

FINAL BID RESPONSE PACKET

NOTE: Updates to this final Bid Response Packet are designated by red font.

710-20-0005

BID SIGNATURE PAGE

Type or Print the following information.

PROSPECTIVE CONTRACTOR'S INFORMATION				
Company:	International Business Machines (IBM)			
Address:	1 New Orchard Road			
City:	Armonk	State:	NY	Zip Code: 10504
Business Designation:	<input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Public Service Corp <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Nonprofit			
Minority and Women-Owned Designation*:	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> American Indian <input type="checkbox"/> Asian American <input type="checkbox"/> Service Disabled Veteran <input type="checkbox"/> African American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Pacific Islander American <input type="checkbox"/> Women-Owned			
AR Certification #: _____		* See <i>Minority and Women-Owned Business Policy</i>		

PROSPECTIVE CONTRACTOR CONTACT INFORMATION			
Provide contact information to be used for bid solicitation related matters.			
Contact Person:	Robert Israel	Title:	Security Executive
Phone:	714-315-4068	Alternate Phone:	
Email:	rob.israel@us.ibm.com		

CONFIRMATION OF REDACTED COPY
<input type="checkbox"/> YES, a redacted copy of submission documents is enclosed. <input checked="" type="checkbox"/> NO, a redacted copy of submission documents is <u>not</u> enclosed. I understand a full copy of non-redacted submission documents will be released if requested.
<i>Note: If a redacted copy of the submission documents is not provided with Prospective Contractor's response packet, and neither box is checked, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA). See Bid Solicitation for additional information.</i>

ILLEGAL IMMIGRANT CONFIRMATION
By signing and submitting a response to this <i>Bid Solicitation</i> , a Prospective Contractor agrees and certifies that they do not employ or contract with illegal immigrants. If selected, the Prospective Contractor certifies that they will not employ or contract with illegal immigrants during the aggregate term of a contract.

ISRAEL BOYCOTT RESTRICTION CONFIRMATION
By checking the box below, a Prospective Contractor agrees and certifies that they do not boycott Israel, and if selected, will not boycott Israel during the aggregate term of the contract.
<input checked="" type="checkbox"/> Prospective Contractor does not and will not boycott Israel.

An official authorized to bind the Prospective Contractor to a resultant contract must sign below.

The signature below signifies agreement that any exception that conflicts with a Requirement of this *Bid Solicitation* **will cause the Prospective Contractor's bid to be disqualified:**

Authorized Signature: *robert israel* Title: Security Executive
Use Ink Only.

Printed/Typed Name: Robert Israel Date: 21 November 2019

SECTION 1 - VENDOR AGREEMENT AND COMPLIANCE

- Any requested exceptions to items in this section which are NON-mandatory **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.
- Exceptions to Requirements **shall** cause the vendor's proposal to be disqualified.

*Our proposal is submitted solely under the terms of the existing ICA and Agreement for Exchange of Confidential Information as referenced in **Appendix C** below.*

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Vendor Name:	IBM	Date:	21 November 2019
Signature:	<i>robert israel</i> <i>See note above</i>	Title:	Security Executive
Printed Name:	Robert Israel		

SECTION 2 - VENDOR AGREEMENT AND COMPLIANCE

- Any requested exceptions to items in this section which are NON-mandatory **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.
- Exceptions to Requirements **shall** cause the vendor's proposal to be disqualified.

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Vendor Name:	IBM	Date:	21 November 2019
Signature:	<i>robert israel</i>	Title:	Security Executive
Printed Name:	Robert Israel		

SECTION 3 - VENDOR AGREEMENT AND COMPLIANCE

- *Exceptions to Requirements shall cause the vendor's proposal to be disqualified.*

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Vendor Name:	IBM	Date:	21 November 2019
Signature:	<i>robert israel</i>	Title:	Security Executive
Printed Name:	Robert Israel		

SECTION 4 - VENDOR AGREEMENT AND COMPLIANCE

- *Exceptions to Requirements shall cause the vendor's proposal to be disqualified.*

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Vendor Name:	IBM	Date:	21 November 2019
Signature:	<i>robert israel</i>	Title:	Security Executive
Printed Name:	Robert Israel		



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EO 98-04 Disclosure Form

IBM completed the EO 98-04 Disclosure Form included herein as Appendix A.

IBM's Equal Opportunity Policy

A. Equal Opportunity Statement

IBM is committed to creating a diverse environment and is proud to be an equal opportunity employer. All qualified applicants will receive consideration for employment without regard to race, color, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, age, or veteran status.

https://www-03.ibm.com/employment/ibm_eo_statement.html

<https://w3-03.ibm.com/ibm/documents/corpdocweb.nsf/ContentDocsByTitle/Corporate+Policy+117>

B. Workforce Diversity Policy

Business activities such as hiring, training, compensation, promotions, transfers, terminations, and IBM-sponsored social and recreational activities are conducted without discrimination based on race, color, genetics, religion, gender, gender identity or expression, sexual orientation, national origin, disability, age, or status as a special disabled veteran or other veteran covered by the Vietnam Era Veterans Readjustment Act of 1974, as amended.

These business activities and the design and administration of IBM benefit plans comply with all applicable federal, state, and local laws, including those dealing with equal opportunity. IBM also makes accommodation for religious observances that IBM determines reasonable.

In respecting and valuing the diversity among our employees and all those with whom we do business, managers are expected to confirm that there is a work environment free of all forms of discrimination and harassment.

To provide equal opportunity and affirmative action for applicants and employees, IBM carries out programs on behalf of women, minorities, people with disabilities, special disabled veterans, and other veterans covered by the Vietnam Era Veterans Readjustment Act of 1974, as amended. This includes outreach, as well as human resource programs that confirm equity in compensation and opportunity for growth and development.

Effective management of our workforce diversity policy is an important strategic objective. Every IBM manager is expected to abide by this policy and uphold our commitment to workforce diversity.

Signed Addenda to this IFB, if applicable

IBM checked the following websites for any and all addenda up to bid opening and determined this is not applicable.

<http://www.arkansas.gov/dfa/procurement/bids/index.php>

<http://humanservices.arkansas.gov/about-dhs/op/procurement-announcements>

<https://medicaid.mmis.arkansas.gov/General/Rfp/Rfp.aspx>

Minimum Qualifications

A. The Vendor must be Bondable

IBM provided a letter of bond-ability included herein as Appendix B.

B. The Vendor must have annual revenue of at least five million dollars

In 2018, IBM achieved \$79.6 billion in revenue and operating earnings per share of \$13.81. For additional information, refer to the 2018 annual report below.

https://www.ibm.com/annualreport/assets/downloads/IBM_Annual_Report_2018.pdf

C. The Vendor's team must be able to perform SCA services

IBM has an extensive and successful track record of working with Clients across multiple states and industry sectors and helping them with various aspects of their risk management programs, including security and privacy control assessments, risk ranking and reporting, controls testing and evaluation, remediation support and facilitation, etc. The following information describes Client case studies where IBM provided services like those being proposed in this document.

Note: IBM has a strict policy of not revealing actual customers' business details due to the sensitivity associated with such information unless we obtain a consent and approval from the customer in order to do so, and until we enter one-on-one discussions.

