehicle inspection reports and forms, and manual procedures to accompany the automated functions of the system.

The manuals shall be completed at the end of acceptance testing and will be a portion of the AVIS overall acceptance. They shall be updated by the Contractor each time a process is changed, within 10 business days of the change’s beta test (or release start date if the change does not warrant a beta test), and placed in the Document Repository to be available via the Portal after approval.

The Contractor must provide electronic copies of this documentation in Microsoft Word format to the State. Hardcopies shall be provided to the State upon request. The manuals shall exist on the AIM Portal in a format such as PDF, which can be viewed and searched by State users.

5.1.5 Acceptance Testing

Acceptance testing is critical to a program rolling out successfully. The State shall participate or cause a third party contractor to participate in the acceptance testing of the AVIS, from the beginning of the first JAD sessions to beta testing in the field. The State requires expert assistance during acceptance testing from outside experts familiar with the VIS type test systems, VID and OBDII requirements. For this reason, the State shall select an independent third party (“Oversight Contractor”) to perform VIS and VID plan reviews and acceptance testing of the VID, AIM Portal and AVIS. This Oversight Contractor shall be paid by the Contractor in accordance with Attachment B.

5.1.5.1 AVIS Acceptance Testing

The Contractor shall work with the State to ensure the AVIS hardware and software satisfies the State’s specifications. These specifications will define hardware, software and functionality requirements of the AVIS and will form the basis for acceptance test procedures (ATPs) to be developed and performed on overall AVIS. The Contractor shall work with the State to ensure the VID hardware and software, including the AIM Portal, data communication interfaces, public facing websites, reporting capabilities, and the like are operational as per the specifications for the VID.

The Contractor shall provide an overall Acceptance Testing Plan including detailed ATPs and a plan for beta testing of the system to the State for approval before any testing begins. The test plan shall include testing that demonstrates the successful operation of the VIS and the VID, ensuring they meet 100% of the functional criteria, and data is transferred correctly between the VIS tablets, VID, Vermont DMV registration database, followed by beta testing in the field of the entire VIS network. The Contractor shall derive acceptance test scripts from traceable user requirements and shall run the scripts against the complete application as well as a checklist of deliverable system components. Prior to delivery of the new VIS tablets, the Contractor shall provide to the State final ATP scripts with executable test scripts populated with valid test data and appropriate test data loaded on the VID, which shall be subject to
written approval from the State. These shall detail end-to-end testing between VIS tablets and the VID. The State may expand the Contractor’s submitted test plan with additional scenarios at their discretion. The Contractor shall use an Issue tracking system approved by the State to track problems, fixes and results from regression testing until the problems are resolved. The Contractor shall provide the State with access to the Issue tracking system so the State can review the status of all issues and add new issues found when running additional scenarios as part of the State’s user acceptance testing.

After approval of the scripts, the Contractor shall perform testing of AVIS using the approved ATP scripts. The State, in cooperation with its Oversight Contractor, will conduct ATP testing, independently of the Contractor. The Contractor will provide assistance to the State during the State’s ATP testing, and will coordinate their ATP testing with the State. ATP testing performed by both the Contractor and the State shall include functional performance testing, testing of the communications system to demonstrate successful interaction with the VID and testing of the data security controls to prevent unauthorized access. All errors and issues identified by the State during their testing and by the Contractor during their testing shall be entered into the issue tracking software and corrected by the Contractor and retested. Error corrections and system verification will not be complete until noted as such by the State. The Contractor ATP and the State ATP will overlap to some extent.

The Contractor shall work with the State and the State's Oversight Contractor to follow the comprehensive ATP covering each component of the system functionality and perform “end-to-end” data communications and transmission testing from the VIS tablets to the VID. For acceptance testing, the Contractor shall load the test environment with sufficient data to replicate the production environment. Data that will be valid for each script must be found in the database and inserted into the script. There should be several sets of valid data for each script, in case the script doesn’t work on the first attempt, as well as several sets for both the Contractor’s and State’s acceptance testing. The acceptance testing shall include all activities that take place during production operations (inspection tests, inspection mechanic and station setup and management, audit data entry, etc.). The Contractor shall test other functions of the system (e.g., backup and recovery testing, installation testing, deployment of software patches and upgrades, unexpected user interactions, security, public websites, the AIM Portal, etc.). The Contractor shall work with State staff and the Oversight Contractor to ensure the State stays up to date on testing progress.

5.1.5.2 Development of ATPs

The Contractor shall develop and execute ATPs which confirm the overall hardware and software functionality of AVIS. These ATPs will be in the form of test scripts, which are scenarios presented in a common format intended to verify all system functionality. As a first step in developing these test scripts, the Contractor shall develop a “test matrix” to serve as a blueprint of all testing to be performed and ensure the scripts the Contractor develops address all aspects of AVIS functionality. This test matrix will provide the technical basis for development of each test script to be created and performed. Prior to development of the test scripts, the test matrix will be subject to State approval.

After this comprehensive test matrix has been developed, these tests shall be consolidated into test scripts (each test script will be intended to incorporate multiple tests, for efficiency). Multi-step and multi-day test scripts which simulate actual inspections and re-inspections shall be created. Build-up test scripts which develop inspection fail and retest criteria necessary for subsequent tests shall be created. The intent and desired outcome for each test script shall be documented and included with each test script so reviewers will have a clear idea of the objective of each test script and what errors or exceptions to look for. In addition, criteria shall be defined in test scripts for review of data transmission (in both directions
between all systems) and VID data record integrity and validity. VID records will be developed as needed for the execution of test scripts and these records will be accessed by vehicle lookup on test initiation when required.

Each test script shall include an objective, parameter list of constraints, assumptions, necessary input data and expected results for each step in the script process. In addition, each script shall contain a reference, which associates each script to the corresponding AVIS requirement(s) as defined in the RTM. Wherever possible, each test script shall incorporate multiple test objectives to improve the efficiency of the process.

A complete set of final ATPs and all associated documentation will be provided to the State for the State to perform independent acceptance testing.

The Contractor shall provide an issue tracking tool as defined in this RFP to be used in common by the Contractor, the State, and the State’s Oversight Contractor. The tool shall include a way to categorize issues by level of severity and the area of the system the issue resides in by a functional group name.

5.1.5.3 Performing ATPs

After development and State approval of the test scripts, the Contractor shall notify the State prior to performing any acceptance testing on the VIS, VID or other AVIS components. The State reserves the right to directly observe acceptance testing or have their Oversight Contractor observe acceptance testing performed by the Contractor, including review of electronic records and logs stored on the VID and VIS tablets. Once testing on the VIS begins, issues identified during acceptance testing shall be documented and tracked in coordination with the State using an issue tracking system provided by the Contractor.

The Contractor shall ensure there is sufficient previous data on the VID to support both the Contractor ATP and the State ATP. Actual production data shall be copied to the test environment for this purpose. Additional “fake” data may be included as required by the Contractor to support specific test cases.

The Contractor shall supply weekly progress reports at a minimum during the ATP, which shall include results (both good and bad) of the test scripts. All issues encountered and progress in testing shall be documented and reported to the State. If at any time the software fails a step in the ATP, the Contractor shall make corrections and perform necessary regression testing with the new software to test the changes.

After successful completion of all ATP scripts, the Contractor shall provide to the State documentation of successful ATP completion. This documentation shall include a complete list of all ATP test outcomes, issues identified, and follow-up testing to confirm issue resolution. The Contractor shall provide access to VID records for State review and approval. The Contractor shall assist the State during the State’s testing and in correcting problems and issues identified during the State’s acceptance testing.

5.1.5.4 Acceptance Testing Methodology

The Contractor shall provide an overall test plan to the State for approval before any testing begins. The overall ATP must include scenarios and tests that demonstrate the successful operation of the system. The test plan must ensure all functions are operating correctly and all data has been successfully processed. The test will demonstrate data flows correctly to the VID databases and all interfaces are accurately passing data and shall cover the complete application. The Contractor shall perform and document successful
completion of all test scripts, using the Issue tracking system to document any system problems and resolution.

Contractor Testing Tasks:

- Establish the test environment;
- Develop complete test plans;
- Establish issue tracking system;
- Prepare testing metrics for all phases of testing;
- Design and conduct all testing phases (unit, integration, system);
- Design and conduct ATP;
- Identify and correct problems, repeat unit test and system test;
- Design and conduct performance testing;
- Identify and correct problems, repeat performance test;
- Document system and performance test results;
- Resolve all system problems, prioritized by criticality;
- Prepare and execute a plan for resolution of all other system issues; and
- Prepare a Summary Test Report upon completion of all testing summarizing the results of the testing metrics.

5.1.5.5 AVIS OBDII Scan Tool Acceptance Testing

The Contractor must demonstrate to the satisfaction of the State all equipment supplied with the AVIS meets or exceeds relevant EPA specifications (40 CFR §85.2231). This demonstration may be in the form of component approval supplied by scan tool manufacturers or acceptance testing performed by the Contractor under the State’s observation. In the event of a conflict between EPA specifications and Vermont Specifications, the more stringent criteria will be applied. The State will perform its own acceptance testing in addition to observing the acceptance testing performed by the Contractor. At a minimum, the acceptance testing of the VIS OBDII scan tools shall:

- Ensure the VIS is able to accurately perform OBDII tests on all vehicles and model years, weight ranges and fuel types required and generate and transmit correct data in accordance with regulations and specifications
- Ensure the OBDII scan tool correctly communicates with all required types of vehicles of all necessary fuel types

5.1.5.6 VID Acceptance Testing

At a minimum, the acceptance testing must verify the following:

- Implemented functionality consistent with approved VID requirements and all requirements are satisfied (requirements traceability);
- Usability;
- Conversion of data from the legacy Sticker inventory software to the VID;
- Hardware and software interaction;
- Accuracy and performance of system interfaces;
- Accuracy of reporting;
Functionality of all public portals;
- Functionality of State portals;
- Response time and overall system performance;
- System, data, and application security;
- System hardware, software and telecommunications performance;
- Business continuity, backup and recovery procedures; and
- Full (end-to-end) system testing including the VIS and the VID.

5.1.5.7 Performance and Stress Test

The Contractor shall perform a stress test under observation of the State to ensure the system will perform satisfactorily with production volumes of data. The State may modify the time period for stress testing based on the results. The Contractor must prepare and load test data, perform stress testing, correct problems and re-test, as necessary. The Contractor shall prepare and implement a Performance Test Plan employing system and network monitoring software, and system load simulation software. The test plan is due 220 days after the Effective Date and is subject to State approval. The test plan must utilize the full system, increasing numbers of users, and increasing activity levels. The performance test shall continue until performance measures defined in the Service Level Agreements set forth herein are met, and are expected to be met under full operational conditions. The Contractor must plan, execute and document results from the performance/stress test.

The exact number of users for stress testing will be based on business function and will be determined by the State. Stress testing will simulate peak periods, which will be provided by the State prior to testing. At a minimum, the Contractor shall perform the following levels of testing activities for the Performance/Stress Test:

- Load sufficient data to the testing environment to replicate the production environment;
- Perform stress/load testing in the test environment and through the test network to simulate the production environment during testing;
- Replace or reload data to run repetitive test;
- Analyze, correct, and retest reported problems;
- Design and conduct stress test;
- Unit testing to test and debug individual code modules;
- Integration testing to test the compatibility and proper interaction of integrated code modules;
- System testing to validate the proper operation of all integrated VID functions and compliance with system requirements; and
- Stress and load testing to simulate all aspects of VID performance assuming an average of 6,000 inspections per 8 hour work day for typical operations, and 10,000 inspections per 8 hour work day for stress testing.

5.1.5.8 State Acceptance Testing

The purpose of the State Acceptance Testing is to assess the system’s readiness for implementation. The State shall use its own testing methodologies to verify the system meets all the requirements, plans and specifications as per the contract and all developed plans and specifications for the entire system. The State acceptance testing must be conducted in an environment which is similar to production in configuration, functionality and performance (UAT). All critical and medium severity defects discovered
in the State acceptance testing must be corrected within 350 days after the start date and prior to the AVIP going live.

5.1.5.9 Beta Testing

After acceptance testing of all AVIS components is complete, the State will authorize the Contractor to begin beta testing of the AVIS per the approved Acceptance Testing Plan. The beta testing shall be conducted at a limited number of Official Inspection Stations selected in coordination with the State with at least one Official Inspection Station connecting via a dial up connection. The beta testing shall be performed against specific criteria, agreed to by the State, as the measure of when the AVIS and VID are ready for Final System Acceptance so they can be approved for rollout. During beta testing, the data from performing inspections on Vermont motorist’s vehicles will be collected by the AVIS tablets and transferred to the production VID. The AIM Portal will be exercised through entering of the beta inspection station data, beta site inspection mechanic data, running reports, retrieving VIRs via the public facing website, etc.

The Contractor will work closely with the State during beta testing and will produce a beta testing summary, proving all beta testing criteria have been met. This summary shall be submitted to the State as part of Final System Acceptance to allow AVIS to become operational.

5.1.5.10 Final System Acceptance

The State will accept the qualitative performance of all software when the Contractor has satisfactorily demonstrated the software is operating in accordance with the approved System Requirements Specification, Acceptance Test Plan and ATP results as documented through acceptance testing and beta testing, and when all software documentation has been delivered to the State.

The State shall provide written approval of modules and systems and related deliverables only when the Contractor has satisfied the following criteria. Specifically, when:

- All contract requirements have been met, as evidenced by the written approval of the State;
- All deliverables have passed technical and quality reviews, as evidenced by the written approval of the State;
- The system passes the Acceptance Test Plan, as evidenced by the written approval of the State;
- The system passes beta testing, as evidenced by the written approval of the State;
- The satisfactory quantitative performance as specified in the approved ATP documents has been met, as evidenced by the written approval of the State;
- All required deliverables and documentation have been delivered and accepted, in writing, by the State;
- The Security and Business Continuity Plans have been approved, in writing, by the State.
- The Contractor has successfully completed training on the use of the AIM Portal and audit functions.

5.1.6 AVIP Transition

The Contractor shall be responsible for the following Transition tasks as the State’s paper based program is transitioned to the AVIS.

Vermont AVIP
• Distribution of VIS equipment to the State and to Official Inspection Stations
• Training of Inspection Mechanics on use of the AVIS
• Training of State DMV and DEC staff on use of the AVIS
• Training of State Auditors on use of Audit software
• Training of State DMV and DEC staff on use of the AIM Portal
• Migration of legacy Sticker inventory and financial data
• Migration of legacy Inspection Mechanic and Official Inspection Station data
• Importation of current DMV registration data

The Contractor shall provide details regarding transition and training per the plans outlined in this Contract.

5.2 Operations Phase Requirements

5.2.1 Service of VIS Units in the Field

The Contractor shall provide timely service in accordance with Service Level Agreements, Attachment E), all Official Inspection Stations to resolve issues which prevent the inspection of vehicles with the AVIS. Official Inspection Stations which are experiencing difficulty with their AVIS units shall call the Technical Support Hotline to request assistance or supplies.

During the Operations Phase, Contractor will be expected to discuss difficulties being experienced in the field and solutions to these difficulties. Contractor will provide monthly reports to the State that track calls for service, response times for visiting Official Inspection Stations (if necessary) and the elapsed times to complete resolution.

5.2.2 Fees and Billing

Official Inspection Stations shall be billed monthly in arrears for non-warranty equipment purchases, equipment costs if being paid over time and monthly per-inspection transaction fees. If payment is more than 30 days late, the Official Inspection Station shall be contacted by both AVIS message and phone to remind them of the payment and their service will be disconnected if they exceed 60 days late payment. Contractors may charge a late fee, which is a percentage of the amount owed, charged monthly. If payment is more than 60 days in arrears, the Contractor shall make one more phone attempt to contact the Official Inspection Station and then may disconnect the Official Inspection Station and prevent further inspections. In no case shall the Contractor not accept inspection records transmitted by an Official Inspection Station. Contractors may charge a reconnection fee to re-establish the Official Inspection Station.

5.2.3 Sticker Tracking

The Contractor will assist DMV with sticker inventory lifecycle management, although all sticker stock will remain with DMV, and be distributed by DMV. This shall include assisting DMV with aligning sticker inventory and distribution information with the results of Official Inspection Station audits.

The VID will track how much money Official Inspection Stations have in escrow with the State to pay for inspection stickers. Each time an Official Inspection Station purchases inspection stickers, their account will be debited for the cost of the stickers. The State will use the AIM Portal to add money to Official
Inspection Station balances when deposits are made. Official Inspection Stations shall be able to view their escrow balance via the public portal after logging on.

5.2.4 Repair of Software Defects and Software Updates

The Contractor shall track software defects which will need to be corrected. The system shall be used to track issues via the AIM Portal and allow bugs to be categorized as critical, medium or low severity. SLAs for the time allowed to correct these defects are relative to the severity of the defect.

In addition to repairing any bugs at no cost to the State, the Contractor shall provide a maximum of 500 hours of professional services per year to make changes to the AVIP program. Unused hours will accrue annually and roll over to the following year for the life of the contract. At the end of contract, any remaining accrued hours will expire.

5.2.5 Reporting

Contractor shall report activity with Official Inspection Stations to the State on a monthly basis in a form acceptable to the State.

Details to be included in the report shall be finalized as part of the Joint Application Design Session to be held during the requirements gathering phase but at a minimum shall include:

- Equipment purchases
  - Tablets
  - Printer
  - Scan tool
  - Wi-Fi router and installation
  - Other tablet accessories
- Equipment deposits
- Monthly equipment payment fees for equipment paid off over time
- Per transaction fees
- Reconnection fees
- Late payment fees
- Non-sufficient funds fees
- Non-warranty equipment service fees
- Reporting of supplies provided to Official Inspection Stations

5.3 Post-Operational Phase Requirements

At the end of this contract, the Contractor will transition its operation of the program VID, inspection systems and operations to a new Contractor. The transition will require cooperation by the Contractor with the State and the new Contractor to keep the AVIS operational until the new AVIS is fully operational and stable. This will include delivering a complete extract of inspection data and all related data to the new Contractor. After delivery of the initial data set and during the transition period, the Contractor will need to provide near real time updates of the changes in data to the new Contractor until the new AVIS is fully operational. In order to ensure a smooth transition, a year after the start of this contract the Contractor shall supply a Closeout and Data Transition Plan to the State for review and approval.
6. **Resources**

Unless otherwise expressly provided in this Contract, all Resources required for the proper performance of Services by Contractor hereunder shall be under the control, management and supervision of Contractor and Contractor shall be responsible, at its sole cost and expense, for procuring, obtaining and making available, in proper and qualified, professional and high quality working and performing order, all such Resources.

