PROJECT NUMBER 40561
MASTER SECURITY CONSULTING SERVICES AGREEMENT
BETWEEN
NEXT STEP INNOVATION
AND
MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES
AS CONTRACTING AGENT FOR THE
AGENCIES AND INSTITUTIONS OF THE STATE OF MISSISSIPPI

This Master Security Consulting Services Agreement (hereinafter referred to as "Master Agreement") is entered into by and between Next Step Innovation a Mississippi corporation having its principal offices at 703 Highway 80 West, Clinton, Mississippi 39056 (hereinafter referred to as "Contractor") and the Mississippi Department of Information Technology Services, having its principal place of business at 3771 Eastwood Drive, Jackson, Mississippi 39211 (hereinafter referred to as "ITS"), as contracting agent for the governmental agencies and educational institutions of the State of Mississippi (hereinafter referred to as "Customer"). ITS and Customer are sometimes collectively referred to herein as "State."

WHEREAS, ITS, pursuant to Request for Proposals ("RFP") Number 3735 requested proposals for the acquisition of a master contract containing the terms and conditions which will govern any orders placed by Customer during the term of this Master Agreement for security consulting services used by Customer ("Services"); and

WHEREAS, the Contractor was the successful respondent in an open, fair and competitive procurement process to provide the above mentioned Services;

NOW THEREFORE, in consideration of the mutual understandings, promises, consideration and agreements set forth, the parties hereto agree as follows:

ARTICLE 1 TERM OF AGREEMENT

Unless terminated as prescribed elsewhere herein, this Master Agreement will become effective on the date it is signed by all parties (the "Effective Date") and will continue in effect for three (3) years thereafter, or until all warranties provided by Contractor to Customer have expired, whichever occurs last. At the end of the initial term, the Master Agreement may, upon the written agreement of ITS and Contractor, be renewed for an additional term, the length of which will be agreed upon by the parties. Contractor will notify ITS sixty (60) days in advance prior to the expiration of the initial or any renewal term and ITS shall have thirty (30) days in which to notify Contractor of its intention to either renew or cancel this Master Agreement.

ARTICLE 2 DEFINITIONS

The following terms as used herein shall have the following meanings:

2.1 **"Contractor"** means Next Step Innovation and its successors and assigns.

2.2 **"Customer"** means, in each instance, the governmental agency, educational institution or other governing authority of the state of Mississippi who engages Contractor to perform the security consulting Services pursuant to this Master Agreement, and who shall be bound by the terms and conditions of this Master Agreement.

2.3 **"Purchase Order"** means the document pursuant to which, among other things, Customer

orders the Services from Contractor.

2.4 **"Services"** means the security consulting services specified in RFP No. 3735 and Contractor's Proposal, as accepted by ITS, in response thereto, as well as the Statement of Work for each individual project.

2.5 **"Statement of Work"** means the document prepared by the Contractor and submitted to the Customer that includes but is not limited to, the objectives, requirements, deliverables, timetable, and costs for the particular project.

ARTICLE 3 MODIFICATION OR RENEGOTIATION

This Master Agreement may be modified only by written agreement signed by the parties hereto, and any attempt at oral modification shall be void and of no effect. The parties agree to renegotiate the Master Agreement in the event that federal and/or state revisions of any applicable laws or regulations make changes in this Master Agreement necessary.

ARTICLE 4 INCLUDED PARTIES AND PRICING

Contractor will accept orders from and furnish the Services under this Master Agreement to Customers based on Contractor's pricing submitted in its proposal in response to RFP No. 3735 and attached hereto as Exhibit A and distributed to the various Customers. At the end of the initial term of this Master Agreement, ITS and Contractor may mutually agree in writing to modify, amend or replace the pricing specified in Exhibit A.

ARTICLE 5 ORDERS

5.1 The State does not guarantee that it will purchase any certain amount under this Master Agreement.

5.2 When a Customer decides to procure any Services from Contractor, the Customer, after following applicable state procurement rules and regulations, may issue a Purchase Order to Contractor. The Purchase Order shall reference this Master Agreement and shall set forth the Services to be procured; the prices for same; the specific details of the transaction, the Customer's designated contact, and any additional terms and conditions that apply to the specific Purchase Order as agreed to in writing by the parties. Any additional terms and conditions contained in any Purchase Order shall apply solely to the Services being procured therein. All Purchase Orders and Contractor's Statement of Work or other terms and conditions shall be governed by, and incorporate by reference, the terms and conditions of this Master Agreement. Contractor will provide Customer with a Statement of Work as specified in RFP No. 3735. Such Statement of Work shall become effective when signed by both parties. Excluding better pricing and/or discounts which may be specified in a Purchase Order or Statement of Work, in the event of a conflict between the other terms and conditions in a Purchase Order or Statement of Work and this Master Agreement, the terms and conditions of this Master Agreement shall prevail. The parties agree that the Customer has the right to adjust the quantities of purchases based upon the availability of funding or as determined necessary by the Customer.