Client Case Study #1

<i>Client Profile</i>	Large State Medicaid Program
<i>Client Requirement (Problem Statement)</i>	Client engaged IBM for their annual attestation of the Minimum Acceptable Risk Standards for Exchanges (MARS-E) security and privacy controls mandated by the Centers for Medicare & Medicaid Services (CMS). The attestation is one of the Client's associated activities with the security control continuous monitoring process and the privacy controls including privacy impact, risk assessment, monitoring, and auditing.
<i>IBM Solution</i>	<p>IBM Security performed the following activities:</p> <ul style="list-style-type: none"> • Developed a detailed project plan to ensure success of the project • Analyzed the Client's Affordable Care Act (ACA) Information System's compliance with MARS-E security controls • Tested privacy controls including a review of the Privacy Impact Assessment to ensure controls are documented and risks are addressed • Reviewed the Client's continuous monitoring policies and procedures • Tested the Client's contingency plan • Delivered the Annual Security and Privacy Attestation Report

Client Benefits	With the Annual Security and Privacy Attestation Report from IBM, the Client was able to meet the requirements of the Centers for Medicare & Medicaid Services (CMS).
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Client Case Study #2

<i>Client Profile</i>	USA Based School of Medicine
<i>Client Requirement (Problem Statement)</i>	Client engaged IBM to validate and document their existing cybersecurity posture, including privacy controls, and to identify areas of improvement across the enterprise environment as part of their cybersecurity remediation efforts.
<i>IBM Solution</i>	<p>IBM Security performed the following activities:</p> <ul style="list-style-type: none"> • Developed a detailed project plan to ensure success of the project • Conducted comprehensive workshop activities and testing to identify existing vulnerabilities • Prioritized remediation activities according to risk to the enterprise environment • At the Client's request, launched additional tasks to remediate the top identified vulnerabilities • Developed a cybersecurity playbook with detailed step by step action plans for remediating the vulnerabilities if they are identified again in the future
Client Benefits	With the detailed gap analysis report from IBM, the Client was able to effectively prioritize risk to the enterprise environment and to remediate vulnerabilities based on their prioritization to the enterprise.

Client Case Study #3

<i>Client Profile</i>	USA-based energy and utilities company
<i>Client Requirement (Problem Statement)</i>	Client engaged IBM to conduct an Information Security Assessment, with actionable recommendations and a focus on the NIST Cybersecurity Framework (CSF). The assessment was a technical review of client's capabilities to help support continuous improvement of the enterprise information security program.
<i>IBM Solution</i>	<p>IBM performed the following activities:</p> <ul style="list-style-type: none"> • Conducted a comprehensive maturity and risk assessment of Client's security program against NIST CSF. • Analyzed existing security program, controls, and capabilities and identify strength and weaknesses from people, process, and technology perspectives. • Developed security gap analysis with rating system that measures the relative probability, threat, and vulnerability for the identified risk and decision tree (where applicable).



Client Benefits	Client received a set of prioritized recommendations and a roadmap to roll out initiatives and projects to address areas of highest risk.
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D. Representative Consultant Profiles

We realize that the qualifications and experience of our professionals are extremely integral to the success of our consulting and professional services engagements for our Clients. We have identified a team with required breadth and depth of our security and privacy expertise.

Provided below are a set of representative consultant profiles; detailed practitioner resumes will be made available upon request. Due to IBM’s privacy policy, it is mandated that candidate PI is protected until we enter one-on-one discussions.

Consultant 1, CISSP, CISA, CISM, GLEG, CDRE, CCSK, CVI

<p><i>Senior Managing Security Consultant</i> IBM Security Services</p>	<p>Functional Expertise</p> <ul style="list-style-type: none"> ▪ Cybersecurity / Information Security ▪ ICS/SCADA Security ▪ Risk & Maturity Assessments ▪ Cyber Security Architect ▪ Forensics & Incident Response 	<p>Industry Experience</p> <ul style="list-style-type: none"> ▪ Energy & Utilities ▪ Oil & Gas ▪ Transportation ▪ Manufacturing ▪ Health Care ▪ Financial
<p>IBM Role</p> <ul style="list-style-type: none"> • Serves as a Senior Security Consultant in IBM Security’s Global SSRC. • Has over 30 years experience in designing, delivering and operating innovative cyber security solutions for energy, financial, healthcare, manufacturing, chemical, transportation and government clients. • Brings extensive experience with industrial process controls, SCADA security, incident response and forensic investigations. <p>Professional Education & Certifications</p> <ul style="list-style-type: none"> • Certified Information Systems Security Professional (CISSP) • Certified Information Systems Auditor (CISA) • Certified Information Security Manager (CISM) • GIAC Law of Data Security & Investigations (GLEG) • Certified Data Recovery Expert (CDRE) • Certificate of Cloud Security Knowledge (CCSK) • Chemical-terrorism Vulnerability Information (CVI) 	<p>Experience & Notable Accomplishments</p> <ul style="list-style-type: none"> • Security Architect and consultant support for a major Health Care client. Scope of services included remediation of 17 major audit finding. Activities included testing of controls, policy development, architectural reviews, and configuration management. • Developed ICS/SCADA specific policies and standards for a chemical manufacturing company to augment the current IT policies and standards. A methodology and tool was developed to allow the client to self assess each plant as to the level of compliance to the standards, the risk associated with each plant, and estimated costs to move into compliance for future audits. • Performed and delivered an enterprise security maturity capability and compliance assessment for a major poly-film manufacturing client. The engagement assessed the organization’s information security posture in the appropriate capability focused on NIST CSF and ICS controls. • Performed as a security specialist in a program lead role, with security architecture, security operations and incident response experience to assist a major chemical manufacturing client in standing up a SAL initial operating capability and developing a plan to mature that operating capability over time. • Security Architect support for major oil and gas client. Scope of services included risk analysis, forensic investigations, security operations, SCADA patching, air-gapping of ICS environment, and audit remediation. • Performed and delivered NERC CIP assessments and remediation plans for major electrical companies. • Deputy CISO for major financial client. Scope of services included ISO program support and review of ISO to NIST conversions. 	



Consultant 2, CISSP

<p><i>Managing Consultant IBM Security Services</i></p>	<p>Functional Expertise</p> <ul style="list-style-type: none"> ▪ Governance, Risk, & Compliance ▪ Security Program Development and Operation ▪ Cybersecurity Assessment ▪ Security Strategy & Roadmaps 	<p>Industry Experience</p> <ul style="list-style-type: none"> ▪ U.S. Government ▪ Healthcare ▪ Manufacturing ▪ Finance and Banking ▪ Retail
<p>IBM Role</p> <ul style="list-style-type: none"> • Managing Consultant in IBM Security Transformation Services • 30+ years of Information Security and Information Technology services; Transformation, Strategy, Implementation and Operation; Governance, Risk, and Compliance; Assessments and Roadmaps; Staff Augmentation; Vulnerability Management; Data Privacy; Enterprise Security Architecture; Cloud Security • Clients include federal and quasi government organizations; Small through large companies seeking improved security or regulatory compliance; Healthcare and Regional Health Information Organizations (RHIOs); Electronics Manufacturing; Aerospace; Financial, Retail and Distribution. <p>Professional Education & Certifications</p> <ul style="list-style-type: none"> • BA Mathematic, State University of New York • CISSP 110884 • FISMA, HITRUST, MARS-E, NIST CSF, DFAR CUI, FedRAMP, FFIEC, ISO2700x, NIST SP800 series. 	<p>Experience & Notable Accomplishments</p> <p>Transformations – Led a three year effort for a federal government bureau to improve its security from failing to A performance. Co-developed and implemented a new distributed security governance (BISO) model for a fortune 100 company. Teamed with an organizational change specialist to assess stakeholder partnerships for a major investment firm security program leading to its re-organization</p> <p>Staff Augmentation – Provided vulnerability, threat and identity management services to a \$1.2B US Navy IT project; developed tools and methods used for years after the engagement. Developed HITRUST CSF 9.1 guidance and detailed and technical procedure for a State RHIO. Trusted advisor for a aerospace CFO and security-director on government contracts and regulatory requirements. Provided advisory services including NIST FISMA, NISPOM, DFARs, ITAR, FedRAMP and SP800-171.</p> <p>Assessments and Roadmaps – Banking NIST CSF, SBS and FFIEC in-depth assessment resulted in immediate corrective actions, creation of an integrated control set, and multi-year improvement roadmaps. Automotive industry NIST CSF, ISO 2700x and internal policy and procedure assessment, setting roadmap for the newly established US security office. Electronics Manufacturing NIST CSF global executive level focus.</p>	