7. **State-Caused Delays**

Contractor acknowledges that the State may not be able to meet the time frames specified in an IMS or that the State may determine that it is necessary to delay and/or modify the timing and sequencing of the implementation as provided in the IMS. While the State is committed to the project and shall use reasonable efforts to provide staff and resources necessary to satisfy all such time frames, the State shall not be held responsible or deemed in default for any delays in System implementation provided the State uses its reasonable efforts to accomplish its designated responsibilities and obligations as set forth in the IMS. In addition, the State may, at its option, delay implementation and installation of the System, or any part thereof. Notwithstanding any provision to the contrary, if the State Significantly Delays implementation of the System, either party may make a Change Request in accordance with Section 8, “Change Order Process,” and, if required, an amendment to this Contract. Contractor agrees to adjust the IMS and Payment Milestones deadlines to take into account any State-caused delays; provided, however, that Contractor shall continue to perform any and all activities not affected by such State-caused delay. In the event the State’s adjustment to the IMS causes Contractor scheduling conflicts or personnel unavailability, the State and Contractor shall prepare a revised mutually agreeable IMS which may delay the commencement and completion dates of the project and shall take into consideration the readjusted time frames and any necessary resequencing of the activities. Such readjustment, rescheduling or modification of the Project shall be at no additional cost to the State if the delays are less than or equal to thirty (30) calendar days.

For purposes of this Section, a “Significant Delay” shall mean any delay that in itself will cause a slippage of thirty (30) calendar days or more in a Go Live date.

8. **Third Party Cooperation**

As discussed herein, the State may select independent third party experts for purposes of oversight, testing and training for the Contractor to enter into contract with. The State may hire other independent contractors as it may require to assist with the project. Contractor will cooperate with the State and the third party, including provision of: (i) written Documentation requested by the State; (ii) commercially reasonable assistance and support services to such third party; and (iii) reasonable access to Contractor as necessary for such third parties to perform their work. The State shall use reasonable efforts to require such third parties to comply with Contractor’s reasonable requirements regarding confidentiality, operations, standards, and security. Contractor shall support and maintain such third party work product, provided the service provider complies with any Documentation applicable to Contractor in respect of the Services involved.

9. **Change Order Process**

Any change to this Contract that alters one or more aspects of the project scope, schedule, deliverables, or cost, may require a formal Change Request and or Contract amendment. While such changes may typically incur additional costs and possible delays relative to the IMS, some changes may result in less cost to the State (i.e.; the State decides we no longer need a deliverable in whole or part) or less effort on the part of the
Contractor. The change order must define the effort involved in implementing the change, the total cost or associated savings to the State, of implementing the change, and the effect, if any, of implementing the change on the IMS.

Change Orders will be developed jointly and every effort will be made to adhere to the IMS. The Project Manager for the State and the Project Manager for Contractor will decide whether a formal Change Request is necessary. If a formal Change Request is necessary, the Project Manager for requesting party will prepare a Change Request in a form acceptable to the State detailing the impacts on scope, schedule, deliverables, resources, and cost. Once completed, the Change Request will be submitted to the non-requesting party for review. The non-requesting party will make its best efforts to either approve or deny the Change Request in writing within ten (10) business days. In no event shall any delay in the approval or denial of a Change Request constitute a deemed approval by the State.

10. **Service Level Agreement; Liquidated Damages**

Each party agrees that the failure by Contractor to meet the service levels described in Attachment E will cause the State to suffer substantial damages which are difficult to estimate. Each party represents after all diligence it has determined appropriate, that the service credits set forth (“Liquidated Damages”) are reasonable estimates of the damages which the State will suffer for a failure to meet the service levels described, and agrees that the Liquidated Damage are not a penalty. In the event that the State elects to seek actual damages consistent with the terms of the Contract for Contractor’s failure to meet one or more of the Primary Services or Service Levels described, any Liquidated Damages paid in connection with such Primary Services or Service Levels shall be deducted from any damages award. If any Liquidated Damages are held to be unenforceable, then such Liquidated Damages shall be deemed deleted from this Contract, and the State shall have the right to recover such damages as it is able to recover under the Contract.

10.1 **Payment of Liquidated Damages**

Contractor shall pay any Liquidated Damages due to the State hereunder within thirty (30) days of the State’s notice of Contractor’s failure to meet the Primary Services or Service Levels described in Attachment E.

10.2 **Reporting**

Contractor must implement all testing, measurement and monitoring tools and procedures required to measure and report, on a monthly basis, Contractor’s performance against the applicable post-deployment Service Levels set forth in Attachment E. Such testing, measurement and monitoring must permit reporting at a level of detail sufficient to verify compliance with the Service Levels set forth herein, and will be subject to audit by the State. Contractor will provide the State with information and access to all information or work product produced on a monthly basis for purposes of verification.
EXHIBIT 1

FUNCTIONAL AND TECHNICAL REQUIREMENTS

1.0 Vehicle Information Data System Requirements

The System must reside in the continental United States.

Specific items identified by number on the figure are described below, along with the reasoning for some of the items:

1. State staff will need access from public internet via secure https connections to the AIM Portal.

2. State Auditors will need access from a tablet or laptop to the AIM Portal to conduct audits. Audit requirements are discussed in Section 4.2.3.2 of this document.

3. In order to ensure access to both the active system and if necessary the passive system, some form of DNS redirection is anticipated. Contractors may propose alternative solutions, as long as the ability to seamlessly failover connectivity to the passive system is achievable.

4. The Inspection Tablets used in the field will communicate to the VID web servers and/or application servers to handle inspection data flow.

5. The OBDII scan tool used to conduct inspections shall be wireless and have the ability to communicate with the inspection tablet to receive instructions and transmit data.

6. The Inspection Tablets will connect wirelessly to a printer located at the inspection facility for printing the necessary forms and inspection results.

7. In conjunction with DNS, Contractors shall propose how data traffic will flow from outside (inspection tablets, user access to AIM Portal, etc.) to the inside (web/app servers, databases). A load balancer is shown here as an example of a device that will monitor traffic flow and seamlessly redirect data traffic to passive/standby servers, if there should there be a problem with the primary/active system.

8. The web/app servers will have direct, private access to the OLTP database servers.

9. The OLTP database servers will send data down to the ODS database servers pursuant to the Service Agreements, Attachment E.

10. The active and passive OLTP database servers will synchronize their data in real time.
11. The active and passive ODS database servers will keep their data in sync either by data flowing from their OLTP server, or by synchronizing data between themselves.
12. Vermont DMV Registration data will be made available to the Contractor for caching vehicle and registration data. It is anticipated there will be no personally identifying information contained within the registration data – only vehicle attributes and registration status. The method by which this data will be made available to the Contractor will be coordinated after contract award, but is anticipated to be flat file FTP transfer, or similar simple method of data transfer.

13. It is anticipated there will be a future need to transfer passing inspection information to the Vermont DMV data system. Like the registration data transfer to the VID, it is anticipated this will be some form of simple flat file transfer; however, it could be a real time web service. Contractors shall include the service in their proposals and the State will exercise it when DMV capabilities become available.

1.1 Administrative Information Management Portal

The Administration Information Management (AIM) Portal shall be a single integrated web-based solution servicing the AVIP data management needs of the State. The portal shall be accessible from standard web browsers (Internet Explorer version 8, Chrome version 2, Safari version 4, Opera version 10, Firefox version 35 or newer for all), and shall be updated as needed to ensure support for future versions of these standard browsers.

The AIM Portal landing page shall be a simple dashboard of I/M program related statistics (e.g. test volumes by day, test volumes by month, audits due by zone, fraud/triggers month to date, etc.). Full details of dashboard display will be finalized after contract award, but is not anticipated to be anything beyond simple metrics that should be easily aggregated from VID data and displayed on a status screen.

The AIM Portal will employ a method of single sign on authentication – one username/password challenge per session, and then that session authentication allows for access to other portions of the AIM Portal. The AIM Portal shall provide a means by which user authorization is managed on a screen by screen and menu by menu basis, granting or denying access to AIM Portal functionality based upon the user’s assigned role. Changes to passwords at the highest level of authorization shall only be made by one person at the DMV, one person at DEC and the Contractor.

The portal shall have tabs providing access to the following sets of information:

- Official Inspection Station functions
- Inspection Mechanic functions
- Setting inspection configurations
- Messaging to VIS units
- Inspection history lookup, Reporting and Ad-Hoc queries
- Triggers
- Sticker tracking and escrow information
- Audit data and State Auditor scheduling
- Administrative penalties
- Waiver issuance
1.1.1 **Official Inspection Station Information**

The AVIP VID shall store information related to Official Inspection Stations. This data includes, but is not limited to:

- Official Inspection Station ID
- Official Inspection Station Category
- Business / Entity Name
- Logon password
- Physical Address
- Mailing Address
- Billing Address
- Owner Name
- Primary and Secondary Points of Contact
- Primary and Secondary email addresses
- Assigned Audit Zone
- Audit History
- Notification / Messaging History
- Licensing Status
- Licensing History
- License Expiration Date

Existing data from the current DMV system will be provided to the Contractor for initial seeding of the AVIP database. Data will be in flat file format and a data dictionary will be provided. The VID shall automatically send out license renewal notifications to Official Inspection Stations via the messaging system to the AIS tablets.

1.1.2 **Inspection Mechanic Information**

The AVIP VID shall store information related to Inspection Mechanics. This data includes, but is not limited to:

- Inspection Mechanic ID number
- Inspection Mechanic Name
- Logon password
- Primary and Secondary email addresses
- Assigned Stations (1 or more)
- License Status
- Licensing History
- Notification / Messaging History
- Audit Zone
- Audit History
- License Expiration Date
• Active Date / Inactive Date (1 or more)

Existing data from the current DMV system will be provided to the Contractor for initial seeding of the AVIP database. Data will be in flat file format and a data dictionary will be provided. Currently, the Inspection Mechanics use their State Driver License ID number as their Mechanic ID. This will need to be changed to a different identifying number so that no Personally Identifiable Information (PII) is used in the AVIP system.

When an Inspection Mechanic is within 90 days of their license expiring, the system shall begin sending messages to the Inspection Mechanic when they log on, notifying them about the pending expiration.

1.1.2 Setting Inspection Configurations

The VIS tablet software shall be flexible enough to allow for remote update and reconfiguration in the field from the VID. The VIS tablet shall have its configuration updated remotely either automatically when communicating to the VID, or manually by user intervention. Such configuration changes could include inspection type, inspection component sequence, how many tests can be performed offline, what vehicle weight class, fuels and model years receive specific inspection components (such as an OBDII inspection), etc.

1.1.3 Messaging to Vermont Inspection Systems

The AVIS shall provide the ability to send notifications to both Official Inspection Stations and Inspection Mechanics via the VID email messaging. The system shall allow messages to be sent to any set or subset of Official Inspection Stations or Inspection Mechanics. The system shall track the delivery and read receipts of messages and shall automatically notify State personnel if a message is unread after a configurable amount of time has elapsed (configurable per message), or if a message was not deliverable to the email address provided. Types of messages include, but are not limited to: Inspection Mechanic license expiration warning and renewals, administrative penalty notification, sticker inventory reorder reminders, and Inspection Bulletins.

1.1.4 Inspection Lookup, Reporting, Ad Hoc Queries

1.1.4.1 Inspection Lookup

The AIM Portal must allow for retrieval of Inspection Records for review by State personnel. All Inspection information and any related/ancillary information shall be made available to the State via a simple query screen. An inspection shall be retrievable by a unique inspection ID, by Official Inspection Facility number, by Inspection Mechanic, by VIN or by license plate number. The AIM Portal shall provide the ability to reproduce the VIR issued to the motorist at the time of the Inspection. This can either be an archived binary copy of the printout (e.g. a stored copy of a PDF document), or can be reproduced on the fly.
1.1.4.2 Reporting

The AIM Portal shall provide reporting capabilities for use by DMV and DEC staff. At a minimum, all data and reporting requirements shall be provided by the AIM Portal for use by DMV and DEC staff.

Examples include but are not limited to:

- Overall Inspection statistics reports
  - Filterable by pass and fail, initial or retest number
  - Filterable by failure reason, model year, vehicle type, audit zone or date
  - Filterable by Official Inspection Station or Inspection Mechanic
- Sticker sales, inventory and escrow reports
- Audit reports
- Call center reports
- Service reports
- Triggers
- Administrative Penalties by Official Inspection Station or Inspection Mechanic
- US EPA annual report data requirements in 40 CFR 51.366 – Data Analysis and Reporting

Additional reports desired by DMV and DEC shall be determined during the system JAD sessions.

The AIM Portal reporting solution shall allow for both “canned” and static reports, and for dynamic reports that take parameterized inputs to filter or aggregate data.

The reporting capabilities of the AIM Portal shall allow for “saving” of report configurations created by State staff, for “scheduling” of automated reports to run with default or provided parameters, and to have the ability to either have report results emailed as an attachment or directly download to local disk via a link in PDF, Excel or .CSV formats.

1.1.4.3 Ad Hoc Queries

The AIM Portal shall provide a method by which a limited number of DMV and DEC staff (anticipated to be 4 or fewer individuals) can create and execute Ad Hoc queries against the ODS database directly. The Contractor shall ensure queries executed by DMV and DEC staff shall not adversely affect the performance of the OLTP database servicing the VIS tablets in the field. The Ad Hoc query page shall provide guidance on query construction against the ODS database in the form of a data dictionary.

1.1.5 Triggers

The goals of triggers are to ensure high quality inspections and to indicate to State Auditors those Official Inspection Stations or Inspection Mechanics which need attention. Triggers shall include the following:
• Rate of off-line inspections for high speed connected Official Inspection Stations
• Time between failing at one Official Inspection Station and passing at another
• Rate of vehicles passing at an Official Inspection Station which were failed at another
• Inspection duration
• Rate of off hour inspections
• Rate at which the entered VIN does not match the e-VIN
• Rate at which the communications protocol does not match the expected communications protocol
• Rate at which the readiness monitor support does not match the expected readiness monitor support
• Rate at which vehicle PID count and PCM module ID do not match those recorded on the previous inspection
• Rate of safety failures
• Rate of emissions failures
• VIN entry errors or vehicles with no VIN decode
• Non-communications failure rate
• Vehicle data changing between previous tests and current test (e.g., fuel type or GVWR)
• Time between retests too short
• Offline testing
• Vehicle information mismatched to VIN decode
• High volume of stickers purchased by low volume stations
• Similar on-board diagnostics (OBD) tests results for multiple vehicles within same station (possible clean scan)
• High abort volume
• High number of Technical Support Hotline complaints
• High pass rate on older vehicles

1.1.5 Sticker Tracking

The AVIP VID must track sticker related information. The same physical sticker is used for both Safety and Emissions Inspections. Sticker information includes such attributes as:

• Sticker Book ID
• Sticker Type (car/truck or trailer)
• Individual Sticker ID
• Sticker Brand, Source, Type
• Sticker Disposition History (open, issued, used, reported stolen, destroyed, replaced, etc.)
• Sticker Assignment History / Station Inventory
• Stickers placed upon vehicles
• All escrow account information associated with deposits and sticker purchases

The Contractor shall be responsible for porting the existing data from this system over to the new VID, and any money Official Inspection Stations may have on account (in escrow).

The Contractor’s system shall perform all tracking of stickers from “cradle to grave.” All sticker inventory lifecycle management shall be managed and tracked from initial arrival at DMV and subsequent sale to
Official Inspection Stations, to finally being assigned to a vehicle or being reported as destroyed or stolen. As stickers are a controlled stock material, every single sticker must be tracked, including those reported as damaged, missing or stolen.

The Sticker Management portion of the AVIS must track all sales and assignment to Official Inspection Stations when stickers are mailed or provided over the counter. Sticker Management must track Official Inspection Station escrow account deposits (money deposited with DMV for future sticker purchases) on hand from Official Inspection Stations to pay for stickers. The system must allow DMV staff to add funds to station’s accounts, view balances and allow for deductions to be automatically made when stickers are sent to Official Inspection Stations. Official Inspection Stations shall be able to view their escrow account balances through the public portal after logging on.

The sticker data shall be available via the AIM Portal for easy auditing of sticker inventory at the Official Inspection Stations. State Auditors in the field shall have access to a sticker inventory report on their tablet and compare the VID sticker inventory data against physical inventory at the Official Inspection Station.

The VID shall have functionality to alert Official Inspection Station owners when their physical sticker inventory is low, so they can buy more sticker stock from the State. The low sticker inventory warning for an Official Inspection Station shall incorporate the necessary logic to determine when an Official Inspection Station shall run out of stickers based upon current inventory levels and historic usage patterns. That is to say, busy Official Inspection Stations shall have a different “low inventory” cutoff than an Official Inspection Station that does only a few inspections per month.

1.1.6 Audit Data and State Auditor Scheduling

The VID must store and manage program related audit information. The audit data shall be collected on State Auditor tablets via audit data entry screens on the AIM Portal or a specific audit application running on the tablet. The current audits are conducted on paper and the current audit inspection forms, which indicate the data collected presented are included in Section 11.10. Collected audit data that is part of an audit activity (e.g. Official Inspection Station sticker inventory audit) shall have lifecycle management capability to allow for review by DMV management staff. DMV management staff can then accept or reject audits upon review.

The AIM Portal shall allow for management of DMV enforcement staff (State Auditors) data and scheduling of audits. State Auditors shall be assigned to audit “zones” or regions of the State.

Official Inspection Stations and Inspection Mechanics shall each be assigned to an audit zone. The AIM Portal shall allow DMV Management to manage the types of audits that occur in the field, the audit frequency and scheduling of audits via the AIM Portal. Audit types shall be assigned to Official Inspection Stations and Inspection Mechanics, including the content, frequency and history of audits performed. The VID shall have programmatic processes to keep track of audits that are due by zone, and allow a State Auditor working that zone to see what audits are to be performed for a specific work period (such as due in the next week).