5.3 Contractor guarantees the pricing stated in the attached Exhibit A for the initial three (3) year term of this Master Agreement. In the event Contractor announces or implements a national price decrease for the Services bid during that time, Contractor agrees to extend the new, lower pricing to Customer.

ARTICLE 6 METHOD AND TIME OF PAYMENT

6.1 As consideration for the performance of any Purchase Order, Customer shall pay Contractor at prices not to exceed the pricing specified in the attached Exhibit A for the actual Services rendered as specified in the applicable Statement of Work. Contractor shall keep daily records of the actual number of hours worked and of the tasks performed and shall immediately supply such records to Customer upon request.

6.2 Contractor shall submit invoices and supporting documentation electronically to Customer monthly for any month in which Services are rendered, using the processes and procedures identified by the State. Contractor shall certify that the billing is true and correct. Customer agrees to pay Contractor in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," Sections 31-7-301, et seq. of the 1972 Mississippi Code Annotated, as amended, which generally provides for payment of undisputed amounts by the State within forty-five (45) days of receipt of the invoice. All payments shall be in United States currency. Contractor understands and agrees that Customer is exempt from the payment of taxes. Payments by state agencies using Mississippi's Accountability System for Government Information and Collaboration (MAGIC) shall be made and remittance information provided electronically as directed by the State. The payments by these agencies shall be deposited into the bank account of the Contractor's choice. No payment, including final payment, shall be construed as acceptance of incomplete work, and Contractor shall remain responsible and liable for full performance in strict compliance with the contract documents specified in the Article herein titled "Entire Agreement."

6.3 If payment of undisputed amounts is not made to Contractor within forty-five (45) days of Customer's receipt of the invoice, Customer shall be liable to Contractor for interest at a rate of one and one-half percent (1 ½%) per month (or such lesser rate as may be the maximum permissible rate under the law) on the unpaid balance from the expiration of such forty-five (45) day period until such time as payment is made. This provision for late payments shall apply only to undisputed amounts for which payment has been authorized.

6.4 Acceptance by Contractor of the last payment from the Customer under a Purchase Order shall operate as a release of all claims against the State by Contractor and any subcontractors or other persons supplying labor or materials used in the performance of any work under a Purchase Order.

ARTICLE 7 SCOPE OF SERVICES

Contractor agrees to provide, at the pricing specified in the attached Exhibit A, the security consulting Services as specified in RFP No. 3735 and Contractor's Proposal, as accepted by ITS, in response thereto, which are both incorporated herein by reference. Contractor shall sign a "Certification of Destruction" document and submit same to Customer at the conclusion of their consulting engagement, whereby Contractor certifies that all copies (hard and electronic) of any security reports and information gathered by Contractor during the engagement have been properly shredded, deleted or otherwise destroyed. A copy of the Certification of Destruction form to be used is attached hereto as Exhibit B.

ARTICLE 8 WARRANTIES

8.1 Contractor represents and warrants that the Services provided by Contractor to Customer shall meet or exceed the minimum specifications set forth in RFP No. 3735 and Contractor's Proposal in response thereto.

8.2 Contractor represents and warrants that its Services shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such Services and shall comply in all respects with the requirements of this Master Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the Services, perform the Services again, at no cost to Customer, or if Contractor is unable to perform the Services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory Services.

8.3 Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor agrees to maintain records of such compliance and, upon request of the State and approval of the Social Security Administration or Department of Homeland Security, where required, to provide a copy of each such verification to the State. Contractor further represents and warrants that any person assigned to perform Services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Contractor understands and agrees that any breach of these warranties may subject Contractor to the following: (a) termination of the Purchase Order and this Master Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Contractor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

8.4 Contractor represents and warrants that no official or employee of Customer or of ITS, and no other public official of the State of Mississippi who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of any project shall, prior to the completion of said project, voluntarily acquire any personal interest, direct or indirect, in the Purchase Order or this Master Agreement.