Consultant 3

<p><i>Security Consultant IBM Security Services</i></p>	<p>Functional Expertise</p> <ul style="list-style-type: none"> ▪ Governance, Risk, & Compliance ▪ Information Security Risk Assessment ▪ Security Strategy & Operations 	<p>Industry Experience</p> <ul style="list-style-type: none"> ▪ Financial and Banking ▪ Retail ▪ R&D ▪ Government
<p>IBM Role</p> <ul style="list-style-type: none"> • Security Consultant at IBM Security Services • 3 years of experience performing third party security risk assessments • Assessed over 50 suppliers utilizing NIST 800 series and ISO 27001 controls. <p>Professional Education & Certifications</p> <ul style="list-style-type: none"> • B.S, IT Infrastructure, University of Minnesota-Twin Cities • Associate QSA 	<p>Experience & Notable Accomplishments</p> <p>Consumer Products Client: Performed third party security risk assessments. The scope of the assessments were based on the NIST 800 series framework for information security, as well as the ISO 27001 framework of information security management controls. The security assessments were designated to provide the client with visibility into suppliers' overall information security posture, along with suppliers' ability to recognize risks, mitigate vulnerabilities, protect client sensitive data, and resist cyber-attacks with a level of maturity and consistency.</p> <p>State Client: Performed MARS-E (Minimum Acceptable Risk Standards for Exchanges) readiness assessment to ensure the client had established and implemented policies and procedures aimed at protecting data security and privacy.</p>	





Appendix A

Contract Number _____
 Attachment Number _____
 Action Number _____

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR: _____ SUBCONTRACTOR NAME: _____
 Yes No

TAXPAYER ID NAME: **IBM** IS THIS FOR: **Goods?** **Services?** **Both?**

YOUR LAST NAME: _____ FIRST NAME _____ M.I.: _____

ADDRESS: **1 New Orchard Road**

CITY: **Armonk** STATE: **New York** ZIP CODE: **10504** COUNTRY: **USA**

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/ commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and how are they related to you? <small>[i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]</small>	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

FOR AN ENTITY (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member								
State Employee								

None of the above applies

Contract Number _____
Attachment Number _____
Action Number _____

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature robert israel Title Security Services Exec Date 21 November 2019
Vendor Contact Person Robert Israel Title Security Services Exec. Phone No. 714-315-4068

Agency use only

Agency Number 0710 Agency Name Department of Human Services Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____



Appendix B

North American Specialty Insurance Company
Washington International Insurance Company
Westport Insurance Corporation

1301 Avenue of the Americas, New York, NY 10019
Direct 917-368-4021 · Mobile: 646-660-3004
Joanne_Caulfield@swissre.com

November 21, 2019

State of Arkansas
Department of Human Services
Office of Procurement
700 Main Street
Little Rock, AR 72201

Re: International Business Machines Corporation-Bid No.710-20-0005. Security and Privacy Control Assessment

To Whom It May Concern:

This letter is to advise you that International Business Machines Corporation, is a valued surety client of North American Specialty Insurance Company. International Business Machines Corporation remains in good standing and is afforded surety capacity of \$250 million for a single project and \$500 million in the aggregate.

It is our opinion that International Business Machines Corporation is qualified to perform contracts that fall within this range and their normal scope. This letter is not an assumption of liability, nor is it a bid bond or a performance bond. It is issued only as a bonding reference requested from us by our client. North American Specialty Insurance Company decision to issue surety bonds on behalf of International Business Machines Corporation will be subject to our standard underwriting including but not limited to acceptance of the financial condition of our client, contract terms and conditions, bonds forms and project financing.

North American Specialty Insurance Company is A+ rated by A.M. Best with a financial size category of XV and is included in The Department of the Treasury's Listing of Certified Companies.

North American Specialty Insurance Company

Sincerely,


April D. Perez, Attorney-In-Fact

SWISS RE CORPORATE SOLUTIONS

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY
WESTPORT INSURANCE CORPORATION

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Overland Park, Kansas and Washington International Insurance Company a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Overland Park, Kansas, and Westport Insurance Corporation, organized under the laws of the State of Missouri, and having its principal office in the City of Overland Park, Kansas each does hereby make, constitute and appoint:

KRISTIN S. BENDER, MARISOL MOJICA, WILLIAM G. MORRISSEY, ANNETTE LEUSCHNER, JESSICA IANNOTTA, APRIL D. PEREZ, and KELLY O'MALLEY

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

ONE HUNDRED TWENTY FIVE MILLION (\$125,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on March 24, 2000 and Westport Insurance Corporation by written consent of its Executive Committee dated July 18, 2011.

"RESOLVED, that any two of the President, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature] Steven P. Anderson, Senior Vice President of Washington International Insurance Company & Senior Vice President of North American Specialty Insurance Company & Senior Vice President of Westport Insurance Corporation

By [Signature] Mike A. Ito, Senior Vice President of Washington International Insurance Company & Senior Vice President of North American Specialty Insurance Company & Senior Vice President of Westport Insurance Corporation



IN WITNESS WHEREOF, North American Specialty Insurance Company, Washington International Insurance Company and Westport Insurance Corporation have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 27 day of MARCH, 2018.

North American Specialty Insurance Company
Washington International Insurance Company
Westport Insurance Corporation

State of Illinois
County of Cook ss:

On this 27 day of MARCH, 2018, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of

Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Senior Vice President of Westport Insurance Corporation and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Senior Vice President of Westport Insurance Corporation, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature] M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Vice President and Assistant Secretary of North American Specialty Insurance Company, Washington International Insurance Company and Westport Insurance Corporation do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company, Washington International Insurance Company and Westport Insurance Corporation which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 21st day of November, 2019.

[Signature]


NORTH AMERICAN SPECIALTY INSURANCE COMPANY
 A New Hampshire Corporation

BALANCE SHEET AS OF DECEMBER 31, 2018
 (Statutory Basis)

Valuation of securities on National Association of Insurance Commissioner Basis

ASSETS		LIABILITIES	
Cash	29,344,055	Reserve for Unearned Premiums	7,765
Bonds	305,313,574	Reserve for Losses and Loss Adjustment Expenses	22,601,839
Other Invested Assets	85,392,243	Funds Withheld	9,468,208
Other Admitted Assets	109,846,154	Taxes and Other Liabilities	183,467,096
TOTAL ADMITTED ASSETS	529,896,026	Surplus	334,251,118
		TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS	529,796,026

The undersigned, being duly sworn, says That he is Senior Vice President of North American Specialty Insurance Company, Kanas City, Missouri that said company is a corporation duly organized, existing by virtue of the Laws of the State of New Hampshire and that said Company has also complied with and is duly qualified to act as Surety under the Act of Congress approved; July 1947 6 U.S.C. sec. 6-13; and that to the best of his knowledge and belief the above statement is a full, true and correct statement of the financial condition of the said Company on the 31st day of December, 2018.



 Michael A. Ito, Senior Vice President
 North American Specialty Insurance Company

Subscribed and sworn before me,
 this 30th day of March, 2019



 Notary Public



Appendix C

IBM's Proposed Terms and Conditions

IBM's proposal is solely offered under the terms and conditions of the existing IBM Customer Agreement (ICA), signed by Arkansas on July 24, 2007, between the State of Arkansas and IBM, and the existing Agreement for Exchange of Confidential Information (AECI), agreement number Z125-4322-07 between the State of Arkansas and IBM. In the event a Business Associate Addendum (BAA) is necessary, IBM can provide the current IBM BAA. A copy of the ICA and the AECI are provided in the following pages for the State's convenience.