The VID shall manage and store the necessary data related to audits to comply with 40 CFR 51.366– Data Analysis and Reporting requirements. The AIM Portal shall provide the ability to generate the necessary EPA required audit reports as defined in 40 CFR 51.366.
1.1.7 Administrative Penalty Tracking

DMV issues notices of violation to Official Inspection Stations and Inspection Mechanics using a paper process for documentation from initiation through approval. In the new AVIP, after an Administrative Penalty is approved, the Administrative Penalty information shall be entered into the AIM Portal and the system shall print out the Administrative Penalty notice (an example is shown in Section 11.7). When the notice is signed by DMV and sent out via certified mail, the AIM Portal shall allow entry of the date sent and certification information. A flow diagram describing the process is also contained in Section 11.7.

Information that the system should track at a minimum:

- Issue Date – User keyed data based
- Violation type(s) – from inspection manual
- System should track if they contested/asked for a hearing
- Outcome of hearing
- Re-issue date – user keyed data that is the date that the penalty letter gets sent after the hearing outcome has been communicated to DMV
- Fine due date – Calculated field 60 days from issue date
- Suspension start date – user keyed data
- Suspension term – user keyed data
- Suspension end date – Calculated field (start date and suspension term)

Additional Requirements:

- System required notifying the auditor 1 week in advance of start date and end date so they can make arrangements to pick up and/or return inspection license and supplies
- System should prevent the station/mechanic from performing inspections during the suspension window

Reporting Requirements:

- Number and dollar amount of fines issued and paid for a specified time period
- Station and inspection mechanic administrative penalty history
- Statistical reporting on number of stations requesting a hearing

1.1.8 Time Extension Issuance

Time extensions will be available for a vehicle failing the OBDII inspection, however the vehicle must pass all safety items and time extensions shall not be available to vehicles failing any safety item. In the first year after the AVIP goes live, vehicles failing the OBDII inspection shall automatically receive a “pass with warning” and issuance of high repair cost time extensions shall begin in the second year after the AVIP goes live. Details of the program, limitations and time extension issuance qualifications shall be made available on the program website maintained by the Contractor on the public portal.
As noted, in the first year after the AVIP goes live, vehicles failing the OBDII inspection shall automatically receive an emissions inspection result of “Pass with Warning”. This shall be treated as a pass in the overall result (safety and emissions results combined). The Vehicle Inspection Report (VIR) shall clearly indicate that the vehicle did not pass the OBDII inspection but received a warning. It shall note the time extension for compliance is only valid for a single year, and the vehicle must fully comply at the next inspection in order to pass. The VIR shall also indicate that although the vehicle passed, it is advisable to have the vehicle serviced to prevent a decrease in fuel economy, vehicle damage and excessive emissions, and that the repairs may be covered under the vehicle’s emissions warranty.

After the first year following the go-live date, high repair cost time extensions for failure of OBDII inspections shall be available based on a cost limit set by the State. Within 15 days of failure, the motorist must obtain a written cost estimate from a qualified mechanic and submit a completed application form (available on the public portal) for confirmation of qualification. Time extensions for repairs covered under applicable emission control warranty will not be approved. If approved, the form can be taken to any Official Inspection Station to receive an inspection sticker. Vehicles cannot qualify for back to back high repair cost time extensions.

The Contractor shall provide a mechanism for reviewing and approving high repair cost time extension applications (including validity of mechanic repair cost estimates and determining if repairs are covered under applicable emission control warranty), arbitrating claims that vehicles are not repairable or that replacement parts are unavailable, resolving vehicle OBDII communication problems, and addressing other similar vehicle-specific issues that may arise. The Contractor shall process the applications and respond to motorists within three business days of receiving the application.

1.1.9 Document Repository

The Contractor shall be responsible for creating, managing and maintaining a document repository for the duration of the AVIP program contract. The repository shall be seamlessly integrated with the AIM Portal. The document repository user authorization shall be role based and integrated with AIM Portal user roles.

1.1.10 Provision of Data Electronically To DMV When Requested

The Vermont DMV data system is not configured to receive or process I/M related data. At some point in the future however, DMV may need to have I/M records transmitted to the DMV registration database in a batch process. Although the exact method and frequency shall be discussed with the Contractor at the time DMV obtains the need for the data to be included with the registration records.

1.1.11 Issue Tracking

During both the Implementation and Operational phases, there will be software bugs and changes which will need to be addressed. A system shall be used from the start of the project to track issues and shall be integrated into the AIM Portal once it is operational. It shall be open to both the Contractor and the State, and licensing for the JIRA shall be covered by the Contractor.

1.1.12 Public Web Portal

The Contractor shall operate a public facing portal (webpage), on behalf of DMV and DEC representing the AVIP. The Public Web Portal shall be designed as a one stop location for program information and links to
official DMV information. The Public Web Portal shall be architected so that it is isolated from the other portions of the AVIS system and does not expose any AVIP data beyond what is intended to be shared with the public. The Contractor shall be responsible for obtaining an agreed to domain name for the website and agree to transfer the domain name to the State or their designate at the end of the Contractor’s contract with the State.

The website shall provide general information about AVIP requirements which shall be developed jointly by DMV, DEC and the Contractor. The website shall provide access to all documentation related to the program which the State deems public and all forms necessary for the public and Official Inspection Stations as described below.

At a minimum, the following content shall be made available to the public and/or Official Inspection Stations via the Public Facing Web Portal:

- Vehicle inspection reports for the last two years shall be available for reprint and download in .PDF format
- Ability to query if a vehicle has received a time extension
- Ability for Official Inspection Stations to log in and view pictures of failing inspection items
- Application for an OBDII inspection high repair cost time extension shall be available for download with applicable instructions (these are to be developed by DMV and DEC)
- Recall information by VIN (safety and emissions recalls, indicating if the recalls have been complied with for the VIN)
- Ability for Official Inspection Stations to log in and view their current sticker escrow account balance
- Ability for Sticker Replacement Agents to log in and enter replacement sticker information

All current forms used by Official Inspection Stations. These forms shall also be automated so the user can enter the required information and electronically sign and submit the form, as opposed to filling out the form and submitting it. No data shall be available on line after it is completed and submitted.

- Inspection station application for appointment
- Inspection station setup
- Inspection station zoning compliance form
- Judgment compliance certification
- Request for criminal record check
- Application for Inspection Mechanic certification

### 1.2 DMV Registration Data

Vermont DMV will provide the Contractor with an initial set of registration data. Vermont DMV’s current Data Architecture does not allow for the production of add/change/delete records, i.e. delta file. Thus, all subsequent data sets will be full data sets of registration data. As noted in Section 4.1 item 12 above, full data sets of registration data will be made available to the Contractor on a scheduled basis. Details regarding this scheduled transfer of data, and characteristics of the data, will be made available to the Contractor after contract award. It is anticipated to be a straightforward and simple data transfer process utilizing flat file(s)
and SFTP transfer, using a PUT method.

1.3 VIN Decoding

The AVIS shall incorporate a commercial VIN decoder. The VIN decoder shall determine vehicle characteristics for cars, vans, light trucks, sport utility vehicles, heavy trucks, motorcycles, recreational vehicles, and commercial trailers. The decoded data shall include, but not be limited to, model year, vehicle make and model, engine characteristics, fuel type, MOBILE 6 class code, hybrid type (conventional or plug-in), OBDII Data Link Connector (DLC) location information and pictures, OBDII “signature” data used for anti-fraud detection (such as readiness monitor support, communications protocol, and electronic VIN support) and Gross Vehicle Weight Rating (GVWR) including a distinction between vehicles that fall within the 8,000 to 8,500 pound and 8,500 to 9,000 pound ranges. The VIS software shall perform a check digit verification and inform the Inspection Mechanic if the VIN does not pass a check-digit check allowing for correction prior to VIN decoding. The VIN decoder data shall be updated at least once every six months to accommodate new vehicle information and any other vehicle data updates.

In order to improve program efficiency and customer satisfaction, and in accordance with 40 CFR 51.370 – Compliance with Recall Notices for vehicles that fail an emissions test the Contractor shall make recall campaign data available to the motorist at the time of failure (i.e. by attaching a printout or including the information on the failing VIR) for any unsatisfied or unresolved recall campaigns as they relate to the specific vehicle based upon the failing vehicle VIN.

1.4 System Environments

The Contractor shall provide for multiple stand-alone hardware and software environments to accommodate the development, unit testing, user acceptance testing and ultimately the production activities of the IT portion of the overall AVIS. These environments shall be referred to by their intended function, e.g. development (DEV), user acceptance testing (UAT) and production (PROD).

“DEV” - refers to a wholly separate hardware/software environment whose purpose is to host all components of the AVIS IT solution in order to support coding and development activities by the Contractor. The size, scale, and performance of the DEV environment are not required to match that of the PROD environment. The functionality and completeness of the DEV environment shall match that of the PROD environment with exception of new features being designed or existing features being modified. The DEV environment shall be provisioned (purchased, installed, configured and operational) within 90 days after contract start date.

“UAT” – refers to a wholly separate hardware/software environment of the VID whose purpose is to host all components of the VID, data system communication interfaces, public facing web pages, and reporting services. The UAT environment shall allow for Acceptance Testing activities by both the Contractor and the State for both the VID functionality and also the Vermont Inspection System (VIS) functionality controlled or interfaced with the VID. The performance, functionality and capacity of the UAT system must closely match the PROD system specifications in order to be an effective platform of acceptance testing prior to promotion to Production. The UAT environment shall be provisioned (purchased, installed, configured and operational) within 180 days after contract start date. At that time, the initial versions of the AVIS software (communications to the VIS, AIM, Issue tracking, public web portal and business continuity components) shall be installed to begin testing. Once operational, the UAT environment must not exceed 16 consecutive principal operating hours per event, or a total of 24 principal or non-principal operating hours cumulative per month.
“PROD” – refers to a wholly separate hardware/software environment of the VID whose purpose is to host all components of the VID, data system communication interfaces, public facing web pages, and reporting services and allow for Production AVIS activities by Official Inspection Stations and the State. The Prod environment shall be provisioned (purchased, installed, configured and operational) within 270 days after contract start date. At that time, the initial versions of the AVIS software (communications to the VIS, AIM, Issue tracking, public web portal and business continuity components) shall be installed to begin testing.

The reliability and limitation of access to these environments for only authorized users is critical to the operation and security of the AVIP. The State shall be formally notified of any real or potential security breach to any of AVIS environments (PROD, UAT, DEV, etc.) within 30 minutes of detection by the Contractor. The State shall be formally notified of any suspected or actual loss of major functionality of the PROD and/or UAT AVIS environments within 30 minutes of discovery by the Contractor.

1.5 Business Continuity

The Contractor shall ensure the AVIP requirements of Business Continuity and Disaster Recovery are addressed. This shall encompass all aspects of an expeditious recovery from business disruption, including by not limited to all documents, instructions, procedures, facilities, and staffing to enable the Contractor to respond to accidents, disasters, emergencies, and/or threats without any stoppage or hindrance to AVIP operations.

The Business Continuity and Disaster Recovery Plans as described in Section 4.3.4.6 “Plans” shall be designed to be a part of the overall DMV Business Continuity Plan. These plans must be submitted for State review and approval three (3) months prior to AVIP go live and updated annually as defined in the Service Level Agreements set forth herein.

1.6 Hosted System Requirements

The system must meet the State requirements of availability, functionality, performance, and security as per the service level agreements. The AVIS must be hosted in the continental United States.

1.6.1 Databases

The AVIS databases are a core component of the overall AVIS system. In developing the AVIS solution, the VID databases shall meet the following requirements:

- Database software shall be an enterprise class solution capable of supporting the anticipated persistent data storage needs of the AVIS system. It shall be an Oracle relational database management platform (RDBMS).
- Must be a single data store for all transaction emissions and safety inspection data, including related data.
- Data transactional workloads shall be divided physically such that transactional emissions and safety data storage inbound from handheld devices shall be hosted separately from archived or business intelligence data storage accessed for reporting.
- The OLTP database shall store transactions as they occur, in near real-time, with no longer than
a 5 second delay after receipt to the AVIS system as defined by SLAs in Section 4.6.1.2. The OLTP database shall maintain a minimum of the last three years of inspection data.

- The OLTP database shall communicate with DMV data systems to obtain registration, licensing and related data. Details regarding this activity shall be finalized after contract award and coordinated between DMV IT and the Contractor. It is anticipated that initially this activity will be simple flat file text transfers via secure FTP.

- The OLTP database shall store all incoming and outgoing transactions, including invalid transactions (i.e., records that do not conform to a valid structure and/or do not follow database constraints). Stored transactions must be made available to the State for review via the AIM Portal.

- The OLTP database shall transfer transactional data to the ODS database in near real time (i.e., no greater than a 60 second delay).

- The ODS database must allow for authorized State personnel to retrieve and analyze inspection data utilizing ad hoc queries via both the AIM Portal and via standard ODBC connections. The ODS database shall maintain all program data from AVIP inception to current. Queries against the ARCHIVE database shall not adversely impact system response times of the overall OLTP transactional processes.

- Primary database environment shall be implemented in a clustered environment using Oracle Real Applications Clusters (RAC).

1.6.1.2 Database Maintenance

The Contractor shall perform the activities required to maintain all VID databases. These activities include, but are not limited to:

- Review of server logs and mitigation of recorded errors;
- Monitor space allocation to ensure continuous normal function of the database(s)
- Perform backups
- Archival of data from OLTP to ODS databases within 60 seconds of arrival at the OLTP database
- Refresh indices, analyze tables, and perform other database maintenance activities as required to maintain optimum performance and stability of the AVIS databases
- Other database administration activities as required
- Apply necessary security patches and updates patches as required by the database software Contractor.
- The Contractor shall be required to agree to terms acceptable to the State regarding the confidentiality and security of State data. These terms may vary depending on the nature of the data to be stored by the Contractor. If applicable, the State may require compliance with State security standards with State laws relating to the privacy of personally identifiable information, specifically Chapter 62 of Title 9 of the Vermont Statutes (9 V.S.A. §2430(3) and 9 V.S.A. §2435(b)(2)). Further, a selected Contractor hosting a State system may be a “data collector” for purposes of State law and shall be required to (i) comply with certain data breach notification requirements; and (ii) indemnify the State for any third party claims against the State which may...
occur as a result of any data breach.

1.7 Vermont Inspection System Requirements

Vermont performs annual inspections on most vehicles in the fleet with the exception of vehicles older than model year 1940 registered as historic, which are exempt from inspection, School Buses which are inspected every four months and Transit Buses which are inspected every six months. Therefore, the Vermont Inspection System (VIS) shall be designed for high inspection volumes and the climatic conditions of Vermont. In addition, registration and inspection are not currently synchronized, the program is sticker enforcement based, and therefore inspection sticker tracking and fraud prevention are critically important.

The VIS shall be comprised of a hardware and software solution which allows vehicle, safety and visual emissions inspection data to be entered, as well as OBDII data to be electronically collected. A full description of the system is provided below. All Official Inspection Stations shall have the same equipment. Inspection stations will be encouraged to use high speed (DSL or better) internet connections for transferring inspection data including pictures. However, there are locations in Vermont where this will not be possible, therefore a small number of Official Inspection Stations will require the use of dial-up connections to a local point-of-presence (POP) for data transfer and will be exempt from having to take and send pictures of failing inspection items. The system shall be designed to operate efficiently with these dial-up Official Inspection Stations (whose inspections will appear as being off line) as well as those with high speed internet connections.

Details regarding the current VIP requirements, inspection procedures and items inspected (which indicates the data Vermont will want to collect) are included in three documents which can be found in the following locations or by contacting the State:


The major inspection components for each and the definitions of each vehicle type are provided below:

1.7.1 Pleasure Car and Light Truck Inspections

These include all vehicles having a gross vehicle weight rating of 10,000 pounds or less as determined by the manufacturer. The inspections include evaluation of:

1. Registration and Insurance
2. Wheels and Tires
3. Steering and Suspension
4. Brake Systems
5. Lighting and Electrical System
6. Vehicle Glazing (Glass)
7. Body and Sheet Metal
8. Exhaust System
9. Fuel System
10. Reconstructed and/or Special Motor Vehicles
11. Emission Controls
12. Flaps and Fenders

1.7.2 Truck and Bus Inspections

Heavy trucks are defined as having a gross vehicle weight rating of 10,001 pounds or more as determined by the manufacturer. Buses include any bus which is not a School bus. The inspections include evaluation of:

1. Registration and Insurance
2. Wheels and Tires
3. Steering Mechanism and Suspension
4. Coupling Devices
5. Lighting and Electrical Systems
6. Vehicle Glazing (Glass)
7. Brake Systems
8. Fuel System
9. Exhaust System
10. Flares, Flags, Flaps and Fenders
11. Body and Sheet Metal
12. Frame
13. Specialized Vehicles
14. Heavy Vehicles Excess Weight Permit Inspection and Certification

1.7.3 Trailer Inspections

Note that trailers or semi-trailers with a gross (registered) weight of less than 1,500 pounds (to include trailer and load) are exempt from inspection. The inspections include evaluation of:

1. Coupling Devices
2. Lighting
3. Wheels and Tires
4. Brakes
5. Frame
6. Safety Devices

1.7.4 School Bus Inspections

School buses are inspected every four months and inspections of School Buses include evaluation of:

1. Registration and Insurance
2. Tires, Wheels and Rims
3. Steering, Alignment and Suspension
4. Brakes
5. Lighting and Electrical Systems
6. Vehicle Glazing (Glass)
7. Body, Sheet Metal and Special School Bus Equipment
8. Exhaust System
9. Emission Control System
10. Fuel System
11. Frame
12. Flaps and Fenders

1.7.5 Motorcycle Inspections

Motorcycle inspections include evaluation of:

1. Registration and Insurance
2. Steering, Alignment & Suspension
3. Tires, Wheels and Rims
4. Fuel System
5. Exhaust System
6. Brakes
7. Lighting and Electrical Systems
8. Horn
9. Windshield or Windscreen
10. Body Items
11. Rear-View Mirror
12. Colored Lights and Siren and Permits

1.7.6 Motor Driven Cycle Inspections

A “Motor Driven Cycle” means any vehicle equipped with two or three wheels, a power source providing up to a maximum of two brake horsepower and having a maximum piston or rotor displacement of 50 cubic centimeters if a combustion engine is used, which will propel the vehicle, unassisted, at a speed not to exceed 30 miles per hour on a level road surface, and which is equipped with a power drive system that functions directly or automatically only, not requiring clutching or shifting by the operator after the drive system is engaged. The inspections include evaluation of:

1. Registration and Insurance
2. Steering and Wheel Alignment
3. Tires, Wheels and Rims
4. Fuel System
5. Exhaust System
6. Brakes
7. Lighting and Electrical Systems
8. Horn
9. Body Items
10. Rear-View Mirror

1.8 Hardware
Each Official Inspection Station must have at least one “Vermont Inspection System” which shall be comprised of the following, or most recent version as accepted by the State:

- Xplore’s XSLATE D10 Tablet
- Samsung monochrome M2835DW Printer
- Buffalo Air Station High Power N300 Gigabit Wireless Router
- OBDLink LX Scan Tool with replaceable DLC

### 1.8.1 Maintenance and Warranty

All equipment shall be warrantied and all service shall be included for the duration of the contract. Stations shall have no cost for any items required, including toner for the printers (paper is excluded), or for any items which fail due to normal wear and tear. However, Stations will be required to pay to replace items which fail due to abuse, subject to State oversight.