8.5 The Contractor represents and warrants that no elected or appointed officer or other employee of the State of Mississippi, nor any member of or delegate to Congress has or shall benefit financially or materially from this Master Agreement. No individual employed by the State of Mississippi shall be admitted to any share or part of the Master Agreement or to any benefit that may arise therefrom. The State of Mississippi may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this Master Agreement if it is found, after notice and hearing by the ITS Executive Director or his/her designee, that gratuities in the form of entertainment, gifts, jobs, or otherwise were offered or given by the Contractor to any officer or employee of the State of Mississippi with a view toward securing this Master Agreement or securing favorable treatment with respect to the award, or amending or making of any determinations with respect to the performing of such contract, provided that the existence of the facts upon which the ITS Executive Director makes such findings shall be in issue and may be reviewed in any competent court. In the event this Master Agreement is terminated under this article, the State of Mississippi shall be entitled to pursue the same remedies against the Contractor as it would pursue in the event of a breach of contract by the

Contractor, including punitive damages, in addition to any other damages to which it may be entitled at law or in equity.

ARTICLE 9 EMPLOYMENT STATUS

9.1 Contractor shall, during the entire term of this Master Agreement, be construed to be an independent contractor. Nothing in this Master Agreement is intended to nor shall it be construed to create an employer-employee relationship, partnership, agency, or joint venture relationship.

9.2 Contractor represents that it has, or will secure, if needed, at its own expense, applicable personnel who shall be qualified to perform the required duties identified in a Purchase Order. Such personnel shall not be deemed in any way directly or indirectly, expressly or by implication, to be employees of Customer. Contractor shall pay when due, all salaries and wages of its employees and it accepts exclusive responsibility for the payment of federal income tax, state income tax, social security, unemployment compensation and any other withholdings that may be required. Neither Contractor nor employees of Contractor are entitled to state retirement or leave benefits.

9.3 Any person assigned by Contractor to perform the Services hereunder shall be the employee of Contractor, who shall have the sole right to hire and discharge its employee. Customer may, however, direct Contractor to replace any of its employees performing services under this Master Agreement.

ARTICLE 10 BEHAVIOR OF EMPLOYEES/SUBCONTRACTORS

Contractor will be responsible for the behavior of all its employees and subcontractors while on the premises of any Customer location. Any Contractor employee or subcontractor acting in a manner determined by the administration of that location to be detrimental, abusive or offensive to any of Customer's staff and/or student body, will be asked to leave the premises and may be suspended from further work on the premises. All Contractor employees and subcontractors who will be working at such locations to provide Services shall be covered by Contractor's comprehensive general liability insurance policy.

ARTICLE 11 AUTHORITY, ASSIGNMENT AND SUBCONTRACTS

11.1 In matters of proposals, negotiations, contracts, and resolution of issues and/or disputes, the parties agree that Contractor represents all contractors, third parties, and/or subcontractors Contractor has assembled for any given Customer project. The Customer is required to negotiate only with Contractor, as Contractor's commitments are binding on all proposed contractors, third parties, and subcontractors.

11.2 Neither Customer nor Contractor may assign or otherwise transfer the Purchase Order and this Master Agreement or its obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment or transfer of its obligations without such consent shall be null and void. The Purchase Order and this Master Agreement shall be binding upon the parties' respective successors and assigns.

11.3 Contractor must obtain the written approval of Customer before subcontracting any portion of the Purchase Order and this Master Agreement. No such approval by Customer of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of Customer in addition to the total fixed price agreed upon in the Purchase Order. All subcontracts shall incorporate the terms of the applicable Purchase Order and this Master Agreement and shall be subject to the terms and conditions of same and to any conditions of approval that Customer may deem necessary.

11.4 Contractor represents and warrants that any subcontract agreement Contractor enters into shall contain a provision advising the subcontractor that the subcontractor shall have no lien and no legal right to assert control over any funds held by the Customer, and that the subcontractor acknowledges that no privity of contract exists between the Customer and the subcontractor and that Contractor is solely liable for any and all payments which may be due to the subcontractor pursuant to its subcontract agreement with Contractor. Contractor shall indemnify and hold harmless the State from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever arising as a result of Contractor's failure to pay any and all amounts due by Contractor to any subcontractor, materialman, laborer or the like.

11.5 All subcontractors shall be bound by any negotiation, arbitration, appeal, adjudication or settlement of any dispute between Contractor and the Customer, where such dispute affects the subcontract.