Customer Agreement

This IBM Customer Agreement (called the "Agreement") governs transactions by which you purchase Machines, license ICA Programs, obtain Program licenses, and acquire Services from International Business Machines Corporation ("IBM").

This Agreement and its applicable Attachments and Transaction Documents are the complete agreement regarding these transactions, and replace any prior oral or written communications between us.

By signing below for our respective Enterprises, both of us agree to the terms of this Agreement. Once signed, 1) any reproduction of this Agreement, an Attachment, or Transaction Document made by reliable means (for example, photocopy or facsimile) is considered an original and 2) all Products and Services ordered under this Agreement are subject to it.

Agreed to:

Customer Company name:

By Joe Giddis
Authorized signature

Name (type or print): Joe Giddis

Date: 7/24/07

Enterprise number:

Enterprise address:

Agreed to:

International Business Machines Corporation

By Chris Holmes
Authorized signature

Name (type or print): CHRIS HOLMES

Date: 6/25/2007

Agreement number:

IBM address: 111 CENTER STREET
LITTLE ROCK, AR 72201

After signing, please return a copy of this Agreement to the "IBM address" shown above.

IBM Customer Agreement

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IBM Customer Agreement

Part - General

1.1 Definitions

Customer-set-up Machine is an IBM Machine that you install according to IBM's instructions.

Date of Installation is the following:

1. for an IBM Machine that IBM is responsible for installing, the business day after the day IBM successfully installs it in accordance with the Specifications or, if you defer installation, makes it available to you for subsequent installation by IBM;
2. for a Customer-set-up Machine and a non-IBM Machine, the second business day after the Machine's standard transit allowance period; and
3. for a Program --
 - a. basic license, the later of the following:
 - (i) the day after its testing period ends; or
 - (ii) the second business day after the Program's standard transit allowance period,
 - b. copy, the date (specified in a Transaction Document) on which IBM authorizes you to make a copy of the Program, and
 - c. chargeable component, the date you distribute a copy of the chargeable component in support of your authorized use of the Program.

Designated Machine is either 1) the machine on which you will use an ICA Program for processing and which IBM requires you to identify to it by type/model and serial number, or 2) any machine on which you use the ICA Program if IBM does not require you to provide this identification.

Enterprise is any legal entity (such as a corporation) and the subsidiaries it owns by more than 50 percent. The term "Enterprise" applies only to the portion of the Enterprise located in the United States.

ICA Program is an IBM Program licensed under Part 4 of this Agreement.

Licensed Internal Code (called "LIC") is Machine Code used by certain Machines IBM specifies (called "Specific Machines").

Machine is a machine, its features, conversions, upgrades, elements, or accessories, or any combination of them. The term "Machine" includes an IBM Machine and any non-IBM Machine (including other equipment) that IBM may provide to you.

Machine Code is microcode, basic input/output system code (called "BIOS"), utility programs, device drivers, and diagnostics delivered with an IBM Machine.

Materials are literary works or other works of authorship (such as programs, program listings, programming tools, documentation, reports, drawings and similar works) that IBM may deliver to you as part of a Service. The term "Materials" does not include Programs, Machine Code, or LIC.

Non-IBM Program is a Program licensed under a separate third party license agreement.

Other IBM Program is an IBM Program licensed under a separate IBM license agreement, e.g., IBM International Program License Agreement.

Product is a Machine or a Program.

Program is the following, including the original and all whole or partial copies:

1. machine-readable instructions and data;
2. components;
3. audio-visual content (such as images, text, recordings, or pictures); and
4. related licensed materials.

The term "Program" includes any ICA Program, Other IBM Program, or Non-IBM Program that IBM may provide to you. The term does not include Machine Code, LIC, or Materials.

Service is performance of a task, provision of advice and counsel, assistance, support, or access to a resource (such as access to an information database) IBM makes available to you.

Specifications is a document that provides information specific to a Product. IBM provides an IBM Machine's Specifications in a document entitled "Official Published Specifications" and an ICA Program's Specifications in a document entitled "Licensed Program Specifications."

Specified Operating Environment is the Machines and programs with which an ICA Program is designed to operate, as described in the ICA Program's Specifications.

1.2 Agreement Structure

IBM provides additional terms for Products and Services in documents called "Attachments" and "Transaction Documents" which are also part of this Agreement. All transactions have one or more associated Transaction Documents (such as an invoice, supplement, schedule, exhibit, statement of work, change authorization, or addendum).

If there is a conflict among the terms in the various documents, those of a mutually agreed upon Attachment prevail over those of this Agreement. The terms of a Transaction Document prevail over those of both of these documents.

You accept the terms in Attachments and Transaction Documents by 1) signing them, 2) using the Product or Service, or allowing others to do so, or 3) making any payment for the Product or Service.

A Product or Service becomes subject to this Agreement when IBM accepts your order by 1) sending you a Transaction Document, 2) shipping the Machine or making the Program available to you, or 3) providing the Service.

1.3 Delivery

IBM will try to meet your delivery requirements for Products and Services you order, and will inform you of their status. Transportation charges, if applicable, will be specified in a Transaction Document.

1.4 Charges and Payment

The amount payable for a Product or Service will be based on one or more of the following types of charges: one-time, recurring, time and materials, or fixed price. Additional charges may apply (such as special handling or travel related expenses). IBM will inform you in advance whenever additional charges apply.

Recurring charges for a Product begin on its Date of Installation. Charges for Services are billed as IBM specifies which may be in advance, periodically during the performance of the Service, or after the Service is completed.

Services for which you prepay must be used within the applicable contract period. Unless IBM specifies otherwise, IBM does not give credits or refunds for unused prepaid Services.

Charges

One-time and recurring charges may be based on measurements of actual or authorized use (for example, number of users or processor size for Programs, meter readings for maintenance Services or connect time for network Services). You agree to provide actual usage data if IBM specifies. If you make changes to your environment that impact use charges (for example, change processor size or configuration for Programs), you agree to promptly notify IBM and pay any applicable charges. Recurring charges will be adjusted accordingly. Unless IBM agrees otherwise, IBM does not give credits or refunds for charges already due or paid. In the event that IBM changes the basis of measurement, its terms for changing charges will apply.

You receive the benefit of a decrease in charges for amounts which become due on or after the effective date of the decrease.

IBM may increase recurring charges for Products and Services, as well as labor rates and minimums for Services provided under this Agreement, by giving you three months' written notice. An increase applies on the first day of the invoice or charging period on or after the effective date IBM specifies in the notice.

IBM may increase one-time charges upon 30 days notice. However, an increase to one-time charges does not apply to you if 1) IBM receives your order before the announcement date of the increase and 2) one of the following occurs within three months after IBM's receipt of your order:

1. IBM ships you the Machine or makes the Program available to you;
2. you make an authorized copy of a Program or distribute a chargeable component of a Program to another Machine; or
3. a Program's increased use charge becomes due.

Payment

Amounts are due upon receipt of invoice and payable as IBM specifies in a Transaction Document. You agree to pay accordingly, including any late payment fee. A payment shall be considered late after 60 days.

If any authority imposes a duty, tax, levy, or fee, excluding those based on IBM's net income, upon any transaction under this Agreement, then you agree to pay that amount as specified in an invoice or supply exemption documentation. You are responsible for any personal property taxes for each Product from the date IBM ships it to you.

1.5 Changes to the Agreement Terms

In order to maintain flexibility in our business relationship, IBM may change the terms of this Agreement by giving you three months' written notice. However, these changes are not retroactive. They apply, as of the effective date IBM specifies in the notice, only to new orders, renewals, and on-going transactions that do not expire. For on-going transactions with a defined renewable contract period, you may request that IBM defer the change effective date until the end of the current contract period if 1) the change affects your current contract period and 2) you consider the change unfavorable. Changes to charges will be implemented as described in the Charges and Payment section above.