### 1.8.2 Tablet, Bar Code Scanner and Printer

The tablet must be sunlight readable, shall have at a minimum a 1-megapixel front camera, 5-megapixel rear camera, Bluetooth and Wi-Fi. The tablet may be used to read bar codes or an external bar code reader may be supplied. In either case, the bar code scanner must be capable of reading all one dimensional and two dimensional bar codes on all current production vehicles. Any wireless communication between the tablet and the scan tool or bar code reader shall be encrypted. The tablets shall be designed with considerations of the harsh temperature and weather conditions in Vermont and the harsh shop environments (-10 to 120 degrees Fahrenheit) in which they will be used. The printer shall be a wireless laser printer, may be black and white only and shall be designed to survive well in a shop environment.

### 1.8.3 OBDII Inspection Hardware

The OBDII scan tool must be wireless and use encrypted communication to the tablet to prevent undesired access. The scan tool must communicate with 99.9% of all 1996 and newer vehicles up to 14,000 lbs. GVWR, that are OBDII compliant. BAR DAD certification of the scan tool is not required; however, any certifications of the scan tool shall be acknowledged in proposals. The scan tool shall have features (e.g., lights indicating status) that make it easy to use in vehicle testing, be durable in a shop environment and have an easy to replace data link connector in case it becomes worn or damaged. The scan tool shall be capable of gathering all data as required by the US EPA OBDII Inspection Rule, the ETI OBDII inspection flow diagram ([www.eti-home.org/Public/Misc/OBD%20IM%20flowchart%20ver8.3.pdf](http://www.eti-home.org/Public/Misc/OBD%20IM%20flowchart%20ver8.3.pdf)) and necessary for performing triggers analysis.

### 1.9 Inspection Software

As there is currently no VIS software in use, the Contractor shall work with DMV and DEC staff to develop inspection process software based on the inspection manuals. Vermont knows each Contractor may already have handheld inspection software and the State is interested in finding a solution which best fits its specific needs. Therefore, Contractors shall provide as much information as possible about their current solutions to the functionality described below, and how it would be customized to meet Vermont’s needs, knowing that JAD sessions on the inspection process will be necessary to customize the software.

Inspections include input of safety inspection results and for some vehicles, an emissions inspection. The
inspection processes are described in the Vehicle, School Bus and Motorcycle inspection manuals identified above. In total, there are six discrete inspection procedures defined in the manuals:

1.9.1 Inspection Software Functionality

The inspection software shall be designed to operate on a tablet and communicate with the associated peripherals wirelessly. The system shall only require the setup on the peripheral devices once and the connections shall not need to be reestablished upon each use. The tablet operating system and inspection software shall be configured to prevent tampering with the inspection software and allow for automatic, over the air updates.

The inspection software must require the Inspection Mechanics to log onto the system each time they access the system using a unique identification number and password and this information shall be stored with each transaction. Currently, Inspection Mechanics use their driver’s license number; however, for security reasons these will need to be changed to randomly assigned numbers in the VIS. Each Inspection Mechanic will have to be assigned a password with their new ID and there shall be a mechanism to allow the Inspection Mechanics to change their passwords either by calling the Contractor or by automated electronic means (such as via e-mail and a webpage). Biometrics for logging onto the system shall not be required.

The inspection process shall begin by scanning the vehicle VIN either from the vehicle or the vehicle registration card, VIN decoding to determine the vehicle characteristics, matching with registration data and then determination of the test procedure to be followed. The system shall automatically check to ensure the Inspection Mechanic and Official Inspection Station are authorized to inspect the vehicle type presented to them. Depending on the inspection process to be followed (light duty pleasure car or truck, medium or heavy duty truck, etc.) the software shall prompt the Inspection Mechanic to provide input for each item requiring inspection in the order described in the inspection manuals. For each item displayed, there shall be a hyperlink to the procedure and the definition of the inspection criteria (resulting in pass, fail, etc.) for the item. This shall not alter the progress of the inspection; when viewing the hyperlinked information is complete, the user shall be returned to the place in the inspection they were before viewing the pass or fail criteria. All re-inspections must be complete re-inspections in which every item must be inspected again. On re-inspections, previously failed items shall be identified to the Inspection Mechanic along with any pictures or comments associated with the failure so the Inspection Mechanic can take extra care to ensure the previously failed item has been addressed. The OBDII inspection shall follow the US EPA OBDII I/M rule and the ETI OBDII inspection flow diagram (http://www.eti-home.org/Public/Misc/OBD%20I/M%20flowchart%20ver8.3.pdf) and shall electronically collect data which can be used for fraud detection.

Inspection results for individual items shall include pass, fail, not ready, repaired (initially failed as part of the inspection and repaired during the inspection to passing condition) and pass with warning. The specific allowed results shall be configurable by inspection items, for example, an item may allow “Pass with Warning” as a result when the Avip begins, and this may be turned off after a year. Fail, repaired and Pass with Warning items shall allow the Inspection Mechanic to add a comment and / or take a picture of the item which shall be stored with the inspection record in the VID. The Inspection Mechanic comments shall be printed on the VIR and the failure pictures shall be made available to repair technicians through the AIM public portal only after logging on to the system. Input methods for comments shall be made as simple as possible; for example, not only including typing but also functionality such as voice recognition. Regardless of how the comments are entered they must end up in digital character format which can be printed on the VIR. At the end of the inspection, the results shall be transmitted to the VID within 60 seconds, unless the station is operating on a dial up connection to the Internet through a local POP.
If a vehicle passes an inspection, the Inspection Mechanic will issue a Vermont Inspection Sticker, which will be attached to the vehicle. Stickers shall be carefully tracked, therefore if the next sticker issued is not the next sequentially expected sticker for the Official Inspection Station, the system shall ask about the disposition of the missing sticker(s).

After the sticker is attached to the vehicle, the Vehicle Inspection Report shall be generated and stored in the VID in PDF format. The format of the current inspection reports (the “Inspection Criteria Check Sheet” and the “OBDII Inspection Form”) are provided in Section 11.8. For each failed inspection item, a link to the same inspection failure criteria shall be printed on the VIR provided to the motorist. VIRs shall list outstanding recalls for the specific vehicle inspected and print summaries of the recalls (both safety and emissions) on the VIR with a note the full recall information is available at the AVIP website and the URL to this information shall be provided. For vehicles which fail, there shall be a note that compliance with the recalls (the repairs for which will be performed at no cost to the motorist) are suggested to improve the chances of passing on re-inspection. For vehicles failing an emission inspection, a note shall be included indicating the vehicle may be eligible for repairs covered under warranty based on criteria such as model year and mileage. DEC will provide the specific criteria to be printed.

Motorists shall have the option of receiving their VIR in hard copy at the Official Inspection Station, downloading their VIR from the AVIP website or via e-mail. Motorists requesting an electronic copy via e-mail shall enter their e-mail address into the VIS, so their VIR can be emailed to them in PDF format. The email address shall be stored in the VID and associated with the vehicle so it can be used to prepopulate the owner’s email address at the next inspection cycle.

As noted previously, there will be a limited number of Official Inspection Stations which will need to operate via a dial up connection and perform inspections off line. In the case of such Official Inspection Stations, they will not be required to take pictures of failing inspection items. The tablets shall be designed to make pass/fail decisions locally. These systems shall locally print vehicle inspection reports to be provided to motorists.

1.10 Additional Software Functionality

1.10.1 Sticker Replacements and Time Extension Sticker Issuance

The VIS shall have the ability to handle sticker replacements as per the Vermont Periodic Inspection Manual and issue stickers for vehicles that receive a time extension as per a new DMV Process starting in the second year of operation. For sticker replacements, comments shall be provided indicating the reason for the replacement. These comments shall all be stored electronically with the sticker replacement transaction. Sticker Replacement Agents shall have the ability to enter sticker replacement via the public portal (with log in) and will not be required to use the same equipment as Official Inspection Stations to perform sticker replacements.

1.10.2 Auditing

Audits are currently performed on paper forms (examples of which are provided in Section 11.10). The audit form shall be automated so a State Auditor can perform the inspection and enter the audit data into a tablet they will be assigned (identical to the VIS tablets). For this purpose, the Contractor shall provide the State 15 VIS units as part of this contract. The data from the audits shall be transferred to the VID as soon as possible;
however, it is not required the tablets send the data until it can be done via Wi-Fi.

When a State Auditor is at an Official Inspection Station performing an audit, the audit software shall require the State Auditor log onto the system using unique credentials and have the State Auditor enter the Official Inspection Station identification. The VIS shall present to the audit requirements in a question and answer format as well as the expected sticker inventory information required allowing the State Auditor to account for all inspection stickers assigned to the Official Inspection Station. The State Auditor shall gather the information presented on the Official Inspection Station Check Sheet provided in Section 11.10.

The AIM Portal shall assist State program staff in scheduling audits by zone, tracking when audits are due, providing notifications for follow-up for Official Inspection Stations, which have non-compliant items and storing passing and completed audits.

### 1.10.3 Supplies

The VIS shall provide the ability for the Official Inspection Station to order inspection supplies either electronically or the Official Inspection Station may order supplies through the Technical Support Hotline as described in the Equipment Supply, Maintenance and Repair Plan. The supplies shall be provided and delivered by the Contractor within one business day of ordering as to not disrupt the operation of the Official Inspection Stations.

### 1.10.3 Inspection Manuals

The latest versions of all three Vermont Periodic Inspection Manuals shall be downloaded to the tablet and available at any time for searching and review by an Inspection Mechanic. These shall be kept up to date, that is, if any manual is updated by the State, the new version shall be pushed down to the tablet within two weeks of being made available to the Contractor. All inspection bulletins issued between releases of revised Vermont Periodic Inspection Manuals shall be pushed to the tablet within two weeks of being released.

### 1.11 VIS Maintenance and Repair - Technical Support Hotline

The Contractor shall provide an Equipment Supply, Maintenance and Repair Plan which describes how service will be provided to all Official Inspection Stations to and operate the Technical Support Hotline. The Contractor shall operate the Technical Support Hotline from 7:30 am to 5 pm, EST Monday through Saturday. At all other times, a phone number for an emergency contact shall be available in case an Official Inspection Station has an emergency or the State needs to contact the Contractor.

The technical support line shall be used to clarify technical questions from Inspection Mechanics, receive orders for supplies and service from Official Inspection Stations and to assist State Auditors with questions, therefore the operators must be skilled in all aspects of the program and vehicle inspections. The Contractor shall prepare and deliver to the State for review a Technical Support Hotline Training Manual which will be used to train Hotline operators. The Technical Support Hotline shall answer the calls or place the calls in a call queue 98% or more of the time.

The system shall let the caller know their wait time, answer the call within 10 minutes and provide the option for the caller to leave a number which shall be called back within 2 business hours. If during the call a question cannot be answered by the hotline operator, the resolution shall be determined and provided to the caller within two business hours.
ATTACHMENT B
PAYMENT PROVISIONS

The maximum amount of this Contract shall not exceed $100,000. This maximum amount is not intended under this Contract as any form of a guaranteed amount.

1. A certificate of insurance must be submitted prior to commencement of work and release of payments (Attachment C, Section 7).

2. Invoices must be rendered on Contractor's standard billhead or official letterhead. Contractor shall submit invoicing on a monthly basis. Invoices shall be submitted to:

   Department of Motor Vehicles
   Accounts Payable Unit
   120 State Street
   Montpelier, VT 05603
   DMV.Financeunit@vermont.gov

   Payment terms shall be Net 30.

3. Contractor shall be paid for services rendered as set forth herein. Contractor shall have no recourse against the State for any payment except as expressly set forth herein. Contractor shall not invoice Official Inspection Stations until the State has delivered final written acceptance of the AVIS. Invoicing must contain a detail of Equipment delivered and services including dates and hours of work performed and rates of pay as applicable. Invoices shall be delivered monthly and specifically indicate the following items which may be charged. Neither the State nor Official Inspection Stations shall be responsible for any expenses of the Contractor unless specifically stated below.

4. **Allowable Contractor Charges to Official Inspection Stations**

   Official Inspection Stations may purchase the Equipment for a lump sum in accordance with Table 1 below or may purchase the Equipment over time in accordance with Table 2, Tablet, Printer, OBD Scan Tool, and router). Purchases made via either method will be invoiced by the Contractor on a monthly basis to the Official Inspection Station.

   The Contractor shall invoice the Official Inspection Stations for each inspection performed in the previous month at the rate outlined in line 6 of table 2.

   Contractor may charge Official Inspection Stations other fees as outlined in lines 8 through 10 of table 2 as applicable. These charges shall be the sole and exclusive source of payment to Contractor for design and development services performed hereunder. Contractor acknowledges and agrees that if the Solution fails to deploy in accordance with the Contract Requirements, it shall have no recourse to the State or Official Inspection Stations for payment.
### 1. Equipment Costs - Initial Purchase or Non-Warranty Replacement

<table>
<thead>
<tr>
<th>LINE NO.</th>
<th>PRODUCT OR SERVICE DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Tablet</td>
<td>1</td>
<td>Each</td>
<td>$1,523.67</td>
</tr>
<tr>
<td>0002</td>
<td>Printer</td>
<td>1</td>
<td>Each</td>
<td>$117.98</td>
</tr>
<tr>
<td>0003</td>
<td>OBD Scan Tool</td>
<td>1</td>
<td>Each</td>
<td>$74.73</td>
</tr>
<tr>
<td>0004</td>
<td>Bar Code Reader</td>
<td>1</td>
<td>Each</td>
<td>N/C</td>
</tr>
<tr>
<td>0005</td>
<td>Wi-Fi Router, Installation</td>
<td>1</td>
<td>Each</td>
<td>$99.00</td>
</tr>
</tbody>
</table>

### 2. Equipment Payment Over Time, Per Inspection and Other Fees - Years 2 to 9 of the Contract

<table>
<thead>
<tr>
<th>LINE NO.</th>
<th>PRODUCT OR SERVICE DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 6</th>
<th>YEAR 7</th>
<th>YEAR 8</th>
<th>YEAR 9</th>
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<tr>
<td>0006</td>
<td>Monthly cost for stations paying for equipment over 36 months</td>
<td>1</td>
<td>Monthly</td>
<td>$57.15</td>
<td>$57.15</td>
<td>$57.15</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>0007</td>
<td>Per Inspection Fee - All Inclusive of all program operating costs</td>
<td>1</td>
<td>Per Test</td>
<td>$2.21</td>
<td>$2.21</td>
<td>$2.21</td>
<td>$2.21</td>
<td>$2.26</td>
<td>$2.26</td>
<td>$2.26</td>
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<tr>
<td>0008</td>
<td>Non-Sufficient Funds</td>
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<td>Each</td>
<td>$50.00</td>
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<td>$50.00</td>
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<td>$50.00</td>
<td>$50.00</td>
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<tr>
<td>0009</td>
<td>Late Payment Fee (in %, for bills paid between 30 and 60 days)</td>
<td>1</td>
<td>Each</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
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<td>Reconnection Fee</td>
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<td>Each</td>
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<td>$60.00</td>
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<td>$60.00</td>
<td>$60.00</td>
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<td>$60.00</td>
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</table>

**NOTE:** Parsons assumes equipment that is purchased/installed after full rollout of the program where the station elects to pay a monthly fee will have the “The monthly cost for stations paying for equipment over time” split equally over the remaining months of the four year term.

**NOTE:** New or existing stations purchasing equipment after year 5 will be invoiced for the equipment in its entirety.

### 3. All Inclusive Hourly Rates - Years 2 to 9 of the Contract, Hours Provided Over 500 Included in Contract

<table>
<thead>
<tr>
<th>LINE NO.</th>
<th>PRODUCT OR SERVICE DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
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<th>YEAR 3</th>
<th>YEAR 4</th>
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<th>YEAR 8</th>
<th>YEAR 9</th>
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<td>Per Hour</td>
<td>$100.00</td>
<td>$102.00</td>
<td>$104.04</td>
<td>$106.12</td>
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<td>0012</td>
<td>Business Analyst</td>
<td>1</td>
<td>Per Hour</td>
<td>$92.00</td>
<td>$93.84</td>
<td>$95.72</td>
<td>$97.63</td>
<td>$99.58</td>
<td>$101.58</td>
<td>$103.61</td>
<td>$105.68</td>
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<td>User Interface Designer</td>
<td>1</td>
<td>Per Hour</td>
<td>$92.00</td>
<td>$93.84</td>
<td>$95.72</td>
<td>$97.63</td>
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<td>$105.68</td>
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<tr>
<td>0014</td>
<td>Developer</td>
<td>1</td>
<td>Per Hour</td>
<td>$92.00</td>
<td>$93.84</td>
<td>$95.72</td>
<td>$97.63</td>
<td>$99.58</td>
<td>$101.58</td>
<td>$103.61</td>
<td>$105.68</td>
</tr>
<tr>
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<td>1</td>
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<td>$93.84</td>
<td>$95.72</td>
<td>$97.63</td>
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<td>$101.58</td>
<td>$103.61</td>
<td>$105.68</td>
</tr>
<tr>
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<td>Security Design Lead</td>
<td>1</td>
<td>Per Hour</td>
<td>$92.00</td>
<td>$93.84</td>
<td>$95.72</td>
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<td>$97.63</td>
<td>$99.58</td>
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5. **Allowable Contractor Charges to the State**

Except as set forth in this Section 5, the State shall have no payment obligations under this Contract. Contractor shall charge the State on an hourly basis for all software programming and labor charges which exceed the 500 hours per year, post implementation in accordance with the rate schedule provided in Table 3 above.