ARTICLE 12 AVAILABILITY OF FUNDS

It is expressly understood and agreed that the obligation of Customer to proceed under this Master Agreement and the Purchase Order is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds for the performances required under this Master Agreement. If the funds anticipated for the fulfillment of this Master Agreement and the Purchase Order are, at any time, not forthcoming, or are insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds, or if there is a discontinuance or material alteration of the program under which funds were available to Customer for the payments or performance due under this Master Agreement, Customer shall have the right to immediately terminate the Purchase Order and this Master Agreement as to itself only, without damage, penalty, cost or expense to Customer of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination. Customer shall have the sole right to determine whether funds are available for the payments or performances due under the Purchase Order and this Master Agreement. In the event of termination due to unavailability of funds, Contractor shall be entitled to receive just and equitable compensation for satisfactory work completed by Contractor in connection with this Master Agreement and accepted by Customer prior to the date of receipt of notification of termination.

ARTICLE 13 TERMINATION

13.1 **Termination Upon Mutual Agreement:** A Purchase Order may be terminated in whole or in part upon the mutual written agreement of Contractor and the Customer.

13.2 **Termination Due To Bankruptcy:** Should Contractor become the subject of bankruptcy or receivership proceedings, whether voluntary or involuntary, or execute an assignment for the benefit of its creditors, the Customer may, upon the giving of thirty (30) days prior written notice, terminate a Purchase Order and this Master Agreement without the assessment of penalties, solely as between those two parties.

13.3 **Termination Other Than For Cause:** A Customer may terminate a Purchase Order and this Master Agreement as to itself only, in whole or in part and without the assessment of penalties, for any reason by giving thirty (30) calendar days written notice specifying the effective date thereof to Contractor.

13.4 **Termination For Cause:** If either party fails to comply with the terms and conditions of

the Purchase Order or this Master Agreement and that breach continues for thirty (30) days after the defaulting party receives written notice from the other party, then the non-defaulting party has the right to terminate the Purchase Order and this Master Agreement solely as between those two parties. The non-defaulting party may also pursue any remedy available to it in law or in equity.

13.5 **Termination of Master Agreement:** ITS may terminate this Master Agreement without the assessment of penalties for any reason after giving thirty (30) calendar days written notice specifying the effective date thereof to Contractor but any Purchase Order entered into prior to the termination date of this Master Agreement shall survive the termination of the Master Agreement. The terms of this Master Agreement shall survive its termination/expiration with respect to any un-expired Purchase Orders.

13.6 In the event a Purchase Order is terminated, Contractor shall be paid for Services completed by Contractor and accepted by Customer prior to the termination. Such compensation shall be based upon and shall not exceed the amounts set forth in the particular Purchase Order.

ARTICLE 14 GOVERNING LAW

This Master Agreement and each Purchase Order shall be construed and governed in accordance with the laws of the State of Mississippi and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. Contractor expressly agrees that under no circumstances shall Customer or ITS be obligated to pay an attorneys fee, prejudgment interest or the cost of legal action to Contractor. Further, nothing in this Master Agreement shall affect any statutory rights Contractor and Customer may have that cannot be waived or limited by contract.

ARTICLE 15 WAIVER

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this Master Agreement. A waiver by the State to be effective, must be in writing, must set out the specifics of what is being waived, and must be signed by an authorized representative of the State.

ARTICLE 16 SEVERABILITY

If any term or provision of a Purchase Order or this Master Agreement is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of the Purchase Order or this Master Agreement shall be valid and enforceable to the fullest extent permitted by law provided that the Customer's purpose for entering into the Purchase Order can be fully achieved by the remaining portions of the Purchase Order that have not been severed.

ARTICLE 17 CAPTIONS

The captions or headings in this Master Agreement are for convenience only, and in no way define, limit or describe the scope or intent of any provision or section of this Master Agreement.

ARTICLE 18 HOLD HARMLESS

To the fullest extent allowed by law, Contractor shall indemnify, defend, save and hold harmless, protect and exonerate Customer, ITS and the State, its Board Members, officers, employees, agents and representatives from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever, including without limitation, court costs, investigative fees and expenses, attorney fees and claims for damages

arising out of or caused by Contractor and/or its partners, principals, agents, employees or subcontractors in the performance of or failure to perform the Purchase Order and this Master Agreement.

ARTICLE 19 THIRD PARTY ACTION NOTIFICATION

Contractor shall notify Customer in writing within five (5) business days of Contractor filing bankruptcy, reorganization, liquidation or receivership proceedings or within five (5) business days of its receipt of notification of any action or suit being filed or any claim being made against Contractor or Customer by any entity that may result in litigation related in any way to the Purchase Order or this Master Agreement and/or which may affect the Contractor's performance under the Purchase Order or this Master Agreement. Failure of the Contractor to provide such written notice to Customer shall be considered a material breach of this Master Agreement and the Customer may, at its sole discretion, pursue its rights as set forth in the Termination Article herein and any other rights and remedies it may have at law or in equity.