Otherwise, for a change to be valid, both of us must sign it. Additional or different terms in any written communication from you (such as an order) are void.

1.6 IBM Business Partners

IBM has signed agreements with certain organizations (called "IBM Business Partners") to promote, market, and support certain Products and Services. When you order IBM Products or Services (marketed to you by IBM Business Partners) under this Agreement, IBM confirms that it is responsible for providing the Products or Services to you under the warranties and other terms of this Agreement. IBM is not responsible for 1) the actions of IBM Business Partners,

2) any additional obligations they have to you, or 3) any products or services that they supply to you under their agreements.

1.7 Patents and Copyrights

For purposes of this section, the term "Product" includes Materials, Machine Code and LIC.

If a third party claims that a Product IBM provides to you infringes that party's patent or copyright, IBM will defend you against that claim at its expense and pay all costs, damages, and attorney's fees that a court finally awards or that are included in a settlement approved by IBM, provided that you:

1. promptly notify IBM in writing of the claim; and
2. allow IBM to control, and cooperate with IBM in, the defense and any related settlement negotiations.

Remedies

If such a claim is made or appears likely to be made, you agree to permit IBM to enable you to continue to use the Product, or to modify it, or replace it with one that is at least functionally equivalent. If IBM determines that none of these alternatives is reasonably available, you agree to return the Product to IBM on its written request. IBM will then give you a credit equal to:

1. for a Machine, your net book value provided you have followed generally-accepted accounting principles;
2. for an ICA Program, the amount paid by you or 12 months' charges (whichever is less); and
3. for Materials, the amount you paid IBM for the creation of the Materials.

This is IBM's entire obligation to you regarding any claim of infringement.

Claims for Which IBM is Not Responsible

IBM has no obligation regarding any claim based on any of the following:

1. anything you provide which is incorporated into a Product or IBM's compliance with any designs, specifications, or instructions provided by you or by a third party on your behalf;
2. your modification of a Product, or an ICA Program's use in other than its Specified Operating Environment;
3. the combination, operation, or use of a Product with other products not provided by IBM as a system, or the combination, operation or use of a Product with any product, data, apparatus, or business method that IBM did not provide, or the distribution, operation or use of a Product for the benefit of a third party outside your Enterprise; or
4. infringement by a non-IBM Product or an Other IBM Program alone.

1.8 Limitation of Liability

Circumstances may arise where, because of a default on IBM's part or other liability, you are entitled to recover damages from IBM. In each such instance, regardless of the basis on which you are entitled to claim damages from IBM (including fundamental breach, negligence, misrepresentation, or other contract or tort claim), IBM is liable for no more than:

1. payments referred to in the Patents and Copyrights section above;
2. damages for bodily injury (including death) and damage to real property and tangible personal property; and
3. the amount of any other actual direct damages up to the greater of \$100,000 or the charges (if recurring, 12 months' charges apply) for the Product or Service that is the subject of the claim. For purposes of this item, the term "Product" includes Materials, Machine Code, and LIC.

This limit also applies to any of IBM's subcontractors and Program developers. It is the maximum for which IBM and its subcontractors and Program developers are collectively responsible.

Items for Which IBM is Not Liable

Under no circumstances is IBM, its subcontractors, or Program developers liable for any of the following even if informed of their possibility:

1. loss of, or damage to, data;
2. special, incidental, or indirect damages or for any economic consequential damages; or
3. lost profits, business, revenue, goodwill, or anticipated savings.

1.9 General Principles of Our Relationship

1. Neither of us grants the other the right to use its (or any of its Enterprise's) trademarks, trade names, or other designations in any promotion or publication without prior written consent.
2. All information exchanged is nonconfidential. If either of us requires the exchange of confidential information, it will be made under a signed confidentiality agreement.
3. Each of us is free to enter into similar agreements with others.
4. Each of us grants the other only the licenses and rights specified. No other licenses or rights (including licenses or rights under patents) are granted.
5. Each of us may communicate with the other by electronic means and such communication is acceptable as a signed writing. An identification code (called a "user ID") contained in an electronic document is sufficient to verify the sender's identity and the document's authenticity.
6. Each of us will allow the other reasonable opportunity to comply before it claims that the other has not met its obligations.
7. Neither of us will bring a legal action arising out of or related to this Agreement unless in accordance with the Arkansas Statute of Limitations under Arkansas Annotated Code 19-11-224.
8. Neither of us is responsible for failure to fulfill any obligations due to causes beyond its control.

9. Neither of us may assign this Agreement, in whole or in part, without the prior written consent of the other. Any attempt to do so is void. Neither of us will unreasonably withhold such consent. The assignment of this Agreement, in whole or in part, within the Enterprise of which either of us is a part or to a successor organization by merger or acquisition does not require the consent of the other. IBM is also permitted to assign its rights to payments under this Agreement without obtaining your consent provided IBM has performed its responsibilities. It is not considered an assignment for IBM to divest a portion of its business in a manner that similarly affects all of its customers.
10. You agree not to resell any Service without IBM's prior written consent. Any attempt to do so is void.
11. You agree that this Agreement will not create any right or cause of action for any third party, nor will IBM be responsible for any third party claims against you except as described in the Patents and Copyrights section above or as permitted by the Limitation of Liability section above for bodily injury (including death) or damage to real or tangible personal property for which IBM is legally liable.
12. You agree to acquire Machines with the intent to use them within your Enterprise and not for reselling, leasing, or transferring to a third party, unless either of the following applies:
 - a. you are arranging lease-back financing for the Machines; or
 - b. you purchase them without any discount or allowance, and do not remarket them in competition with IBM's authorized remarketers.
13. You agree to allow IBM to install mandatory engineering changes (such as those required for safety) on a Machine. Any parts IBM removes become IBM's property. You represent that you have the permission from the owner and any lien holders to transfer ownership and possession of removed parts to IBM.
14. You agree that you are responsible for the results obtained from the use of the Products and Services.
15. You agree to provide IBM with sufficient, free, and safe access to your facilities and systems for IBM to fulfill its obligations.
16. You agree to allow International Business Machines and its subsidiaries ("IBM") to store your contact information, including names, business phone numbers, and business e-mail addresses, in any country in which IBM does business, and to use such information internally and to communicate with you for the purpose of our business relationship.
17. You agree to comply with all applicable export and import laws and regulations.

1.10 Agreement Termination

Either of us may terminate this Agreement on written notice to the other following the expiration or termination of the terminating party's obligations.

Either of us may terminate this Agreement if the other does not comply with any of its terms, provided the one who is not complying is given written notice and reasonable time to comply.

Any terms of this Agreement which by their nature extend beyond the Agreement termination remain in effect until fulfilled, and apply to both of our respective successors and assignees.

1.11 Geographic Scope and Governing Law

The rights, duties, and obligations of each of us are valid only in the United States except that all licenses are valid as specifically granted.

Both you and IBM consent to the application of the laws of the State of Arkansas to govern, interpret, and enforce all of your and IBM's rights, duties, and obligations arising from, or relating in any manner to, the subject matter of this Agreement, without regard to conflict of law principles.

In the event that any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement remain in full force and effect.

Nothing in this Agreement affects any statutory rights of consumers that cannot be waived or limited by contract.

Part 2 - Warranties

2.1 The IBM Warranties

Warranty for IBM Machines

IBM warrants that each IBM Machine is free from defects in materials and workmanship and conforms to its Specifications.

The warranty period for a Machine is a specified, fixed period commencing on its Date of Installation. During the warranty period, IBM provides repair and exchange Service for the Machine, without charge, under the type of Service IBM designates for the Machine. If a Machine does not function as warranted during the warranty period and IBM is unable to either 1) make it do so or 2) replace it with one that is at least functionally equivalent, you may return it to IBM and your money will be refunded.