In the event the State elects to use Contractor services to implement a State sticker program, Contractor shall invoice the State for State sticker program operation fees on such terms as the parties may agree in an amendment to this Contract.

5.1 Additional cost tracking and reporting:

The vendor shall provide tracking and reporting of 500 programing hours per year, including any hours which may have been rolled over from previous years.

The vendor shall provide the State will access to all Official Inspection Station billing information throughout the term of this contract.

6. In the event of changes to laws which decrease contractor’s program revenue, the Contractor shall submit a Change request in accordance with Section 8 of Attachment A. In the event the parties are unable to come to agreement on changes to the project cost, either party may terminate in accordance with the terms hereof.

7. **Liquidated Damages - Attachment E.** Each party agrees that the failure by Contractor to meet the service levels defined in Attachment E (Performance SLA) will cause the State to suffer damages which are difficult to estimate. Each party represents after all diligence it has determined appropriate, that the Liquidated Damages set forth in Attachment E hereto (the “Liquidated Damages”) are reasonable estimates of the damages which the State will suffer for a failure to meet each service level set forth therein and agrees that the Liquidated Damages are not a penalty. Each party agrees that the Liquidated Damages are intended to be reasonable estimates of the actual damages that the State would suffer, and are enforceable, valid and binding upon it and are the sole and exclusive remedy to the State for failures described therein.
1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.

3. **Definitions:** For purposes of this Attachment, “Party” shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.

4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.

5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits to the extent caused by any negligent act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses to the extent caused by any negligent act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No
warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party’s operations. These are solely minimums that have been established to protect the interests of the State.

**Workers Compensation:** With respect to all operations performed, the Party shall carry workers’ compensation insurance in accordance with the laws of the State of Vermont.

**General Liability and Property Damage:** With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

- $1,000,000 Per Occurrence
- $1,000,000 General Aggregate
- $1,000,000 Products/Completed Operations Aggregate
- $50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

**Automotive Liability:** The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: $1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.

9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends $500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends $750,000 or more in federal assistance during its fiscal year and must be
conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

10. Records Available for Audit: The Party shall maintain all records pertaining to performance under this agreement. “Records” means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

11. Fair Employment Practices and Americans with Disabilities Act: Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. Set Off: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. Taxes Due to the State:
   a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
   b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
   c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due the State of Vermont.
   d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. Child Support: (Applicable if the Party is a natural person, not a corporation or partnership.)
   Party states that, as of the date the Agreement is signed, he/she:
   a. is not under any obligation to pay child support; or
   b. is under such an obligation and is in good standing with respect to that obligation; or
   c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.
Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. **Sub-Agreements**: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. **No Gifts or Gratuities**: Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. **Copies**: All written reports prepared under this Agreement will be printed using both sides of the paper.

18. **Certification Regarding Debarment**: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party’s principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State’s debarment list at: [http://bgs.vermont.gov/purchasing/debarment](http://bgs.vermont.gov/purchasing/debarment)

19. **Certification Regarding Use of State Funds**: In the case that Party is an employer and this Agreement is a State Funded Grant in excess of $1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party’s employee’s rights with respect to unionization.

20. **Internal Controls**: In the case that this Agreement is an award that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

21. **Mandatory Disclosures**: In the case that this Agreement is an award funded in whole or in part by Federal funds, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

22. **Conflict of Interest**: Party must disclose in writing any potential conflict of interest in accordance with Uniform Guidance §200.112, Bulletin 5 Section X and Bulletin 3.5 Section IV.B.
OTHER TERMS AND CONDITIONS

1. OWNERSHIP AND LICENSE IN DELIVERABLES

1.1 Contractor Intellectual Property. Contractor shall retain all right, title and interest in and to any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that has been created by Contractor prior to entering into this Contract (“Contractor Intellectual Property”). Should the State require a license for the use of Contractor Intellectual Property in connection with the development or use of the items that Contractor is required to deliver to the State under this Contract, including Work Product (“Deliverables”), the Contractor shall grant the State a royalty-free license for such development and use. For the avoidance of doubt, Work Product shall not be deemed to include Contractor Intellectual Property, provided the State shall be granted an irrevocable, perpetual, non-exclusive royalty-free license to use any such Contractor Intellectual Property that is incorporated into Work Product, for the purposes contemplated in this contract. Any other use of Contractor Intellectual Property shall require Contractor Consent.

1.2 State Intellectual Property. The State shall retain all right, title and interest in and to (i) all content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, and to all information that is created under this Contract, including, but not limited to, all data that is generated under this Contract as a result of the use by Contractor, the State or any third party of any technology systems or knowledge bases that are developed for the State and used by Contractor hereunder, and all other rights, tangible or intangible; and (ii) all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Contract (collectively, “State Intellectual Property”).

Contractor may not use State Intellectual Property for any purpose other than as specified in this Contract. Upon expiration or termination of this Contract, Contractor shall return or destroy all State Intellectual Property and all copies thereof, and Contractor shall have no further right or license to such State Intellectual Property.

Contractor acquires no rights or licenses, including, without limitation, intellectual property rights or licenses, to use State Intellectual Property for its own purposes. In no event shall the Contractor claim any security interest in State Intellectual Property.

1.3 Work Product. All Work Product shall belong exclusively to the State, with the State having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Contractor shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.

“Work Product” means any tangible or intangible ideas, inventions, improvements, modifications, discoveries, development, customization, configuration, methodologies or processes, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, computer programs, work of authorship, specifications, operating instructions, procedures manuals or other documentation, technique, know-how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or
subject to analogous protection), that is specifically made, conceived, discovered or reduced to practice by Contractor, either solely or jointly with others, pursuant to this Contract. Work Product does not include Contractor Intellectual Property or third party intellectual property.

To the extent delivered under this Contract, upon full payment to Contractor in accordance with Attachment B, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to State all rights in and to all Deliverables, except to the extent they include any Contractor Intellectual Property; and (ii) grants to State a perpetual, non-exclusive, irrevocable, royalty-free license to use for State’s internal business purposes, any Contractor Intellectual Property included in the Deliverables in connection with its use of the Deliverables and, subject to the State’s obligations with respect to Confidential Information, authorize others to do the same on the State’s behalf. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Intellectual Property.

The Contractor shall not sell or copyright a Deliverable without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor Intellectual Property or Contractor Intellectual Property developed outside of this Contract with no assistance from State.

2. CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING

2.1 Confidentiality of Contractor Information. The Contractor acknowledges and agrees that this Contract and any and all Contractor information obtained by the State in connection with this Contract are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq. The State will not disclose information for which a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

The State shall immediately notify Contractor of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for Contractor information. Contractor may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of such information under applicable State law within three business days of the State’s receipt of any such request. Contractor agrees that it will not make any claim against the State if the State makes available to the public any information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental body or agency compelling its production. Contractor shall indemnify the State for any costs or expenses incurred by the State, including, but not limited to, attorneys’ fees awarded in accordance with 1 V.S.A. § 320, in connection with any action brought in connection with Contractor’s attempts to prevent or unreasonably delay public disclosure of Contractor’s information if a final decision of a court of competent jurisdiction determines that the State improperly withheld such information and that the improper withholding was based on Contractor’s attempts to prevent public disclosure of Contractor’s information.

The State agrees that (a) it will use the Contractor information only as may be necessary in the course of performing duties, receiving services or exercising rights under this Contract; (b) it will provide at a minimum the same care to avoid disclosure or unauthorized use of Contractor information as it provides to protect its own similar confidential and proprietary information; (c) except as required by the Access to Records Act, it will not disclose such information orally or in writing to any third party unless that third party

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party is subject to a written confidentiality agreement that contains restrictions and safeguards at least as restrictive as those contained in this Contract; (d) it will take all reasonable precautions to protect the Contractor’s information; and (e) it will not otherwise appropriate such information to its own use or to the use of any other person or entity.

Contractor may affix an appropriate legend to Contractor information that is provided under this Contract to reflect the Contractor’s determination that any such information is a trade secret, proprietary information or financial information at time of delivery or disclosure.

2.2 Confidentiality of State Information. In performance of this Contract, and any exhibit or schedule hereunder, the Party acknowledges that certain State Data (as defined below), to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by State or federal law. Before receiving or controlling State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State. State Data shall not be stored, accessed from, or transferred to any location outside the United States.

Unless otherwise instructed by the State, Contractor agrees to keep confidential all information received and collected by Contractor in connection with this Contract (“State Data”). The Contractor agrees not to publish, reproduce, or otherwise divulge any State Data in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to State Data in the Contractor’s possession to only those employees on its staff who must have the information on a “need to know” basis. The Contractor shall use State Data only for the purposes of and in accordance with this Contract. The Contractor shall provide at a minimum the same care to avoid disclosure or unauthorized use of State Data as it provides to protect its own similar confidential and proprietary information.

The Contractor shall promptly notify the State of any request or demand by any court, governmental agency or other person asserting a demand or request for State Data to which the Contractor or any third party hosting service of the Contractor may have access, so that the State may seek an appropriate protective order.

2.3 Security of State Information. The Contractor represents and warrants that it has implemented and it shall maintain during the term of this Contract the highest industry standard administrative, technical, and physical safeguards and controls consistent with NIST Special Publication 800-53 (version 4 or higher) and Federal Information Processing Standards Publication 200 and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.
2.4 **Back-Up Policies.** The Contractor’s back-up policies have been made available to the State upon execution of this Contract under separate cover. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

2.5 **Security Breaches; Security Breach Reporting.** To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor acknowledges that in the performance of its obligations under this Contract, it will be a “data collector” pursuant to Chapter 62 of Title 9 of the Vermont Statutes (9 V.S.A. §2430(3)). The Contractor shall have policies and procedures in place for the effective management of Security Breaches, as defined below.

In addition to the requirements set forth in any applicable Business Associate Agreement as may be attached to this Contract, in the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (including, as applicable, PII, PHI or ePHI) in any format or media, whether encrypted or unencrypted (for example, but not limited to: physical trespass on a secure facility; intrusion or hacking or other brute force attack on any State environment; loss or theft of a PC, laptop, desktop, tablet, smartphone, removable data storage device or other portable device; loss or theft of printed materials; or failure of security policies) (collectively, a “Security Breach”), the Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached, revoke access and/or correct weaknesses in physical security. Contractor shall analyze and document the incident and provide the required notices, as set forth below.

In accordance with Section 9 V.S.A. §2435(b)(3), the Contractor shall notify the Office of the Attorney General, or in the case of a Security Breach by a data collector regulated by the Vermont Department of Financial Regulation (“DFR”), DFR, within fourteen (14) business days of the Contractor’s discovery of the Security Breach. The notice shall provide a preliminary description of the breach. The foregoing notice requirement shall be included in the subcontracts of any of Contractor’s subcontractors, affiliates or agents which may be “data collectors” hereunder. Except to the extent delayed upon request of law enforcement in accordance with 9 V.S.A. §2435(b)(4), within thirty days of the Security Breach or when the Contractor provides notice to consumers pursuant to this Contract, whichever is sooner, the Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State.

The Contractor agrees to comply with all applicable laws, as such laws may be amended from time to time (including, but not limited to, Chapter 62 of Title 9 of the Vermont Statutes and all applicable State and federal laws, rules or regulations) that require notification in the event of unauthorized release of personally-identifiable information or other event requiring notification. Further, the Contractor agrees to fully cooperate with the State, assume responsibility for such notice if the State determines it to be appropriate under the circumstances of any particular Security Breach, and assume all costs associated with a Security Breach, including but not limited to, notice, outside investigation and services (including mailing, call center, forensics, counsel and/or crisis management), and/or credit monitoring, in the sole determination of the State.

In addition to any other indemnification obligations in this Contract, the Contractor shall fully indemnify and save harmless the State from any costs, loss or damage to the State resulting from a Security Breach or the unauthorized disclosure of State Data to the extent caused by the Contractor, its officers, agents, employees, and subcontractors.
3. **SUBCONTRACTORS**

Contractor shall be responsible for directing and supervising each of its subcontractors and any other person performing any of the Work under an agreement with Contractor. Contractor has provided to the State a list of all subcontractors and subcontractors’ subcontractors, together with the identity of those subcontractors’ workers compensation insurance providers. Contractor shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing any of the Services under an agreement with Contractor or any subcontractor. Notwithstanding the foregoing, Contractor shall not be responsible or liable to the State for the acts or omissions of the Oversight Contractor, Training Contractor or Acceptance Testing Contractor.

4. **CONTRACTOR'S REPRESENTATIONS AND WARRANTIES**

4.1 **General Representations and Warranties.** The Contractor represents, warrants and covenants that:

(i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.

(ii) There is no pending litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor’s ability to fulfill its obligations under this Contract.

(iii) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.

(iv) The Contractor (a) owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the Deliverables as set forth in this Contract; (b) shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into its product; and (c) none of the Deliverables or other materials or technology provided by the Contractor to the State will infringe upon or misappropriate the intellectual property rights of any third party.

(v) The Contractor has adequate resources to fulfill its obligations under this Contract.

(vi) Neither Contractor nor Contractor’s subcontractors has past state or federal violations, convictions or suspensions relating to miscoding of employees in NCCI job codes for purposes of differentiating between independent contractors and employees.

4.2 **Contractor’s Performance Warranties.** Contractor represents and warrants to the State that:

(i) All Deliverables will be free from material errors and shall perform in accordance with the specifications therefor.

(ii) Each and all of the services shall be performed in a timely, diligent, professional and workpersonlike manner, in accordance with the highest professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment. At its own expense and without limiting any other rights or remedies of the State hereunder, the Contractor shall re-perform any services that the State has determined to be unsatisfactory in its reasonable discretion; the State shall have no obligation to pay for services it has determined to be unsatisfactory.
(iii) All Deliverables supplied by the Contractor to the State shall be transferred free and clear of any and all restrictions on the conditions of transfer, modification, licensing, sublicensing and free and clear of any and all lines, claims, mortgages, security interests, liabilities and encumbrances or any kind.

(iv) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State. Notwithstanding the foregoing, Contractor assumes no responsibility for the State’s negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.

4.3 Limitation on Disclaimer. The express warranties set forth in this Contract shall be in lieu of all other warranties, express or implied.

4.4 Effect of Breach of Warranty. If, at any time during the term of this Contract, software or the results of Contractor’s work fail to perform according to any warranty of Contractor under this Contract, the State shall promptly notify Contractor in writing of such alleged nonconformance, and Contractor shall provide at no additional cost of any kind to the State, the maintenance required.

5 PROFESSIONAL LIABILITY AND CYBER LIABILITY INSURANCE COVERAGE

In addition to the insurance required in Attachment C to this Contract, before commencing work on this Contract and throughout the term of this Contract, Contractor agrees to procure and maintain (a) Technology Professional Liability insurance for any and all services performed under this Contract, with minimum third party coverage of $2,000,000 per claim, $3,000,000 aggregate; and (b) first party Breach Notification Coverage of not less than $1,500,000.

Before commencing work on this Contract the Contractor must provide certificates of insurance to show that the foregoing minimum coverages are in effect.

With respect to the first party Breach Notification Coverage, Contractor shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

6 LIMITATION OF LIABILITY.

THE STATE AGREES TO LIMIT THE LIABILITY OF THE CONTRACTOR TO THE STATE FOR STATE CLAIMS, LOSSES, COSTS OR DAMAGES, SO THAT THE LIABILITY OF THE CONTRACTOR TO THE STATE SHALL NOT EXCEED $2,000,000. LIMITS OF LIABILITY FOR STATE CLAIMS WHICH MAY BE AGREED BY THE STATE SHALL NOT APPLY TO STATE CLAIMS ARISING OUT OF: (A) CONTRACTOR’S OBLIGATION TO INDEMNIFY THE STATE; (B) CONTRACTOR’S CONFIDENTIALITY OBLIGATIONS TO THE STATE; (C) PERSONAL INJURY OR DAMAGE TO REAL OR PERSONAL PROPERTY; (D) CONTRACTOR’S GROSS NEGLIGENCE, FRAUD OR INTENTIONAL MISCONDUCT; OR (E) VIOLATIONS OF THE STATE OF VERMONT FRAUDULENT CLAIMS ACT. IN NO EVENT SHALL CONTRACTOR’S LIABILITY BE LIMITED FOR THIRD PARTY CLAIMS AGAINST THE CONTRACTOR WHICH MAY ARISE OUT OF CONTRACTOR’S ACTS OR OMISSIONS IN THE PERFORMANCE OF THIS CONTRACT.
NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, DAMAGES WHICH ARE UNFORESEEABLE TO THE PARTIES AT THE TIME OF CONTRACTING, DAMAGES WHICH ARE NOT PROXIMATELY CAUSED BY A PARTY, SUCH AS LOSS OF ANTICIPATED BUSINESS, OR LOST PROFITS, INCOME, GOODWILL, OR REVENUE IN CONNECTION WITH OR ARISING OUT OF THE SUBJECT MATTER OF THIS CONTRACT.

The provisions of this Section shall apply notwithstanding any other provisions of this Contract or any other agreement.

7 SOVEREIGN IMMUNITY

The Contractor acknowledges that the State reserves all immunities, defenses, rights or actions arising out of the State’s sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State’s entry into this Contract.

8 DISPUTE RESOLUTION

8.1 Governing Law; Jurisdiction. The Contractor agrees that any action or proceeding brought by either the State or the Contractor in connection with this Contract shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Contractor irrevocably submits to the jurisdiction of such court in respect of any such action or proceeding. The State shall not be liable for attorneys’ fees in any proceeding.

8.2 Contractor Default. The Contractor shall be in default under this Contract if Contractor commits any material breach of any covenant, warranty, obligation or certification under this Contract, fails to perform the Services in conformance with the specifications and warranties provided in this Contract, or clearly manifests an intent not to perform future obligations under this Contract, and such breach or default is not cured, or such manifestation of an intent not to perform is not corrected by reasonable written assurances of performance within thirty (30) days after delivery of the State’s notice period, or such longer period as the State may specify in such notice.

8.3 State Default. State shall be in default under this Contract if State commits any material breach or default of any covenant, warranty, or obligation under this Contract and State fails to cure such failure within thirty (30) business days after delivery of Contractor’s notice or such longer period as Contractor may specify in such notice.

8.4 Continuity of Performance. In the event of a dispute between the Contractor and the State, each party will continue to perform its obligations under this Contract during the resolution of such dispute unless and until this Contract is terminated in accordance with its terms.