ARTICLE 20 AUTHORITY TO CONTRACT

Contractor warrants that it is a validly organized business with valid authority to enter into this Master Agreement; that entry into and performance under this Master Agreement is not restricted or prohibited by any loan, security, financing, contractual or other agreement of any kind, and notwithstanding any other provision of this Master Agreement to the contrary, that there are no existing legal proceedings, or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under a Purchase Order and this Master Agreement.

ARTICLE 21 NOTICE

Any notice required or permitted to be given under this Master Agreement shall be in writing and personally delivered or sent by electronic means provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested, or overnight courier with signed receipt, to the party to whom the notice should be given at their usual business address. ITS' address for notice is: Craig P. Orgeron, Ph.D., Executive Director, Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Contractor's address for notice is: Mr. Trent Townsend, Chief Executive Officer, Next Step Innovation, 703 Highway 80 West, Clinton, Mississippi 39056. Customer's address for notice will be set forth in the applicable Purchase Order. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address or points of contact.

ARTICLE 22 RECORD RETENTION AND ACCESS TO RECORDS

Contractor shall establish and maintain financial records, supporting documents, statistical records and such other records as may be necessary to reflect its performance of the provisions of this Master Agreement and the Purchase Order. The Customer, ITS, any state or federal agency authorized to audit Customer, and/or any of their duly authorized representatives, accountants or attorneys, shall have unimpeded, prompt access to the Purchase Order, this Master Agreement, and to any of Contractor's proposals, books, documents, papers and/or records that are pertinent to the Purchase Order and this Master Agreement to make audits, copies, examinations, excerpts and transcriptions at the State's or Contractor's office as applicable where such records are kept during normal business hours. All records relating to this Master Agreement and the Purchase Order shall be retained by Contractor for three (3) years from the date of receipt of final payment under this Master Agreement and the Purchase Order. However, if any litigation or other legal action, by or for

the state or federal government has begun that is not completed at the end of the three (3) year period, or if an audit finding, litigation or other legal action has not been resolved at the end of the three (3) year period, the records shall be retained until resolution.

ARTICLE 23 INSURANCE

Contractor represents that it will maintain workers' compensation insurance as prescribed by law which shall inure to the benefit of Contractor's personnel, as well as comprehensive general liability and employee fidelity bond insurance. Contractor will, upon request, furnish Customer with a certificate of conformity providing the aforesaid coverage.

ARTICLE 24 DISPUTES

24.1 Should disputes arise with respect to a Purchase Order or this Master Agreement, Contractor and Customer agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes. Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all of its responsibilities under the Purchase Order and/or this Master Agreement. Should Contractor fail to continue without delay to perform its responsibilities under the Purchase Order and/or this Master Agreement in the accomplishment of all work, any additional costs incurred by Contractor or Customer as a result of such failure to proceed shall be borne by Contractor and Contractor shall make no claim against Customer for such costs.

24.2 If Contractor and Customer cannot resolve a dispute within ten (10) calendar days following written notification by either party of the existence of said dispute, then the following procedure shall apply:

A. The parties agree to resolve such matters through submission of their dispute to the Executive Director of ITS, who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to the parties within ten (10) calendar days after presentation of such dispute for his/her decision.

B. Customer may withhold payments on disputed items pending resolution of the dispute. The withholding of such disputed payments shall not constitute cause for termination or suspension of the Purchase Order and/or this Master Agreement by Contractor.

C. The Executive Director's decision shall not be a final determination of the parties' rights and obligations under the terms of this Master Agreement. Such disagreeing party shall be entitled to seek such other rights and remedies available it may have at law or in equity.

ARTICLE 25 COMPLIANCE WITH LAWS

25.1 Contractor shall comply with, and all activities under a Purchase Order and this Master Agreement shall be subject to all Customer policies and procedures of which Contractor has knowledge, and all applicable federal, state and local laws and regulations as now existing and as may be amended or modified. Specifically, but not limited to, Contractor shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of the Purchase Order and this Master Agreement because of race, creed, color, sex, age, national origin or disability.

25.2 Contractor represents and warrants that it will comply with the state's data breach notification laws codified at Section 75-24-29 of the Mississippi Code Annotated (Supp. 2012). Further, to the extent applicable, Contractor represents and warrants that it will comply with the applicable provisions of the HIPAA Privacy Rule and Security Regulations (45 CFR Parts 160, 162 and 164) ("Privacy Rule" and "Security Regulations", individually; or "Privacy and Security Regulations",

collectively); and the provisions of the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (the "HITECH Act").