Additional terms regarding Service for Machines during and after the warranty period are contained in Part 5.

Warranty for ICA Programs

IBM warrants that each warranted ICA Program, when used in the Specified Operating Environment, will conform to its Specifications.

The warranty period for an ICA Program expires when its Program Services are no longer available. During the warranty period, IBM provides defect-related Program Services without charge. Program Services are available for a warranted ICA Program for at least one year following its general availability.

If an ICA Program does not function as warranted during the first year after you obtain your license and IBM is unable to make it do so, you may return the ICA Program and your money will be refunded. To be eligible, you must have obtained your license while Program Services (regardless of the remaining duration) were available for it. Additional terms regarding Program Services are contained in Part 4.

Warranty for IBM Services

IBM warrants that it performs each IBM Service using reasonable care and skill and according to its current description (including any completion criteria) contained in this Agreement, an Attachment, or a Transaction Document.

Warranty for Systems

Where IBM provides Products to you as a system, IBM warrants that they are compatible and will operate with one another. This warranty is in addition to IBM's other applicable warranties.

2.2 Extent of Warranty

If a Machine is subject to federal or state consumer warranty laws, IBM's statement of limited warranty included with the Machine applies in place of these Machine warranties.

The warranties stated above will not apply to the extent that there has been misuse (including but not limited to use of any Machine capacity or capability, other than that authorized by IBM in writing), accident, modification, unsuitable physical or operating environment, operation in other than the Specified Operating Environment, improper maintenance by you, or failure caused by a product for which IBM is not responsible. With respect to Machines, the warranty is voided by removal or alteration of Machine or parts identification labels.

THESE WARRANTIES ARE YOUR EXCLUSIVE WARRANTIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Items Not Covered by Warranty

IBM does not warrant uninterrupted or error-free operation of a Product or Service or that IBM will correct all defects.

IBM will identify IBM Machines and ICA Programs that it does not warrant.

Unless IBM specifies otherwise, it provides Materials, non-IBM Products, and non-IBM Services **WITHOUT WARRANTIES OF ANY KIND**. However, non-IBM manufacturers, developers, suppliers, or publishers may provide their own warranties to you. Warranties, if any, for Other IBM Programs and Non-IBM Programs may be found in their license agreements.

Part 3 - Machines

3.1 Production Status

Each IBM Machine is manufactured from parts that may be new or used. In some cases, a Machine may not be new and may have been previously installed. Regardless, IBM's appropriate warranty terms apply.

3.2 Title and Risk of Loss

When IBM accepts your order, IBM agrees to sell you the Machine described in a Transaction Document. IBM transfers title to you or, if you choose, your lessor when IBM ships the Machine. However, IBM reserves a purchase money security interest in the Machine until IBM receives the amounts due. For a feature, conversion, or upgrade involving the removal of parts which become IBM's property, IBM reserves a security interest until IBM receives payment of all the amounts due and the removed parts. You authorize IBM to file appropriate documents to permit IBM to perfect its purchase money security interest.

For each Machine, IBM bears the risk of loss or damage up to the time it is delivered to the IBM-designated carrier for shipment to you or your designated location. Thereafter, you assume the risk. Each Machine will be covered by insurance, arranged and paid for by IBM for you, covering the period until it is delivered to you or your designated location. For any loss or damage, you must 1) report the loss or damage in writing to IBM within 10 business days of delivery and 2) follow the applicable claim procedure.

3.3 Installation

You agree to provide an environment meeting the specified requirements for the Machine.

IBM has standard installation procedures. IBM will successfully complete these procedures before it considers an IBM Machine (other than a Machine for which you defer installation or a Customer-set-up Machine) installed.

You are responsible for installing a Customer-set-up Machine and, unless IBM agrees otherwise, a non-IBM Machine.

Machine Features, Conversions and Upgrades

IBM sells features, conversions and upgrades for installation on Machines, and, in certain instances, only for installation on a designated, serial-numbered Machine. Many of these transactions involve the removal of parts and their return to IBM. As applicable, you represent that you have the permission from the owner and any lien holders to 1) install features, conversions, and upgrades and 2) transfer ownership and possession of removed parts (which become IBM's

property) to IBM. You further represent that all removed parts are genuine, unaltered, and in good working order. A part that replaces a removed part will assume the warranty or maintenance Service status of the replaced part. You agree to allow IBM to install the feature, conversion, or upgrade within 30 days of its delivery. Otherwise, IBM may terminate the transaction and you must return the feature, conversion, or upgrade to IBM at your expense.

3.4 Machine Code and LIC

Machine Code is licensed under the terms of the agreement provided with the Machine Code. Machine Code is licensed only for use to enable a Machine to function in accordance with its Specifications and only for the capacity and capability for which you are authorized by IBM in writing and for which payment is received by IBM.

Certain Machines IBM specifies (called "Specific Machines") use LIC. IBM will identify Specific Machines in a Transaction Document. International Business Machines Corporation, one of its subsidiaries, or a third party owns LIC including all copyrights in LIC and all copies of LIC (this includes the original LIC, copies of the original LIC, and copies made from copies). LIC is copyrighted and licensed (not sold). LIC is licensed under the terms of the agreement provided with the LIC. LIC is licensed only for use to enable a Machine to function in accordance with its Specifications and only for the capacity and capability for which you are authorized by IBM in writing and for which payment is received by IBM.

Part 4 - ICA Programs

4.1 License

When IBM accepts your order, IBM grants you a nonexclusive, nontransferable license to use the ICA Program in the United States. ICA Programs are owned by International Business Machines Corporation, one of its subsidiaries, or a third party and are copyrighted and licensed (not sold).

Authorized Use

Under each license, IBM authorizes you to:

1. use the ICA Program's machine-readable portion on only the Designated Machine. If the Designated Machine is inoperable, you may use another machine temporarily. If the Designated Machine cannot assemble or compile the ICA Program, you may assemble or compile the ICA Program on another machine.
If you change a Designated Machine previously identified to IBM, you agree to notify IBM of the change and its effective date;
2. use the ICA Program to the extent of authorizations you have obtained;
3. make and install copies of the ICA Program, to support the level of use authorized, provided you reproduce the copyright notices and any other legends of ownership on each copy or partial copy, and
4. use any portion of the ICA Program IBM 1) provides in source form, or 2) marks restricted (for example, "Restricted Materials of IBM") only to --
 - a. resolve problems related to the use of the ICA Program, and
 - b. modify the ICA Program so that it will work together with other products.

Your Additional Obligations

For each ICA Program, you agree to:

1. comply with any additional terms in its Specifications or a Transaction Document;
2. ensure that anyone who uses it (accessed either locally or remotely) does so only for your authorized use and complies with IBM's terms regarding ICA Programs; and
3. maintain a record of all copies and provide it to IBM at its request.

Actions You May Not Take

You agree not to:

1. reverse assemble, reverse compile, or otherwise translate the ICA Program unless expressly permitted by applicable law without the possibility of contractual waiver; or
2. sublicense, assign, rent, or lease the ICA Program.

4.2 Program Components Not Used on the Designated Machine

Some ICA Programs have components that are designed for use on machines other than the Designated Machine on which the ICA Program is used. You may make copies of a component and its documentation in support of your authorized use of the ICA Program. For a chargeable component, you agree to notify IBM of its Date of Installation.

4.3 Distributed System License Option

For some ICA Programs, you may make a copy under a Distributed System License Option (called a "DSLO" copy). IBM charges less for a DSLO copy than for the original license (called the "Basic" license). In return for the lesser charge, you agree to do the following while licensed under a DSLO:

1. have a Basic license for the ICA Program;
2. provide problem documentation and receive Program Services (if any) only through the location of the Basic license; and
3. distribute to, and install on, the DSLO's Designated Machine, any release, correction, or bypass that IBM provides for the Basic license.