9 REMEDIES FOR DEFAULT

In the event either party is in default under this Contract, the non-defaulting party may, at its option, pursue any or all of the remedies available to it under this Contract, including termination for cause, and at law or in equity.

10 TERMINATION

Contractor shall reasonably cooperate with other parties in connection with all services to be delivered under this Agreement, including without limitation any successor provider to whom State Data is to be transferred in connection with termination. Contractor shall assist the State in exporting and extracting the State Data, in a format usable without the use of the Service and as agreed to by State, at no
additional cost. Any transition services requested by State involving additional knowledge transfer and support may be subject to a contract amendment on a time and materials basis either for a fixed fee or at rates to be mutually agreed upon by the parties.

If the State determines in its sole discretion that a documented transition plan is necessary, then no later than sixty (60) days prior to termination, Contractor and the State shall mutually prepare a Transition Plan identifying transition services to be provided.

Three (3) months after the termination or expiration of this Contract or upon the State’s earlier written request, and in any event after the State has had an opportunity to export and recover the State Data, Contractor shall at its own expense destroy and erase from all systems it directly or indirectly uses or controls all tangible or intangible forms of the State Data and State Intellectual Property, in whole or in part, and all copies thereof except such records as are required by law. To the extent that any applicable law prevents Contractor from destroying or erasing State Data as described in the preceding sentence, Contractor shall retain, in its then current state, all such State Data then within its right of control or possession in accordance with the confidentiality, security and other requirements of this Contract, and perform its obligations under this section as soon as such law no longer prevents it from doing so. Contractor shall, upon request, send a written certification to the State certifying that it has destroyed the State Data and State Confidential Information in compliance with this section.

11 CONTRACTOR BANKRUPTCY

Contractor acknowledges that if Contractor, as a debtor in possession, or a trustee in bankruptcy in a case under Section 365(n) of Title 11, United States Code (the "Bankruptcy Code"), rejects this Contract, the State may elect to retain its rights under this Contract as provided in Section 365(n) of the Bankruptcy Code. Upon written request of the State to Contractor or the Bankruptcy Trustee, Contractor or such Bankruptcy Trustee shall not interfere with the rights of the State as provided in this Contract, including the right to obtain the State Intellectual Property.

12 ACCESS TO STATE DATA

Within ten (10) business days of a request by State, the Contractor will make available to State a complete and secure (i.e. encrypted and appropriately authenticated) download file of State Intellectual Property and State Data in a format acceptable to State including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in their native format. Provided, however, in the event the Contractor ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any statute of any state relating to insolvency or the protection of rights of creditors, the Contractor shall immediately return all State Intellectual Property and State Data to State control; including, but not limited to, making all necessary access to applicable remote systems available to the State for purposes of downloading all State Data.

The Contractor’s policies regarding the retrieval of data upon the termination of services have been made available to the State upon execution of this Contract under separate cover. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.
13 DESTRUCTION OF STATE DATA
At any time during the term of this Contract within thirty days of (i) the State’s written request or (ii) termination or expiration of this Contract for any reason, Contractor shall securely dispose of all copies, whether in written, electronic or other form or media, of State Data, and certify in writing to the State that such State Data has been disposed of securely. Further, upon the relocation of State Data, Contractor shall securely dispose of such copies from the former data location and certify in writing to the State that such State Data has been disposed of securely. Contractor shall comply with all reasonable directions provided by the State with respect to the disposal of State Data.

14 STATE FACILITIES
During the term of this Contract, the State may make available to Contractor space in any State facility applicable to the Services, subject to the conditions that Contractor: (i) shall only use such space solely and exclusively for and in support of the Services; (ii) shall not use State facilities to provide goods or services to or for the benefit of any third party; (iii) shall comply with the leases, security, use and rules and agreements applicable to the State facilities; (iv) shall not use State facilities for any unlawful purpose; (v) shall comply with all policies and procedures governing access to and use of State facilities that are provided to Contractor in writing; (vi) instruct Contractor personnel not to photograph or record, duplicate, disclose, transmit or communicate any State information, materials, data or other items, tangible or intangible, obtained or available as a result of permitted use of State facilities; and (vii) return such space to the State in the same condition it was in at the commencement of this Contract, ordinary wear and tear excepted. State facilities will be made available to Contractor on an “AS IS, WHERE IS” basis, with no warranties whatsoever.

15 AUDIT

15.1 Audit Rights. Contractor will maintain and cause its permitted contractors to maintain a complete audit trail of all transactions and activities, financial and non-financial, in connection with this Contract. Contractor will provide to the State, its internal or external auditors, clients, inspectors, regulators and other designated representatives, at reasonable times (and in the case of State or federal regulators, at any time required by such regulators) access to Contractor personnel and to any and all Contractor facilities or where the required information, data and records are maintained, for the purpose of performing audits and inspections (including unannounced and random audits) of Contractor and/or Contractor personnel and/or any or all of the records, data and information applicable to this Contract. At a minimum, such audits, inspections and access shall be conducted to the extent permitted or required by any laws applicable to the State or Contractor (or such higher or more rigorous standards, if any, as State or Contractor applies to its own similar businesses, operations or activities), to (i) verify the accuracy of charges and invoices; (ii) verify the integrity of State Data and examine the systems that process, store, maintain, support and transmit that data; (iii) examine and verify Contractor’s and/or its permitted contractors’ operations and security procedures and controls; (iv) examine and verify Contractor’s and/or its permitted contractors’ disaster recovery planning and testing, business resumption and continuity planning and testing, contingency arrangements and insurance coverage; and (v) examine Contractor’s and/or its permitted contractors’ performance of the Services including audits of: (1) practices and procedures; (2) systems, communications and information technology; (3) general controls and physical and data/information security practices and procedures; (4) quality initiatives and quality assurance, (5) contingency and continuity planning, disaster recovery and back-up procedures for processes, resources and data; (6) Contractor’s and/or its permitted
contractors’ efficiency and costs in performing Services; (7) compliance with the terms of this Contract and applicable laws, and (9) any other matters reasonably requested by the State. Contractor shall provide and cause its permitted contractors to provide full cooperation to such auditors, inspectors, regulators and representatives in connection with audit functions and with regard to examinations by regulatory authorities, including the installation and operation of audit software.

15.2 Operations Security. The Contractor shall cause an SSAE 16 SOC 2 Type 2 audit report to be conducted annually. The audit results and the Contractor’s plan for addressing or resolution of the audit results shall be shared with the State within sixty (60) days of the Contractor's receipt of the audit results. Further, on an annual basis, within 90 days of the end of the Contractor’s fiscal year, the Contractor shall transmit its annual audited financial statements to the State.

16 CONFLICTS OF INTEREST

Contractor agrees that during the term of this Contract, its performance shall be solely in the best interest of the State. Contractor will not perform services for any person or entity which has also contracted with the State of Vermont in connection with the same project, without express written consent of the State. Contractor shall fully disclose, in writing, any such conflicts of interest, including the nature and extent of the work to be performed for any other person or entity so that the State may be fully informed prior to giving any consent. Contractor agrees that the failure to disclose any such conflicts shall be deemed an event of default under this Contract, and this Contract shall be terminable immediately.

17 MISCELLANEOUS

17.1 Taxes. Most State purchases are not subject to federal or state sales or excise taxes and must be invoiced tax free. An exemption certificate will be furnished upon request covering taxable items. The Contractor agrees to pay all Vermont taxes which may be due as a result of this Contract.

17.2 Force Majeure. Neither the State nor the Contractor shall be liable to the other for any failure or delay of performance of any obligations hereunder to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control making it illegal or impossible to perform their obligations under this Contract, including without limitation, acts of God, acts of civil or military authority, fires, floods, earthquakes or other natural disasters, war or riots. If a party asserts Force Majeure as an excuse for failure to perform the party’s obligation, then the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Contract, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

17.3 Marketing. Neither party to this Contract shall refer to the other party in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of such party prior to release.
## ATTACHMENT E