ARTICLE 26 CONFLICT OF INTEREST

Contractor shall notify Customer of any potential conflict of interest resulting from the representation of or service to other clients. If such conflict cannot be resolved to Customer's satisfaction, Customer reserves the right to terminate the Purchase Order and this Master Agreement as to itself only. It is understood by the parties that the Contractor cannot perform security assessment services for customers in situations where the Customer and the Contractor have a pre-existing network business relationship.

ARTICLE 27 SOVEREIGN IMMUNITY

By entering into this Master Agreement with Contractor, the State of Mississippi does in no way waive its sovereign immunities or defenses as provided by law.

ARTICLE 28 CONFIDENTIAL INFORMATION

28.1 Contractor shall treat all Customer data and information to which it has access by its performance under the Purchase Order and this Master Agreement as confidential and shall not disclose such data or information to a third party without specific written consent of Customer. In the event that Contractor receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of such information, Contractor shall promptly inform Customer and thereafter respond in conformity with such subpoena to the extent mandated by state and/or federal laws, rules and regulations. This Article shall survive the termination or completion of the Purchase Order or this Master Agreement and shall continue in full force and effect and shall be binding upon the Contractor and its agents, employees, successors, assigns, subcontractors or any party or entity claiming an interest in the Purchase Order or this Master Agreement on behalf of, or under the rights of the Contractor following any termination or completion of the Purchase Order or this Master Agreement.

28.2 With the exception of any attached exhibits which are labeled as "confidential", the parties understand and agree that the Purchase Order and this Master Agreement do not constitute confidential information, and may be reproduced and distributed by the State without notification to Contractor. ITS will provide third party notice to Contractor of any requests received by ITS for any such confidential exhibits so as to allow Contractor the opportunity to protect the information by court order as outlined in ITS Public Records Procedures.

28.3 Contractor understands and agrees that due to the very nature of the Services to be performed on Customer's systems, any and all proposals, reports and documents created during any project resulting from RFP No. 3735 shall be classified as confidential and shall not be available for public disclosure.

ARTICLE 29 EFFECT OF SIGNATURE

Each person signing a Purchase Order or this Master Agreement represents that he or she has read the Purchase Order and this Master Agreement in its entirety, understands its terms, is duly authorized to execute the Purchase Order or this Master Agreement on behalf of the parties and agrees to be bound by the terms contained herein. Accordingly, the Purchase Order and this Master Agreement shall not be construed or interpreted in favor of or against the State or the Contractor on

the basis of draftsmanship or preparation hereof.

ARTICLE 30 STATE PROPERTY
Contractor shall be responsible for the proper custody of any Customer-owned property furnished for Contractor's use in connection with work performed pursuant to any Purchase Order. Contractor shall reimburse the Customer for any loss or damage, normal wear and tear excepted.

ARTICLE 31 NEWS RELEASES
News releases pertaining to a Purchase Order or this Master Agreement or the products, study, data, or project to which it relates will not be made without Customer's prior written approval, and then only in accordance with the explicit written instructions from Customer.

ARTICLE 32 SURVIVAL
Articles 8, 14, 18, 22, 27, 28, 33, 36, and all other articles which, by their express terms so survive or which should so reasonably survive, shall survive any termination or expiration of the Purchase Order or this Master Agreement.

ARTICLE 33 OWNERSHIP OF DOCUMENTS AND WORK PRODUCTS
The Customer shall own all files, work papers, documentation, and/or other material, electronic or otherwise, collected and created in connection with work performed under a Purchase Order, whether completed or in progress, except for: (a) Contractor's internal administrative and quality assurance files and internal project correspondence; (b) documents, objects or things owned by Contractor and pre-existing the work performed under the Purchase Order, and (c) documents, objects or things in which Contractor has no right to transfer ownership. As to such documents, objects and things, Contractor shall convey such right or interest to the extent allowed by law. Contractor shall deliver such documents and work papers to Customer upon termination or completion of the Purchase Order.

ARTICLE 34 ENTIRE AGREEMENT
34.1 This Master Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings and agreements, written or oral, between the parties relating hereto, including all terms of any unsigned or "shrink-wrap" license included in any package, media or electronic version of Contractor-furnished software, or any "click-wrap" or "browse-wrap" license presenting in connection with a purchase via the internet. The Purchase Order, RFP No. 3735, and Contractor's Proposal submitted in response thereto are hereby incorporated into and made a part of this Master Agreement as far as the individual Customer is concerned.