4.4 Program Testing

IBM provides a testing period for certain ICA Programs to help you evaluate if they meet your needs. If IBM offers a testing period, it will start 1) the second business day after the ICA Program's standard transit allowance period, or 2)

on another date specified in a Transaction Document. IBM will inform you of the duration of the ICA Program's testing period.

IBM does not provide testing periods for DSLO copies.

4.5 Program Services

IBM provides Program Services for warranted ICA Programs. If IBM can reproduce your reported problem in the Specified Operating Environment, IBM will issue defect correction information, a restriction, or a bypass. IBM provides Program Services for only the unmodified portion of a current release of an ICA Program.

IBM provides Program Services 1) on an on-going basis (with at least six months' written notice before IBM terminates Program Services), 2) until the date IBM specifies, or 3) for a period IBM specifies.

4.6 License Termination

You may terminate the license for an ICA Program on one month's written notice, or at any time during the ICA Program's testing period.

Licenses for certain replacement ICA Programs may be obtained for an upgrade charge. When you obtain licenses for these replacement ICA Programs, you agree to terminate the license of the replaced ICA Programs when charges become due, unless IBM specifies otherwise.

IBM may terminate your license if you fail to comply with the license terms. If IBM does so, your authorization to use the ICA Program is also terminated.

You agree to promptly destroy all copies of the Program after either party has terminated the license.

Part 5 - Services

5.1 Personnel

Each of us is responsible for the supervision, direction, control, and compensation of our respective personnel.

IBM reserves the right to determine the assignment of its personnel.

IBM may subcontract a Service, or any part of it, to subcontractors selected by IBM with your prior approval.

5.2 Materials Ownership and License

IBM will specify Materials to be delivered to you. IBM will identify them as being "Type I Materials," "Type II Materials," or otherwise as we both agree. If not specified, Materials will be considered Type II Materials.

Type I Materials are those, created during the Service performance period, in which you will have all right, title, and interest (including ownership of copyright). IBM will retain one copy of the Materials. You grant IBM 1) an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, distribute (internally and externally) copies of, and prepare derivative works based on, Type I Materials and 2) the right to authorize others to do any of the former.

Type II Materials are those, created during the Service performance period or otherwise (such as those that preexist the Service), in which IBM or third parties have all right, title, and interest (including ownership of copyright). IBM will deliver one copy of the specified Materials to you. IBM grants you an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, and distribute, within your Enterprise only, copies of Type II Materials.

Each of us agrees to reproduce the copyright notice and any other legend of ownership on any copies made under the licenses granted in this section.

5.3 Service for Machines (during and after warranty)

IBM provides certain types of Service to keep Machines in, or restore them to, conformance with their Specifications. IBM will inform you of the available types of Service for a Machine. At its discretion, IBM will 1) either repair or exchange the failing Machine and 2) provide the Service either at your location or a service center.

When the type of Service requires that you deliver the failing Machine to IBM, you agree to ship it suitably packaged (prepaid unless IBM specifies otherwise) to a location IBM designates. After IBM has repaired or exchanged the Machine, IBM will return it to you at its expense unless IBM specifies otherwise. IBM is responsible for loss of, or damage to, your Machine while it is 1) in IBM's possession or 2) in transit in those cases where IBM is responsible for the transportation charges.

Any feature, conversion, or upgrade IBM services must be installed on a Machine which is 1) for certain Machines, the designated, serial-numbered Machine and 2) at an engineering-change level compatible with the feature, conversion, or upgrade.

IBM manages and installs selected engineering changes that apply to IBM Machines and may also perform preventive maintenance.

You agree to:

1. obtain authorization from the owner to have IBM service a Machine that you do not own; and
2. where applicable, before IBM provides Service --
 - a. follow the problem determination, problem analysis, and service request procedures that IBM provides,
 - b. secure all programs, data, and funds contained in a Machine, and

- c. inform IBM of changes in a Machine's location.

Replacements

When Service involves the exchange of a Machine or part, the item IBM replaces becomes its property and the replacement becomes yours. You represent that all removed items are genuine and unaltered. The replacement may not be new, but will be in good working order and at least functionally equivalent to the item replaced. The replacement assumes the warranty or maintenance Service status of the replaced item. Before IBM exchanges a Machine or part, you agree to remove all features, parts, options, alterations, and attachments not under IBM's service. You also agree to ensure that the item is free of any legal obligations or restrictions that prevent its exchange.

Some parts of IBM Machines are designated as Customer Replaceable Units (called, "CRUs"), e.g., keyboards, memory, or hard disk drives. IBM provides CRUs to you for replacement by you. You must return all defective CRUs to IBM within 30 days of your receipt of the replacement CRU. You are responsible for downloading designated Machine Code and LIC updates from an IBM Internet Web site or from other electronic media, and following the instructions that IBM provides.

Items Not Covered

Repair and exchange Services do not cover:

1. accessories, supply items, and certain parts, such as batteries, frames, and covers;
2. Machines damaged by misuse, accident, modification, unsuitable physical or operating environment, or improper maintenance by you;
3. Machines with removed or altered Machine or parts identification labels;
4. failures caused by a product for which IBM is not responsible;
5. service of Machine alterations; or
6. Service of a Machine on which you are using capacity or capability, other than that authorized by IBM in writing.

Warranty Service Upgrade

For certain Machines, you may select a Service upgrade from the standard type of warranty Service for the Machine. IBM charges for the Service upgrade during the warranty period.

You may not terminate the Service upgrade or transfer it to another Machine during the warranty period. When the warranty period ends, the Machine will convert to maintenance Service at the same type of Service you selected for warranty Service upgrade.

5.4 Maintenance Coverage

Whenever you order maintenance Service for Machines, IBM will inform you of the date on which maintenance Service will begin. IBM may inspect the Machine within one month following that date. If the Machine is not in an acceptable condition for service, you may have IBM restore it for a charge. Alternatively, you may withdraw your request for maintenance Service. However, you will be charged for any maintenance Service which IBM has performed at your request.

5.5 Termination and Withdrawal of a Service

Either of us may terminate a Service if the other does not meet its obligations concerning the Service.

You may terminate a Service, on notice to IBM provided you have met all minimum requirements and paid any adjustment charges specified in the applicable Attachments and Transaction Documents. For a maintenance Service, you may terminate without adjustment charge provided any of the following circumstances occur:

1. you permanently remove the eligible Product, for which the Service is provided, from productive use within your Enterprise;
2. the eligible location, for which the Service is provided, is no longer controlled by you (for example, because of sale or closing of the facility); or
3. the Machine has been under maintenance Service for at least six months and you give IBM one month's written notice prior to terminating the maintenance Service.

You agree to pay IBM for 1) all Services IBM provides and any Products and Materials IBM delivers through Service termination, 2) all expenses IBM incurs through Service termination, and 3) any reasonable charges IBM incurs in terminating the Service, and not to include penalties for termination.

IBM may withdraw a Service or support for an eligible Product on three months' written notice to you. If IBM withdraws a Service for which you have prepaid and IBM has not yet fully provided it to you, IBM will give you a prorated refund.

Any terms which by their nature extend beyond termination or withdrawal remain in effect until fulfilled and apply to respective successors and assignees.



Agreement for Exchange of Confidential Information

The parties' mutual objective under this Agreement is to provide protection for confidential information (Information) while maintaining each party's ability to conduct its respective business activities. Each party agrees that the following terms apply when one party (Discloser) discloses Information to the other (Recipient).

1. Disclosure

Information will be disclosed either:

- a. in writing;
- b. by delivery of items;
- c. by initiation of access to Information, such as may be in a data base; or
- d. by oral or visual presentation.