### SERVICE LEVEL AGREEMENTS & LIQUIDATED DAMAGES

<table>
<thead>
<tr>
<th>SLA</th>
<th>Primary Service Description</th>
<th>Primary Service Date</th>
<th>Liquidated Damages</th>
<th>Measurement Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-1</td>
<td>Agreement signed by the selected Vendor</td>
<td>Start – 30d</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>I-2</td>
<td>Agreement signed by the State.</td>
<td>Start – 30d</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>I-3</td>
<td>Vendor begins design of AVIS upon receiving notice to proceed from the State.</td>
<td>Start</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>I-4</td>
<td>Vendor submits a Project Management Plan for State Approval.</td>
<td>Start + 30d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: Project Management Plan is not delivered to the State in electronic format by end of business on specified primary service date; and/or Project Management Plan is not written using the standards, functionality and scope identified within the RFP.</td>
</tr>
<tr>
<td>I-5</td>
<td>Vendor submits a Quality Assurance Plan for State approval.</td>
<td>Start + 30d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the Quality Assurance Plan is not delivered to the State in electronic format by end of business on specified primary service date; and/or the Quality Assurance Plan is not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-6</td>
<td>Vendor submits a Change Management Plan for State approval.</td>
<td>Start + 30d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the Change Management Plan is not delivered to the State in electronic format by end of business on specified primary service date; and/or the Change Management Plan is not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-7</td>
<td>Pg. 50</td>
<td>Vendor submits a Transition Plan for State Approval.</td>
<td>Start + 60d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>I-8</td>
<td>Pg. 44</td>
<td>Vendor conducts requirements analysis and holds JAD sessions with State stakeholders.</td>
<td>Start + 60d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>I-9</td>
<td>Pg. 44</td>
<td>Vendor submits a final System Requirements Specification for State approval.</td>
<td>Start + 60d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>I-10</td>
<td>Pg. 44</td>
<td>Vendor submits a System Architecture and Design Specification for State approval.</td>
<td>Start + 90d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>I-12 Pg. 47</td>
<td>Vendor submits a <strong>System Backup and Recovery Plan</strong> for <em>State</em> approval.</td>
<td>Start + 120d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the System Backup and Recovery Plan is not delivered to <em>the State</em> in electronic format by end of business on specified primary service date; and/or the Plan is not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-13 Pg. 42</td>
<td>Vendor submits an <strong>Equipment Supply, Maintenance and Repair Plan</strong> for <em>State</em> approval.</td>
<td>Start + 120d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the Equipment Supply, Maintenance and Repair Plan is not delivered to <em>the State</em> in electronic format by end of business on specified primary service date; and/or the Plan is not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-14 Pg. 49</td>
<td>Vendor submits a <strong>Training Plan</strong> for <em>State</em> approval.</td>
<td>Start + 150d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the Training Plan is not delivered to <em>the State</em> in electronic format by end of business on specified primary service date; and/or the Plan is not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-15 Pg. 32</td>
<td>Vendor provisions <strong>User Acceptance Testing (UAT) Environment.</strong></td>
<td>Start + 180d</td>
<td>$5,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the UAT Environment is not provisioned (purchased, installed, configured and operational) by specified primary service date.</td>
</tr>
<tr>
<td>I-16 Pg. 32</td>
<td>Vendor deploys <strong>AVIS components</strong> to the UAT environment.</td>
<td>Start + 180d</td>
<td>$5,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: <strong>AVIS components</strong> are not operating in the UAT environment by start of business on specified primary service date; and/or <strong>AVIS components operating in the</strong> UAT environment were not built using <em>the State</em> approved specifications.</td>
</tr>
<tr>
<td>I-17</td>
<td>Vendor <strong>migrates DMV registration data to UAT environment.</strong></td>
<td>Start + 210d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels is not met if the following occurs: the DMV registration data is not migrated to the UAT environment by specified primary service date; and/or if the legacy data was not migrated using <em>the State</em> approved specifications.</td>
</tr>
<tr>
<td>I-18</td>
<td>Vendor submits <strong>Acceptance Testing Plan (ATP) (including scripts) and Performance Test Plan for State Approval.</strong></td>
<td>Start + 220d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the ATP (including scripts) are not delivered to <em>the State</em> in electronic format by end of business on specified primary service date; and/or the Plan and scripts are not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-19</td>
<td>Vendor <strong>conducts User Acceptance Testing and Performance Testing</strong> with the State utilizing the UAT environment and the ATP and scripts.</td>
<td>Start + 250d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the UAT activity is not successfully conducted using the standards, functionality and scope identified within this RFP by specified primary service date.</td>
</tr>
<tr>
<td>I-20</td>
<td>Vendor <strong>provisions Production (PROD) Environment.</strong></td>
<td>Project Start + 270d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the PROD Environment is not provisioned (purchased, installed, configured and operational) by specified primary service date.</td>
</tr>
<tr>
<td>I-21</td>
<td>Vendor <strong>corrects all critical and medium severity defects</strong> identified by <em>the State</em> during UAT.</td>
<td>Project Start + 350d</td>
<td>$5,000 USD per business day</td>
<td>The Primary Service Levels are not met if all Critical and Medium Severity Defects identified during UAT are not corrected by specified primary service date.</td>
</tr>
<tr>
<td>I-22</td>
<td>Vendor submits a <strong>Business Continuity and Disaster Recovery Plans for State approval.</strong></td>
<td>Project Start + 280d</td>
<td>$1,000 USD per business day</td>
<td>The Primary Service Levels are not met if the following occurs: the Business Continuity Plan is not delivered to <em>the State</em> in electronic format by end of business on specified primary service date; and/or the Plan is not written using the standards, functionality and scope identified within this RFP.</td>
</tr>
<tr>
<td>I-23</td>
<td>Pg. 58</td>
<td>Vendor <strong>migrates legacy data</strong> (sticker inventory, Official Inspection Stations, Inspection Mechanics) accurately and in its entirety to PROD environment.</td>
<td>Project Start + 300d</td>
<td><strong>$1,000 USD per business day</strong></td>
</tr>
<tr>
<td>I-24</td>
<td>Pg. 32</td>
<td>Vendor <strong>deploys AVIS components</strong> to the PROD environment.</td>
<td>Project Start + 270d</td>
<td><strong>$5,000 USD per business day</strong></td>
</tr>
<tr>
<td>I-25</td>
<td>Pg. 42</td>
<td>Vendor submits a <strong>Technical Support Hotline Training Manual</strong> for State approval.</td>
<td>Project Start + 320d</td>
<td><strong>$1,000 USD per business day</strong></td>
</tr>
<tr>
<td>I-25</td>
<td>Pg. 51</td>
<td>Vendor submits proposed <strong>VIS User Manual</strong> for State approval.</td>
<td>Start + 340d</td>
<td><strong>$1,000 USD per business day</strong></td>
</tr>
<tr>
<td>I-26</td>
<td>Pg. 60</td>
<td>Vendor submits a <strong>Closeout and Data Transition Plan for State</strong> approval.</td>
<td>Start + 350d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>-------</td>
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<td>-------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>I-27</td>
<td>Pg. 51</td>
<td>Vendor <strong>conducts AVIS Training Sessions</strong> with <strong>State</strong> staff.</td>
<td>Start + 350d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>I-28</td>
<td>Pg. 43</td>
<td><strong>All Official Inspection Stations converted</strong> such that all operations are functioning on <strong>AVIS</strong>.</td>
<td>Start + 365d</td>
<td>$1,000 USD per business day</td>
</tr>
<tr>
<td>O-1</td>
<td>Pg. 60</td>
<td>Critical Severity Defects must be corrected and deployed to UAT within five (5) business days of initial identification and deployed within one (1) business day after approval.</td>
<td>AVIP cutover + 90d</td>
<td>$10,000 USD per business day in excess of 5 business days for correction or 1 business day for deployment after correction.</td>
</tr>
<tr>
<td>O-2</td>
<td>Pg. 60</td>
<td>Medium Severity Defects must be corrected and deployed to UAT within ten (10) business days of initial identification and deployed within three (3) business days after approval.</td>
<td>AVIP cutover + 90d</td>
<td>$1,000 USD per business day in excess of 10 business days for correction or 3 business days for deployment after correction.</td>
</tr>
<tr>
<td>O-3 Pg. 60</td>
<td>Low Severity Defects will be grouped together, fixed and promoted with the next release or within six months of approval from the State, whichever comes first.</td>
<td>AVIP cutover + 90d</td>
<td>$1,000 USD per business day for each day past the next software release to production or within six months from approval by the State.</td>
<td>The Service Levels are not met if any Low Severity Defects identified by ongoing testing are not corrected and promoted to production with the next software release or within six months after receipt of software approval from the State by the Contractor.</td>
</tr>
<tr>
<td>O-4 Pg. 40</td>
<td>Complete Inspection records from VIS Tablets must transmit successfully and accurately to AVIS within sixty (60) seconds and pictures must transmit within 10 minutes during the principal operating period, excluding when Official Inspection Stations have no Internet connection. Stations using dial up to a local POP are excluded.</td>
<td>AVIP cutover + 0d</td>
<td>$1 USD per complete inspection record not transmitted within 60 seconds or pictures for a record not transmitted within 10 minutes.</td>
<td>The Service Level is not met if the following occurs: the complete inspection records are not transmitted within 60 seconds and pictures must transmit within 10 minutes successfully and accurately during principal operating hours. However, the Vendor will not miss their Service Level in cases where the inspection facility premises have no high speed Internet connection and are not able to send data to AVIS during.</td>
</tr>
<tr>
<td>O-5 PG. 34</td>
<td>All Production AVIS VID records and related data must replicate to Production AVIS databases (archive, warehouse, etc.) within 60 seconds or less, on average during principal hours of operation.</td>
<td>AVIP cutover + 0d</td>
<td>$1,000 USD per business day the average replication time is more than 60 seconds.</td>
<td>The Service Level is not met if the following occurs: the average replication is greater than 60 seconds and will be calculated on a daily basis over principal operating hours only on days when there are no downtime incidents.</td>
</tr>
<tr>
<td>O-6</td>
<td>Production AVIS downtime during principal hours of operation must not exceed 4 consecutive hours per event, or a total of 8 hours cumulative over 180 days during principal operating hours.</td>
<td>AVIP cutover + 0d to cutover + 180d</td>
<td>$5,000 USD after 4 consecutive hours per event, or a total of 8 hours cumulative over 180 days, plus an additional $5,000 USD for every 15 minutes thereafter.</td>
<td>The Service Levels are not met if the Production AVIS components are not fully functional and available to the Production VIS Tablets and/or related Production AVIS applications (e.g. AIM Portal) for more 4 consecutive hours per event or a total of 8 hours cumulative over 180 days during principal operating hours.</td>
</tr>
<tr>
<td>O-7</td>
<td>Production AVIS downtime during principal hours of operation must not exceed 2 consecutive hours per event, or a total of 8 hours per year cumulative during principal operating hours.</td>
<td>AVIP cutover + 180d</td>
<td>$5,000 USD after 2 consecutive hours per event, or a total of 8 hours cumulative per year, plus an additional $5,000 USD for every 15 minutes thereafter.</td>
<td>The Service Levels are not met if the Production AVIS components are not fully functional and available to the VIS Tablets; and/or related Production AVIS applications (e.g. AIM Portal) for more 2 consecutive hours per event or a total of 8 hours cumulative per year during principal operating hours.</td>
</tr>
<tr>
<td>O-8</td>
<td>Unscheduled Production AVIS downtime during non-principal hours of operation must not exceed 8 consecutive hours per event, or a total of 16 hours cumulative in over 180 days during non-principal operating hours when not scheduled ahead of time.</td>
<td>AVIP cutover + 0d to cutover + 180d</td>
<td>$5,000 USD after 8 consecutive hours per event, or a total of 16 hours cumulative over 180 days, plus an additional $5,000 USD for every 60 minutes thereafter.</td>
<td>The Service Levels are not met if the Production AVIS components are not fully functional and available to the VIS Tablets; and/or related Production AVIS applications (e.g. AIM Portal) for more 4 consecutive hours per event or a total of 16 hours cumulative over 180 days during non-principal operating hours when not scheduled ahead of time.</td>
</tr>
<tr>
<td>O-9</td>
<td>Unscheduled Production AVIS downtime during non-principal hours of operation must not exceed 4 consecutive hours per event, or a total of 16 hours per year cumulative during non-principal operating hours when not scheduled ahead of time.</td>
<td>AVIP cutover + 180d</td>
<td>$5,000 USD after 4 consecutive hours per event, or a total of 16 hours cumulative per year, plus an additional $5,000 USD for every 60 minutes thereafter.</td>
<td>The Service Levels are not met if the Production AVIS components are not fully functional and available to the VIS Tablets; and/or related Production AVIS applications (e.g. AIM Portal) for more 4 consecutive hours per event or a total of 16 hours cumulative per year during non-principal operating hours when not scheduled ahead of time.</td>
</tr>
<tr>
<td>O-10 Pg. 33</td>
<td>The average response time of all Production AVIS services during principal operating hours must not exceed an average of ten (10) seconds over the daily principal operating period (measured in hours).</td>
<td>AVIP cutover + 0d</td>
<td>$1,000 USD per business day that the response time is not met</td>
<td>The Service Levels are not met if any users of VIS Tablets are waiting on average more than 10 seconds for the Production AVIS services to respond. The Service Level will be measured using elapsed transaction response times (a minus b) when any client inspection transaction request hits the server (a) and the server responds with any completed inspection transaction to the client (b) and will be calculated on a daily basis over prime operating hours only on days when there are no downtime incidents.</td>
</tr>
<tr>
<td>O-11 Pg. 32</td>
<td>UAT AVIS downtime during principal hours of operation must not exceed 16 consecutive principal operating hours per event, or a total of 24 principal or non-principal operating hours cumulative per month.</td>
<td>AVIP cutover + 0d</td>
<td>$5,000 USD after 16 consecutive hours per event, or a total of 24 hours cumulative per month, plus an additional $1,000 USD for every 60 minutes thereafter.</td>
<td>The Service Levels are not met if the UAT AVIS components are not fully functional and available to the VIS Tablets; and/or related UAT AVIS applications (e.g. AIM Portal) for more 16 consecutive principal operating hours per event or a total of 24 principal or non-principal operating hours cumulative per month.</td>
</tr>
<tr>
<td>O-12 Pg. 51</td>
<td>All documentation defined in Section 4.3.6 “Documentation” shall be updated and submitted to the State annually by November 30th each calendar year.</td>
<td>AVIP cutover + 365d, and annually thereafter.</td>
<td>$1,000 USD per business day in excess of the annual review date.</td>
<td>The Service Levels are not met if the State does not receive approved updates to AVIS documentation (plans, manuals) as described in the Documentation Section 4.3.4 by November 30th of each calendar year during the term of the Contract.</td>
</tr>
<tr>
<td>O-13 Pg. 48</td>
<td>Physical Testing of Business Continuity and Disaster Recovery plans and submission of a findings report indicating pass/fail of all AVIS components to the State annually by December 31st each calendar year during the term of the contract.</td>
<td>AVIP cutover + 365d, annually thereafter.</td>
<td>$2,000 USD per business day in excess of the annual review date.</td>
<td>The Service Levels are not met if the State does not receive a findings report that the physical testing of the Business Continuity Plan was completed and pass/fail results of AVIS components documented by end of business on December 31st of each calendar year during the term of the contract.</td>
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<tr>
<td>O-14 Pg. 37</td>
<td>OBDII communications rate between the VIS Tablet and vehicles required to receive an OBDII test and are OBDII compliant must be greater than or equal to 99.9%. Those vehicles identified in SAE J1699/4 as problematic and vehicles that do not have power on pin 16 shall be excluded from these calculations.</td>
<td>AVIP cutover + 0d</td>
<td>$5,000 USD for every percentage point below required applicable communication rates on a monthly basis.</td>
<td>The Service Levels are not met if the successful communication rate with the VIS is less than the given rates on average as measured by total successful communications rate per month divided by total OBDII tests per month. Failing communication results on known problematic vehicles as published in SAE J1699/4 and vehicles that do not have power on pin 16 are excluded from calculation.</td>
</tr>
<tr>
<td>O-15 Pg. 28</td>
<td>Applications for Time Extensions must be processed within three business days of receipt by Vendor and a response provided to the motorist.</td>
<td>AVIP cutover + 0d</td>
<td>$100 USD per instance of a motorist being contacted more than three business days after receipt.</td>
<td>The Service Level is not met if the following occurs: A response to applications for Time Extensions is not provided to motorists within three business days of the application being received by the Vendor.</td>
</tr>
<tr>
<td>O-16 Pg. 33</td>
<td>AVIS must retain inspection data, and all data related to inspections, online and readily accessible in real time by both State personnel and AVIS applications for a minimum of 3 years in the AVIP transactional database (OLTP).</td>
<td>AVIP cutover + 0d</td>
<td>$100 USD per inspection record not retained for a minimum of 3 years.</td>
<td>The Service Levels are not met if the following occurs: Inspection data and all related data to an inspection record are not retained and accessible in real time for a minimum of 3 years in the AVIP transactional database (OLTP) of AVIS. Thereafter the data can be moved to an ODS database.</td>
</tr>
<tr>
<td>O-17 Pg. 33</td>
<td>AVIS must retain all inspection data and all data related to inspections, for the term of the Contract in the AVIS ODS database.</td>
<td>AVIP cutover + 0d</td>
<td>$100 USD per inspection record not retained.</td>
<td>The Service Levels are not met if the following occurs: Inspection data and all related data to an inspection record are not retained for the term of the Contract in the AVIS ODS database.</td>
</tr>
<tr>
<td>O-18 Pg. 34 Pg. 61</td>
<td>AVIP will not suffer a “Major” security breach at any time during the term of Contract.</td>
<td>AVIP cutover + 0d</td>
<td>$25,000 USD per incident plus actual measurable damages.</td>
<td>The Service Levels are not met if the following occurs: A “Major” security breach, as determined by the State, occurs during the term of the Contract.</td>
</tr>
<tr>
<td>O-19 Pg. 34 Pg. 61</td>
<td>AVIP will not suffer a “Minor” security breach at any time during the term of Contract.</td>
<td>AVIP cutover + 0d</td>
<td>$5,000 USD per incident.</td>
<td>The Service Levels are not met if the following occurs: A “Minor” security breach, as determined by the State, occurs during the term of the Contract.</td>
</tr>
<tr>
<td>O-20</td>
<td>The State must be formally notified of any real or potential security breach to any of AVIS environments (PROD, UAT, DEV, etc.) within 30 minutes of detection by the Vendor.</td>
<td>AVIP cutover + 0d</td>
<td>$2,000 USD per violation.</td>
<td>The Service Levels are not met if the following occurs: a real or potential security breach to any environment of AVIS is discovered by the Vendor, and the State is not formally notified within 30 minutes.</td>
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</tr>
<tr>
<td>O-21</td>
<td>The State must be formally notified of any suspected or actual loss of major functionality of the PROD and/or UAT AVIS environments within 30 minutes of discovery by the Vendor.</td>
<td>AVIP cutover + 0d</td>
<td>$2,000 USD per violation.</td>
<td>The Service Levels are not met if the following occurs: a suspected or actual loss of major functionality to the PROD or UAT environments of AVIS is detected by the Vendor, and the State is not formally notified within 30 minutes.</td>
</tr>
<tr>
<td>O-22</td>
<td>The Technical Support Hotline must be available to Official Inspection Stations during principal operating hours and 98% of calls made by Official Inspection Stations to the Technical Support Hotline must be received and placed in a call queue, answered within 10 minutes from the queue, or a return call to the caller within 2 business hours.</td>
<td>AVIP cutover + 0d</td>
<td>$50 USD per call not returned when the caller leaves a message to have their call returned or calls less than the 98%.</td>
<td>The Service Levels are not met if the following occurs: inspection facility contacts the hotline during principal operating hours and less than 98% of the time their calls are not answered, placed in queue, answered within 10 minutes off queue or has a call returned within 2 hours if they chose to leave a message versus waiting beyond 10 minutes in queue.</td>
</tr>
<tr>
<td>O-23</td>
<td>The Vendor shall dispatch a repair technician to the site to determine the problem and recommend a solution 95% of the time within one (1) business day of receipt of the call.</td>
<td>AVIP cutover + 0d</td>
<td>$50 USD per inspection facility which is not visited within one day of the call less than 95%</td>
<td>The Service Levels are not met if the following occurs: 95% of the dispatches are not completed within 1 business day of receipt of the call.</td>
</tr>
<tr>
<td>O-24</td>
<td>The Vendor shall complete equipment repair requests 95% of the time within two business days of the site visit and 100% of the time within three business days of the site visit.</td>
<td>AVIP cutover + 0d</td>
<td>$50 USD per inspection facility per day beyond two business days after the site visit exceeding 95% or any exceeding three business days. For each month the number of station repair violations meets or exceeds 2% of the then-current station population, the Vendor must also pay an additional fine of $2000 USD.</td>
<td>The Service Levels are not met if the following occurs: equipment repairs are not completed within two business days 95% of the time or within three days in all cases.</td>
</tr>
<tr>
<td>P-1</td>
<td>Vendor provides one-time complete extract of Inspection data and all related data to the next Contractor in a file and content format agreed to by the State.</td>
<td>Closeout Transition – 60d</td>
<td>$10,000 USD per business day</td>
<td>The Service Level is not met if the following occurs: the data extract is not provided per the guidelines set forth in this RFP; and the resulting data extract is not provided in a useable file and content format to the Contractor by end of business on Primary Service Date.</td>
</tr>
<tr>
<td>P-2</td>
<td>Vendor provides daily inclusive extract of all changed Inspection data, and all related data to the future Vendor, to keep the subsequent databases in sync with the existing AVIS databases.</td>
<td>Transition – 60d until Transition +60d</td>
<td>$1,000 USD per business day</td>
<td>The Service Level is not met if the following occurs: the data extract is not provided per the guidelines set forth in this RFP; and the resulting data extract is not provided in an agreed to and useable format to the future Vendor each business day by 10:00am EST per State requirements.</td>
</tr>
<tr>
<td>P-3 Pg. 60</td>
<td>Vendor keeps existing AVIS running per Operational SLA levels during new Vendor System Stabilization period.</td>
<td>Transition + 60d</td>
<td>$10,000 USD per business day</td>
<td>The Service Level is not met if the following occurs: AVIS is not maintained per the existing Operational Service Level Agreements up until the close of business on the Primary Service Date.</td>
</tr>
</tbody>
</table>
STATE OF VERMONT CONTRACT SUMMARY AND CERTIFICATION - - - - - Form AA-14 (1/8/2019)

Note: All sections must be completed. Incomplete forms will be returned to the originating department.

I. CONTRACT INFORMATION:
Agency/Department: Agency of Transportation/ Department of Motor Vehicles
Vendor Name: Parsons Environment & Infrastructure Group Inc.
Vendor Address: 1422 S. Tryon St. Ste. 700, Charlotte, NC 28203
Contract #: 31130
Amendment #: 4
Starting Date: 3/29/2011
Ending Date: 3/31/2025
Amendment Date: 05/28/2021
Summary of agreement or amendment: Stickers on Demand - Automated Vehicle Inspection Program

II. FINANCIAL & ACCOUNTING INFORMATION
Maximum Payable: $7,219,220.00
Prior Maximum: $2,144,000.00
Prior Contract # (If Renewal):
Current Amendment: $5,075,220.00
Cumulative amendments: $7,119,220.00
% Cumulative Change: 7119.
Business Unit(s): 8100; [notes: ]
VISION Account(s): 50565; 507566
Estimated %GF %SF %EF % Other
Funding Split: 100.00% TF %GC % FF (name)

III. PROCUREMENT & PERFORMANCE INFORMATION
A. Identify applicable procurement process utilized.
☒ Standard Bid/RFP ☐ Simplified ☐ Sole Source (See B.) ☐ Qualification Based Selection ☐ Statutory
B. If Sole Source Contract, contract form includes self-certification language? ☒ Yes ☐ N/A
C. Contract includes performance measures/guarantees to ensure the quality and/or results of the service? ☒ Yes ☐ No

IV. TYPE OF AGREEMENT (select all that apply)
☐ Personal Service ☒ Non-Personal Service
☐ Construction ☐ Arch/Eng. ☐ Marketing ☒ Info. Tech. ☐ Prof. Service
☐ Commodity ☐ Retiree/Former SOV EE ☐ Financial Trans ☐ Zero-Dollar ☐ Privatization ☐ Other

V. SUITABILITY FOR CONTRACT FOR SERVICE
☐ Yes ☐ No ☐ n/a Does this contract meet the determination of an Independent Contractor? If “NO”, the contractor must be set up and paid on payroll through the VTHR system.

VI. CONTRACTING PLAN APPLICABLE
Is any element of this contract subject to a pre-approved Agency/Dept. Contracting Waiver Plan? ☐ Yes ☒ No

VII. CONFLICT OF INTEREST
By signing below, I (Agency/Dept. Head) certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.
☒ Yes ☐ No
Is there an “appearance” of a conflict of interest so that a reasonable person may conclude that this party was selected for improper reasons: (If yes, explain)

VIII. PRIOR APPROVALS REQUIRED OR REQUESTED
☒ Yes ☐ No ☐ n/a Agreement must be Certified by the Attorney General under 3 V.S.A. § 342 (sign line #4 below)
☒ Yes ☐ No Agreement General review As To Form is required ($25,000 and above) or otherwise requested: ____ (AAG initial)
☒ Yes ☐ No Agreement must be approved by the Secretary of ADS/CIO
☒ Yes ☐ No Agreement must be approved by the CMO: for Marketing services over $25,000
☒ Yes ☐ No Agreement must be approved by Comm. Human Resources: for Privatization, Retirees, Former Employees, & if a Contract fails the IRS test.
☒ Yes ☐ No Agreement must be approved by the Secretary of Administration

IX. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL
I have made reasonable inquiry as to the accuracy of the above information (sign in order):

May 10, 2021 E-SIGNED by Waneda Minor on 2021-05-10 13:02:16 EDT
1-Date 1-Agency/Department Head
2-Date 2-Agency Secretary (if required)

May 21, 2021 E-SIGNED by John Quinn on 2021-05-21 07:44:22 EDT
3a-Date 3a-CIO 3b-Date 3b-CMO
May 26, 2021 E-SIGNED by Kristin L. Clouser on 2021-05-26 12:15:54 EDT
3c-Date 3c-Commissioner DHR

May 18, 2021 E-SIGNED by Jesse Moorman on 2021-05-18 15:58:32 EDT
4-Date 4-Attorney General
May 26, 2021 E-SIGNED by Kristin L. Clouser on 2021-05-26 12:15:54 EDT
5-Date 5-Secretary of Administration
STATE OF VERMONT

CONTRACT AMENDMENT

It is hereby agreed by and between the State of Vermont, Agency of Transportation, Department of Motor Vehicles (the "State") and Parsons Environment & Infrastructure Group Inc., a foreign corporation with a principal place of business located at 1422 South Tryon Street, Suite 700, Charlotte, NC 28203 (the "Contractor") that the contract between them originally dated as of March 29, 2016, and which has been amended on June 02, 2019, April 07, 2020 and December 24, 2020, Contract # 31130/PS0657, as amended to date, (the “Contract”) is hereby amended as follows:

I. Maximum Amount. The maximum amount payable under the Contract, wherever such reference appears in the Contract, shall be changed from $2,144,000.00 to $7,219,220.00, representing an increase of $5,075,220.00.

This maximum amount is based on an estimated transaction volume and per-transaction fee. If there is any expected increase in the number of transactions beyond what is estimated, the State will readily amend this agreement to increase the Maximum Amount payable to ensure that the $1.63 per sticker fee is paid to the Contractor.

II. Attachment A, Scope of Services. The scope of services is amended as follows:

Automated Vehicle Inspection Program (AVIP) Sticker Print-On-Demand Initiative

Official Inspection Stations will print an inspection sticker at their location for each pass inspection result including waiver issuance.

Period of Performance

The Contractor will begin design and development of the sticker print on demand system upon amendment execution, no later than May 28, 2021. The term for ongoing maintenance, support and program operations is through March 31, 2025.

The Contractor will make best efforts to meet a go-live date of January 1, 2022.

Due to the potential COVID related impact, the final decision on a go live date will be mutually agreed upon by the Parties on or before September 1, 2021.

If it is determined that the go live date of January 1, 2022 is not achievable, the State and the Contractor will discuss and determine prior to or on September 1, 2021 if there is a need to order pre-printed inspection stickers. If it is determined the go live date of January 1, 2022 cannot be met due to COVID related impact, the State will order and
manage the quantity of stickers needed to fulfill inspections to the newly determined go live date.

Payment Provisions (State to Contractor)

The State will provide payment outlined in Section III Payment Provisions based on Milestone activity completed with payment terms of Net 10 days. The State will pay the Contractor a $1.63 fee per sticker printed for the duration of the AVIP Contract (ending March 31, 2025).