34.2 The Master Agreement made by and between the parties hereto shall consist of, and precedence is hereby established by the order of the following:

A. This Master Agreement signed by Contractor and ITS;
B. Any Exhibits attached to this Master Agreement;
C. The Purchase Order signed by Customer and Contractor, as applicable;
D. RFP No. 3735 and all written clarifications/addenda;
E. The mutually agreed upon Statement of Work, and
F. Contractor's Proposal, as accepted by ITS, in response to RFP No. 3735.

34.3 The intent of the above listed documents is to include all items necessary for the proper

execution and completion of the services by Contractor. The documents are complementary, and what is required by one shall be binding as if required by all. A higher order document shall supersede a lower order document to the extent necessary to resolve any conflict or inconsistency arising under the various provisions thereof; provided, however, that in the event an issue is addressed in one of the above mentioned documents but is not addressed in another of such documents, no conflict or inconsistency shall be deemed to occur by reason thereof. The documents listed above are shown in descending order of priority, that is, the highest document begins with the first listed document ("A. This Master Agreement") and the lowest document is listed last ("F. Contractor's Proposal").

ARTICLE 35 DEBARMENT AND SUSPENSION CERTIFICATION

Contractor certifies that neither it nor its principals: (a) are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency; (b) have, within a three (3) year period preceding this Master Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; (c) are presently indicted of or otherwise criminally or civilly charged by a governmental entity with the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property, and (d) have, within a three (3) year period preceding this Master Agreement, had one or more public transaction (federal, state or local) terminated for cause or default.

ARTICLE 36 NON-SOLICITATION OF EMPLOYEES

Contractor agrees not to employ or to solicit for employment, directly or indirectly, any of Customer's employees until at least one (1) year after the expiration/termination of the Purchase Order unless mutually agreed to the contrary in writing by the Customer and Contractor and provided that such an agreement between these two entities is not a violation of the laws of the State of Mississippi or the federal government.

ARTICLE 37 COMPLIANCE WITH ENTERPRISE SECURITY POLICY

Contractor and Customer understand and agree that all Services provided by Contractor under this Master Agreement must be and remain in compliance with the State of Mississippi's Enterprise Security Policy. The parties understand and agree that the State's Enterprise Security Policy is based on industry-standard best practices, policy, and guidelines at the time of contract execution. The State reserves the right to introduce a new policy during the term of this Master Agreement and require the Contractor to comply with same in the event the industry introduces more secure, robust solutions or practices that facilitate a more secure posture for the State of Mississippi.

ARTICLE 38 PERSONNEL ASSIGNMENT GUARANTEE

Contractor guarantees that the personnel identified in the Contractor's proposal will remain available to and participate in the security consulting service project throughout the duration of this Master Agreement as long as the personnel are employed by the Contractor and are not replaced by Contractor pursuant to the third paragraph of the Article herein titled "Employment Status." Contractor further agrees that the assigned personnel will function in the capacity for which their

services were acquired throughout the life of this Master Agreement, and any failure by Contractor to so provide these persons shall entitle the Customer to terminate this Master Agreement for cause. Contractor agrees to pay the Customer fifty percent (50%) of the total contract amount if any of the assigned personnel is removed from the pool of personnel available to the security consulting service project prior to the ending date of the Master Agreement for reasons other than departure from Contractor's employment or replacement by Contractor pursuant to the third paragraph of the Article herein titled "Employment Status." Subject to the Customer's written approval, the Contractor may substitute qualified persons in the event of the separation of the incumbents therein from employment with Contractor or for other compelling reasons that are acceptable to the Customer, and may assign additional staff to provide technical support to Customer. The replacement personnel shall have equal or greater ability, experience and qualifications than the departing personnel, and shall be subject to the prior written approval of the Customer. The Contractor shall not permanently divert any staff member from meeting work schedules developed and approved under the project unless approved in writing by the Customer. In the event of Contractor personnel loss or redirection, the services performed by the Contractor shall be uninterrupted and the Contractor shall report in required status reports its efforts and progress in finding replacements and the effect of the absence of those personnel.

ARTICLE 39 TRANSPARENCY

In accordance with the Mississippi Accountability and Transparency Act of 2008, §27-104-151, et seq., of the Mississippi Code of 1972, as Amended, the American Accountability and Transparency Act of 2009 (P.L. 111-5), where applicable, and §31-7-13 of the Mississippi Code of 1972, as amended, where applicable, a fully executed copy of this Master Agreement shall be posted to the State of Mississippi's accountability website at: https://www.transparency.mississippi.gov. Prior to Purchaser posting the Master Agreement to the website, any attached exhibits which contain trade secrets or other proprietary information and are labeled as "confidential" will be redacted by ITS.