Information should be marked with a restrictive legend of the Discloser. If Information is not marked with such legend or is disclosed orally, the Information will be identified as confidential at the time of disclosure.

2. Obligations

The Recipient agrees to:

- a. use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and
- b. use the Discloser's Information for the purpose for which it was disclosed or otherwise for the benefit of the Discloser.

The Recipient may disclose Information to:

- a. its employees who have a need to know, and employees of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know. Control means to own or control, directly or indirectly, over 50% of voting shares; and
- b. any other party with the Discloser's prior written consent.

Before disclosure to any of the above parties, the Recipient will have a written agreement with the party sufficient to require that party to treat Information in accordance with this Agreement.

The Recipient may disclose Information to the extent required by law. However, the Recipient will give the Discloser prompt notice to allow the Discloser a reasonable opportunity to obtain a protective order.

3. Confidentiality Period

Information disclosed under this Agreement will be subject to this Agreement for two years following the initial date of disclosure.

4. Exceptions to Obligations

The Recipient may disclose, publish, disseminate, and use Information that is:

- a. already in its possession without obligation of confidentiality;
- b. developed independently;
- c. obtained from a source other than the Discloser without obligation of confidentiality;
- d. publicly available when received, or subsequently becomes publicly available through no fault of the Recipient; or
- e. disclosed by the Discloser to another without obligation of confidentiality.

The Recipient may use in its business activities the ideas, concepts and know-how contained in the Discloser's Information which are retained in the memories of Recipient's employees who have had access to the Information under this Agreement.

5. Disclaimers

THE DISCLOSER PROVIDES INFORMATION WITHOUT WARRANTIES OF ANY KIND.

Any Information regarding the Discloser's future products or services is subject to change or withdrawal without notice. The development, release, and timing of any future features or functionality described for Discloser's products and services remains at Discloser's sole discretion.

The Discloser will not be liable for any damages arising out of the use of Information disclosed under this Agreement.

Neither this Agreement nor any disclosure of Information made under it grants the Recipient any right or license under any trademark, copyright or patent now or subsequently owned or controlled by the Discloser.

6. Import/Export

The Recipient will:

- a. comply with applicable export and import laws and regulations including, without limitation, U.S. embargo and sanctions regulations and prohibitions on export for certain end uses or to certain users, comply with all applicable export and import laws and regulations, including associated embargo and sanction regulations, and
- b. unless authorized by applicable governmental license or regulation, not directly or indirectly export or re-export any technical information or software subject to this Agreement (including direct products of such technical information or software) to any prohibited destination or country (including release to nationals, wherever they may be located, of any prohibited country) as specified in such applicable export regulations.

This section will survive the termination or expiration of this Agreement and the confidentiality period above and will remain in effect until fulfilled.

7. Termination

Either party may terminate this Agreement by providing one month's written notice to the other. Any terms of this Agreement which by their nature extend beyond its termination remain in effect until fulfilled, and apply to respective successors and assignees.

8. General

- a. This Agreement does not require either party to disclose or to receive Information, perform any work, or enter into any license, business engagement or other agreement.
- b. Neither party may assign, or otherwise transfer, its rights or delegate its duties or obligations under this Agreement without prior written consent. Any attempt to do so is void.
- c. The exchange of Information under this Agreement does not create any joint relationship, or authorize either party to act or speak on behalf of the other.
- d. The receipt of Information under this Agreement will not in any way limit the Recipient from:
 - (1) developing, manufacturing, marketing or providing to others products or services which may be competitive with products or services of the Discloser;
 - (2) developing, manufacturing, marketing or providing products or services to others who compete with the Discloser;
 - (3) assigning its employees in any way it may choose or
 - (4) entering into any business relationship with any other party
- e. Any feedback (including suggestions, data and/or written materials) provided by a Recipient of Information regarding the Discloser's products or services (or future plans about them) shall not be subject to any obligation of confidentiality under this Agreement, provided that there shall be no right to identify a party as the source of any such feedback.
- f. Only a written agreement signed by both parties can modify this Agreement.

- g. Both parties agree to the application of the laws of the State of New York to govern, interpret, and enforce all of Customer's and IBM's rights, duties, and obligations arising from, or relating in any manner to, the subject matter of this Agreement, without regard to conflict of law principles.

This Agreement, including its applicable Supplements, is the complete agreement regarding disclosures of Information, and replaces all prior oral or written communications, representations, undertakings, warranties, promises, covenants, and commitments between Customer and IBM. In entering into this Agreement, including each Supplement, neither party is relying on any representation that is not specified in this Agreement. Additional or different terms in any written communication from Customer are void.

Each party accepts, on behalf of its Enterprise, the terms of this Agreement by signing this Agreement (or another document that incorporates it by reference) by hand or electronically. Once signed, i) any reproduction of this Agreement or a Supplement made by reliable means (for example, electronic image, photocopy or facsimile) is considered an original and ii) all disclosures of Information under this Agreement are subject to it.

Agreed to: AR DEPT OF HUMAN
<Customer Company Name> SOLVICS

By [Signature]
Authorized Signature

Name (type or print): Richard H. Wyatt

Date: 1/30/2013

Identification number: 0516811

Address: 101 EAST 7th
LITTLE ROCK AR

Agreed to:
International Business Machines Corporation

By [Signature]
Authorized Signature

Name (type or print): Nicole E. RATH

Date: 2/4/2013

Agreement number:

IBM address: 80 STATE STREET
ALBANY, NY 12207

After signing, please return a copy of this Agreement to the "IBM address" shown above.

Agreement for Exchange of Confidential Information Supplement for Disclosure



Discloser: IBM Customer

Name and address of Recipient's Point of Contact:

Initial Disclosure Date: January 31, 2013 Final Disclosure Date: February 28, 2013


Initial Disclosure Date is the actual date of disclosure or the date on which access to Information, such as may be contained in a database, is to be initiated. Information described below becomes subject to the referenced Agreement and any additional terms contained herein on this date. Final Disclosure Date is the date on which the disclosure is to be completed or the date on which access to Information will be terminated.

1. Confidential Information: The following is a nonconfidential description of Information the Discloser wishes to disclose.
 - a. IBM will provide a demonstration of pre release artifacts or assets related to our solution for Health Care Reform.
 - b. The demonstration is part of a product beta test for enhancements that IBM is contemplating releasing as a generally available product.
2. Additional terms, if any:
 1. IBM will perform the demonstration on an IBM machine in a non production environment. The demonstration will be performed at a time and location to be determined between the parties.
 2. All information obtained during the demonstration and/or obtained as a result of the demo is considered confidential information of the Discloser.
 3. The Recipient may use any information received during the demonstration in accordance with the terms of the Agreement for their internal evaluation purposes.
 4. IBM is under no obligation to continue development of, or make generally available, any pre release artifacts or assets or other software associated with the HCR module.
 5. Each of us agrees to modify the referenced Agreement for the disclosures of Information described above.
3. All Agreement terms not expressly changed by this Amendment remain in full force and effect.

The IBM Agreement for Exchange of Confidential Information (Agreement) and this Supplement is the complete and exclusive agreement regarding this disclosure and replace any prior oral or written communications between us regarding this disclosure. If there is a conflict among terms, those of this Supplement prevail over those of the Agreement. Any reproduction of this Supplement made by reliable means (for example, photocopy or facsimile) is considered an original.

Both of us are required to sign only when additional terms are included or if either party requires it.

Agreed to:
State of Arkansas:

By 
Authorized signature

Title: Chief Information Officer
Name (type or print): Richard H Wyatt
Date: January 30, 2013
Customer number: 0516811
Enterprise number:

Agreed to:
International Business Machines Corporation

By 
Authorized signature

Title: Account Manager
Name (type or print): Nicole E. RATH
Date: 2/4/2013
Agreement number:
Supplement number: 001

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