Existing Printed Sticker Management

The Contractor will modify the current sticker management system to prevent stations from using legacy sticker management functionality once enrolled in sticker print on demand initiative.

The State will be responsible pre-printed sticker stock disposition and the station’s sticker escrow accounts for all of 2021, and 2022 if needed.

Once the State has informed the Contractor that a station no longer requires access to the escrow account information on the AVIP portal, the Contractor will disable station access.

Plans

The Contractor will submit the following plans to the State:

- Transition/Roll Out Plan
- Station Billing and Collection and Fee Transfer of Station Sticker Fees to the State Plan
- Acceptance Testing Plan
- Sticker Stock Security Plan
- Updates to AVIP Financial Billing Plan

All submitted plans shall be reviewed and must be approved by the State prior to being implemented. The State shall have (10) ten business days to review and approve or return for changes. If no feedback is received within the two week period, the plan shall be considered approved.

Station Participation

The Contractor will create and deliver amendments to the station equipment maintenance and participation agreements and ACH authorizations to allow for the
program changes, as needed. The Contractor will update the AVIP portal to allow for the signing of station participation and ACH agreement updates and related station owner activity. Any station not signing the agreements will be locked out from participation in AVIP until agreements are signed. Any change to the ACH agreements will not result in additional management fees or charges from the Contractor to Official Inspections Stations due to the Sticker on Demand Program. Normal consumable order charges and faulty payment fees do result in additional fees or charges from the Contractor to Official Inspection Stations.

**Sticker Management System**

The Contractor will design, develop, and deliver a Print on Demand Sticker System that allows the inspection application to print an inspection sticker upon a pass result. The Contractor will provide a sticker management system that accounts for all stickers printed by the station. The System will integrate with the VID and AVIS databases as required.

The System will allow inspections to take place only if sticker printer is online and communicating with inspection tablets and will communicate with AVIP to print variable information on the inspection stickers at the station.

Stickers are printed as the final step in the AVIP inspection process recorded on the VID. Only vehicles with a Pass result are issued a sticker (this includes waiver issuances). The sticker management system will not generate a sticker for any other inspection result (fail, abort). Stations will be charged a per sticker fee for all replacement stickers printed. Sticker print functionality is not affected due to offline status.

Upon amendment execution, the Contractor will begin development of the Sticker Print on Demand System. The Contractor will design, modify, and perform QA testing for inspection software (tablet) to accommodate the print on demand solution for two different hardware solutions. The Contractor will update the inspection application for the current tablet hardware and deploy to Official Inspection Stations, as well as update the inspection application for the new tablet hardware and deploy to Official Inspection Stations.

Once all Official Inspection Stations are live with Sticker Print on Demand, the Contractor will:

- Provide ongoing IT infrastructure maintenance and print on demand system support.
- Manage the print-on-demand system for stickers.
- Manage an online ACH fee collection system for sticker fees.
- Manage collection activities including non-payment.
• Manage a reconciliation and fee remittance system to the State.
• Manage the consumables inventory/fulfillment system.
• Supply sticker stock to the stations.
• Service and maintain the original 1200 printers until March 31, 2025.
• Support the industry through call center agents to assist with account inquiries for sticker fees, consumables, equipment service and ongoing maintenance.
• Provide project management and reporting.

Fee Management

The Contractor will design, build, and deliver an IT reconciliation and fee remittance system to facilitate transfer of current Statutory sticker fees from individual station accounts to State account.

The Contractor will design and implement a new invoice for stations to reflect sticker print on demand activity. The same terms and conditions currently in use for inspection fees will apply to sticker print on demand fees.

The Contractor will manage the monthly transfer of per sticker fees from the station accounts to the State’s account. The fee collected will reflect the Statutory fee in effect at that time. The Contractor will reconcile all stickers printed and invoice the State for transaction fees on a monthly basis. For each sticker printed, Contractor will invoice the State a per sticker fee, monthly, this fee to be paid to the Contractor net 10 days after invoice date.

The State will provide a list of stations that are permitted to issue stickers without a per sticker fee (e.g., State and Municipal Stations.) Contractor will invoice the State a per sticker fee as per above in all cases of stickers being printed.

All current collection protocols and fees apply to this program.

The sticker fee is not deemed unpaid until Contractor has made three attempts with the station directly to collect payment.

Station unpaid and uncollected sticker fees are the responsibility of the State.

Sticker Printer Hardware and Ribbons

The Contractor will procure 1200 Zebra ZD420t B/W - thermal transfer sticker printers or equivalent and store at Contractor’s warehouse in Berlin, VT location until deployment activity begins. The sticker printer will be durable enough to withstand and function normally within the environmental extremes that may be experienced by inspection stations in Vermont.
The Contractor will provision, test and ship sticker printers to each AVIP Official Inspection Station. All printers will be shipped to the stations and the stations will self-install the equipment. Detailed instructions for installation will be on the AVIP portal and support available through the AVIP Technical Support Hotline.

The Contractor will procure Zebra 5100 Resin - black - print ink ribbon refill (thermal transfer) or equivalent and provide one sticker ribbon to each AVIP Official Inspection Station that receives a printer. Stations will purchase replacement ribbons from the Contractor.

The stock of 1200 sticker printers are to be used for existing stations as of this amendment date (one per station) and for stations who join the program until stock is depleted. New stations joining after the stock is depleted will purchase printers from the Contractor. Stations that request additional printers beyond the initial printer provided will purchase printers from the Contractor. Printers will not be provided to Sticker Replacement Stations.

Contractor will provide service and maintenance for the initial 1200 printers through March 31, 2025.

**Blank Sticker Stock**

The Contractor will provide stations all sticker stock necessary to begin issuing inspections stickers no later than December 31, 2021. The Contractor will provide blank Sticker stock to stations initially and on an ongoing basis.

The Sticker stock color will remain the same for the contract term. The size of the sticker will not exceed 4” x 2 ½”.

The blank sticker stock will meet the following requirements:

- Die cuts will be sharply defined to prevent edge cracking or crushing and to facilitate removal of the Sticker from the backing material.
- All stickers must be weather and fade resistant for 13 months.
- All stickers must not blister, lift, or delaminate under normal use.

The sticker face will have a solid color base layer background. It will be free from blisters, cracks, foreign matter, and other defects.

The Sticker stock will have the following background text, graphics, numbering, and lines preprinted in black ink as per approved artwork.

- Background text (i.e., State of Vermont)
- A serial number for tracking purposes.
- Hologram
Substrate Printed Text (Preprinted)

- Text/type and numbering must be printed in BLACK ink and must be fade-resistant and wear-resistant.
- Interior Stickers: When printed, the fade-resistant color on the face of the sticker will be a solid color and bleed four sides on stock. Color must withstand direct sunlight for at least 13 months from the time of application without fading.
- Exterior Stickers: When printed, the fade-resistant and wear-resistant color on the face of the sticker will be a solid color and bleed four sides on stock. Stickers must not lose color when exposed to climactic conditions prevalent in Vermont including direct sunlight.

**Sticker Print Requirements**

The sticker management system must print the following information on the sticker:

- Last 6 characters of Vehicle Identification Number (VIN) if appropriate.
- Vehicle Make, Model, and Model Year.
- Sticker Month and Year Expiry Date.
- Scannable 2D (QR) barcode to facilitate retrieving the vehicle identification and inspection data.
- Type of Vehicle (Motor Vehicle, School Bus, Motorcycle, or Trailer) Expiration date will appear on the sticker regardless of the inspection period of the vehicle.

**Print on Demand**

- The printed scan codes will be scan capable with the inspection equipment and law enforcement equipment up to 13 months after application on a vehicle.
- Printed values shall be printed on the sticker using a Resin ribbon.

**QR Code**

The Contractor will provide functionality for the State’s enforcement officers to successfully scan and read the QR code printed on the pass sticker using a mobile device with the last two operating system cycles. Stakeholders will be able to decode the QR code and reveal the vehicle identification and inspection data, inspection type, station and inspector ID numbers, and any other information pertinent to State’s enforcement officers in the field. This functionality is to be delivered no later than 6 months following go-live of all stations printing stickers on demand.
Sticker Security Features

Stickers will be tamper-proof and will not be removable fully intact after application. Stickers shall:

- Self-destruct or display void images to prevent reuse upon removal.
- Reveal evidence of tampering or removal on unaided visual Inspection, to defeat any attempt to re-apply a Sticker to another vehicle.
- Possess “tamper-proof” features that may include the base material, adhesives, unique pre-printed text, and/or patterns.

Sticker Adhesive Performance & Application Requirements

The application of interior stickers for vehicle windshields and exterior application for motorcycles and trailers is required.

Each sticker must carry a specially formulated pressure-sensitive adhesive which does not require water, solvent, wetting agent, or other activation means except pressure. The adhesive must permit the successful application of the sticker, quickly and effectively, at temperatures between 15° degrees Fahrenheit and 120° Fahrenheit.

Stickers must remain affixed to the interior of a vehicle windshield, or the metal exterior of a motorcycle/trailer subjected to frequent chemical pressure washes, for a period of 13 months from the time of application and be able to withstand temperatures between -20° Fahrenheit and 200° Fahrenheit for the 13-month period during which the sticker is affixed to the vehicle.

The adhesive must withstand both the storage and the usage period and conditions without degrading or failing to properly adhere. The stickers must not exude adhesive from edges of the material or backing, to cause rolled or stacked pieces to stick together during shearing, cutting, printing, handling, or while packaged, in shipment, and distribution by commonly used standards procedures.

For vehicle stickers, the stickers must sufficiently bond to the interior of all industry approved windshields but must be able to be manually removed from the windshield without causing damage to the interior surface of the windshield. For exterior stickers, the stickers must sufficiently bond to the metal exterior of a motorcycle frame and trailer but must be able to be manually removed from these metal parts without causing damage to the metal part or paint. When a sticker is removed from the windshield or metal exterior of the vehicle, the sticker must self-destroy or in some way display void images substantially enough to prevent the sticker from being reused.
Changes to Sticker Stock, Adhesives, or Inks

During the term of the Contract, the Contractor must not make any changes to the composition of any stickers, including but not limited to adhesive or inks, without prior written approval from the Department of Motor Vehicles (DMV).

Blank Sticker Stock Storage and Physical Security

Contractor will design and build a secure sticker stock repository at the Berlin location; build out required office and warehouse space to support the sticker print on demand initiative.

Contractor will be required to ensure in all stages of receiving, storage, and delivery of blank sticker stock, appropriate steps are undertaken to secure such materials. Upon discovery that any stock or finished documents are lost, stolen, improperly shipped, or otherwise unaccounted for, the Contractor will contact the State.

The Contractor will provide a Sticker Stock Security Plan to DMV that outlines the secure storage of stickers prior to and during station delivery. The plan must include, but is not limited to:

- Physical Contractor warehouse security storage
- Secure delivery process
- Sticker inventory procedure

Acceptance Testing

The Contractor will work with the State to ensure the hardware and software meets the agreed upon specifications. The Contractor will provide an overall Acceptance Testing Plan (ATP) and a plan for beta testing of the system to the State for approval. Prior to the delivery of the sticker printers to the stations, the Contractor will provide to the State final ATP scripts. After approval of the scripts, the Contractor will perform testing using the approved scripts. The State will conduct User Acceptance Testing (UAT) testing independently of the Contractor.

Technical Support Hotline

The Contractor will respond to sticker print on demand inquiries through the existing Technical Support Hotline, including updates to the Interactive Voice Response as needed. The hotline hours will be adjusted to Mon-Fri, 7:30-5, excluding Vermont State holidays.
Reporting

The Contractor will issue a monthly report to the State comparing the number of stickers issued by station, by month to the amount of money collected.

The Contractor shall provide the following financial reports:

1. A daily report to reconcile payments and perform audit of transaction fees. This report must be exportable by Microsoft Excel and shall include a minimum of the follow data fields:
   • Inspection Station Name/ID number.
   • Transaction Date.
   • Number of stickers printed.
   • Number of stickers reprinted.
   • Number of unusable/damaged stickers printed.
   • Dollar Amount per transaction
2. A monthly aging report of outstanding balances owed by Official Inspection Stations. This report must be exportable by Microsoft Excel and shall include a minimum of the follow data fields:
   • Inspection Station Name/ID Number
   • Amount Due
   • Aging of Balance Due (i.e., 30-60-90 days)
   • Reason for non-payment (non-sufficient funds, account closed, etc.)

Updates to AVIP Status Report: The Contractor shall include activities relating to Stickers on Demand in the current status reports provided for the AVIP program. The status report shall include the number of stickers printed, stickers reprinted, blank sticker stock shipments to the stations and stations charged for lost/misplaced stickers.

Station Printer and Consumable Orders

The Contractor will update the existing sticker management application to allow for the addition of printer ribbons and blank sticker stock.

The Contractor will provide the blank sticker stock at no cost to the Stations. The Contractor will control the distribution of blank sticker stock.

To ensure quality for the sticker printing, all printer replacement ribbons must be purchased from the Contractor. The Contractor will offer the sticker ribbons at or below the manufacturer’s suggested retail price plus applicable tax and shipping charges.

The stations will use the existing features of the sticker management system to report missing, lost or damaged sticker stock. The cost resulting from any misuse, loss or
damage to the blank sticker stock will be the responsibility of the station, unless the damage is determined to be caused during the shipping process.

The Contractor must deliver orders for sticker stock and printer ribbons within two business days of order receipt from Station. The Contractor will use a secure delivery process such as UPS or FedEx, etc.

**Staffing**

The Contractor will provide adequate staffing levels to deliver and operate the sticker print on demand component of this amendment through the end of the Contract term (March 31, 2025).

**Training**

The Contractor will provide operating instructions including diagrams to the Official Inspection Stations. The instructions will be included with the initial delivery of the sticker printers and will be made available on the AVIP portal for review. Additionally, the Contractor will provide on-demand sticker printing training sessions for DMV and DEC staff as requested.

III. **Attachment B, Payment Provisions.** The payment provisions are amended as follows:

a. All invoicing to the State from Contractor will be paid net 10 days.

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Metric</th>
<th>Payment Amount</th>
<th>Payment Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement of 1200 printers</td>
<td>Upon receipt of printers from Contractor to Contractor’s Berlin warehouse. Contractor to provide proof of receipt to State.</td>
<td>$575,000.00</td>
<td>Net 10 days upon receipt of Contractor invoice</td>
</tr>
<tr>
<td>Sticker Design - Joint Application Designs</td>
<td>Final sticker design submittal</td>
<td>$25,000.00</td>
<td>Net 10 days upon receipt of Contractor invoice</td>
</tr>
<tr>
<td>Procurement of stickers</td>
<td>Upon receipt of stickers from Contractor to Contractor’s Berlin warehouse.</td>
<td>$35,000.00</td>
<td>Net 10 days upon receipt of Contractor invoice</td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Plan submittals</td>
<td>Upon State approval of submitted plans</td>
<td>$20,000.00 per plan</td>
<td>Net 10 days upon receipt of Contractor invoice Net 10 days upon receipt of Contractor invoice</td>
</tr>
<tr>
<td>Transition/Roll Out Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Station Billing and Collection and Fee Transfer of Station Sticker Fees to the State Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance Testing Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sticker Stock Security Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Updates to AVIP Financial Billing Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement of printer ribbons</td>
<td>Upon receipt of ribbons from Vendor to Contractor’s Berlin warehouse.</td>
<td>$35,000.00</td>
<td>Net 10 days upon receipt of Contractor invoice</td>
</tr>
<tr>
<td>Sticker Printing System delivery</td>
<td>System delivery to UAT</td>
<td>$75,000.00</td>
<td>Net 10 days upon receipt of Contractor invoice</td>
</tr>
<tr>
<td>Development of station contract amendment and re-engineering of portal for e-signing and</td>
<td>Contract delivery through portal available for Station signing</td>
<td>$50,000.00</td>
<td>Net 10 days upon receipt of Contractor invoice</td>
</tr>
</tbody>
</table>
tracking of station contracts

| Print on demand delivered in first station | First station prints a sticker for official inspection | $75,000.00 | Net 10 days upon receipt of Contractor invoice |

b. **Per Sticker Fee.** $1.63 per sticker

<table>
<thead>
<tr>
<th></th>
<th>Estimated # of Stickers - +3% Increase per Year</th>
<th>Cost per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 1</strong></td>
<td>602,000.00</td>
<td>$981,260.00</td>
</tr>
<tr>
<td><strong>Year 2</strong></td>
<td>620,060.00</td>
<td>$1,010,698.00</td>
</tr>
<tr>
<td><strong>Year 3</strong></td>
<td>638,660.00</td>
<td>$1,041,016.00</td>
</tr>
<tr>
<td><strong>Year 4</strong></td>
<td>657,820.00</td>
<td>$1,072,247.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>2,518,540.00</td>
<td>$4,105,220.00</td>
</tr>
</tbody>
</table>

IV. Contractor makes the following certifications at the time of this Amendment:

Taxes Due to the State. Contractor certifies under the pains and penalties of perjury that, as of the date this contract amendment is signed, the Contractor is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due the State of Vermont.

Certification Regarding Suspension or Debarment. Contractor certifies under the pains and penalties of perjury that, as of the date this contract amendment is signed, neither Contractor nor Contractor’s principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Contractor further certifies under pains and penalties of perjury that, as of the date this contract amendment is signed, Contractor is not presently debarred, suspended, nor named on the State’s debarment list at: http://bgs.vermont.gov/purchasing-contracting/debarment

SOV Cybersecurity Standard 19-01. All products and service provided to or for the use of the State under this Contract shall be in compliance with State of Vermont Cybersecurity Standard 19-01, which Contractor acknowledges has been provided to it, and is available on-line at the following URL:

This document consists of 13 pages. Except as modified by this Amendment No. 4, all provisions of the Contract remain in full force and effect.

[Remainder of Page Intentionally Left Blank]
The signatures of the undersigned indicate that each has read and agrees to be bound by this Amendment to the Contract.

STATE OF VERMONT

By: ____________________________
E-SIGNED by Joe Flynn
on 2021-05-28 13:42:51 EDT

Name: ____________________________

Title: ____________________________

Date: ____________________________

May 28, 2021

PARSONS ENVIRONMENT & INFRASTRUCTURE GROUP INC.

By: ____________________________
E-SIGNED by Peter Marrocco
on 2021-05-28 10:58:51 EDT

Name: ____________________________

Title: ____________________________

Date: ____________________________

May 28, 2021