ARTICLE 40 LIABILITY ISSUES

Unless jointly agreed otherwise in writing, Contractor's liability for a specific project shall not exceed the total amount paid by Customer to Contractor under the applicable Statement of Work. In no event will Contractor be liable to Customer for special, indirect, consequential or incidental damages including lost profits, lost savings or lost revenues of any kind unless Contractor was advised of the possibility of such loss or damage or unless such loss or damage could have been reasonably foreseen. Excluded from this or any liability limitation are claims related to fraud, bad faith, infringement issues, bodily injury, death, physical damage to tangible personal property and real property, and the intentional and willful misconduct or gross negligent acts of Contractor. The language contained herein tending to limit the liability of the Contractor will apply to Customer to the extent it is permitted and not prohibited by the laws or constitution of Mississippi. Further, the parties understand and agree that the Contractor is precluded from relying on any contractual damages limitation language within this article where the Contractor acts fraudulently or in bad faith.

For the faithful performance of the terms of this Master Agreement, the parties have caused this Master Agreement to be executed by their undersigned representatives.

State of Mississippi, Department of Information Technology Services, on behalf of the agencies and institutions of the State of Mississippi

By: _____
Authorized Signature

Printed Name: Craig P. Orgeron, Ph.D.

Title: Executive Director

Date: 3/26/15

Next Step Innovation

By: _____
Authorized Signature

Printed Name: Trent Townsend

Title: CEO

Date: 3/22/15

EXHIBIT A

Table 1 – Assessment Services

Function/Expertise/Service	Per Instance Cost
External Vulnerability Scans – Without credentials	$15.00
External Vulnerability Scans – With credentials	$15.00
Internal Vulnerability Scans – Without credentials	$50.00
Internal Vulnerability Scans – With credentials	$50.00
Windows System Manual Review – including vulnerability scan	$200.00
Solaris/Linux/Unix System Manual Review – including vulnerability scan	$200.00
Network Device Review – including vulnerability scan	$150.00
Network Device Review with Nipper – including vulnerability scan	$135.00
Virtual Host Server System Review – including vulnerability scan	$200.00
Wireless Scanning	$300.00
Perimeter Firewall Analysis – including vulnerability scan	$400.00
Perimeter Firewall Analysis with Nipper – including vulnerability scan	$300.00
Internal and External Router Analysis – including vulnerability scan	$400.00
Internal and External Router Analysis with Nipper – including vulnerability scan	$300.00
Core Network Switch Analysis – including vulnerability scan	$300.00
Core Network Switch Analysis with Nipper – including vulnerability scan	$200.00
Edge Network Switch Analysis – including vulnerability scan	$200.00
Edge Network Switch Analysis with Nipper – including vulnerability scan	$100.00
VPN Concentrator/Firewall Assessment – including vulnerability scan	$300.00
VPN Concentrator/Firewall Assessment with Nipper – including vulnerability scan	$200.00
Cisco Secure ACS Analysis – with vulnerability scan	$300.00
VOIP Server Security Analysis – with vulnerability scan	$300.00
Database Vulnerability Scan	$800.00
Database Security Analysis	$400.00
Password Strength Assessment	$300.00
Application Assessment Services (automated)	$600.00
Report generation – Full Audit	$500.00
Report generation – Vulnerability scans only	$250.00

Table 2 – Hourly Rate Services

Function/Expertise/Service	Hourly Rate
Mainframe System Review	$125
Application Assessment Services (manual)	$125
Network Sniffing	$115
Penetration Testing Services	$115
Documentation Review	$115
Security Policy Review	$115
General Consulting Services	$115

Exhibit B

CERTIFICATION OF DESTRUCTION

Letter of Certification of Destruction
of Security Related Reports

Next Step Innovation must certify that the required security reports and information they gathered during the process of providing security risk and assessment services has been delivered in both hard copy and electronic form to the Customer. Next Step Innovation must certify that within 30 days of the delivery of said reports and information, all subsequent copies, both hard copies and electronic copies, have been properly shredded, deleted or otherwise destroyed.

I hereby certify that the reports and information gathered by our company in the execution of our responsibilities under contract no. _____have been properly shredded, deleted, or otherwise destroyed in accordance with the requirements stated above.

Company Name: _____

Company Representative (Print Name): _____

Company Representative Signature: _____

Date Submitted: _____