

STATE OF DELAWARE
OFFICE OF THE STATE BANK COMMISSIONER

**REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
REGULATORY CONSULTING AND ADVISORY SERVICES
ISSUED BY STATE OF DELAWARE OFFICE OF THE STATE BANK COMMISSIONER
CONTRACT NUMBER STA263186-PROREGSVCS**

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I. Overview and Background Information

The State of Delaware Office of the State Bank Commissioner ("OSBC") seeks to engage a qualified, experienced vendor ("Vendor"), such as a specialized law firm or regulatory advisory firm, to provide and perform professional services to support rulemaking, supervisory program development, examiner training, examiner staff augmentation, and strategic advisory work, all as more fully described in this Request for Proposals ("RFP"), which is issued pursuant to 29 *Del. C.* §§ [6981](#) and [6982](#).

OSBC is the primary regulator and supervisor of Delaware state-chartered banks and trust companies, licensed money transmitters, and other licensed non-depository financial institutions established under Title 5 of the Delaware Code ("the Banking Code").

The following legislation (collectively the "2026 Title 5 Legislation") amending the Banking Code was enacted by the 153rd Delaware General Assembly and signed into law by the Governor on July 6, 2026, which is the effective date of the 2026 Title 5 Legislation (the "Effective Date"):

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- **Senate Substitute 1 for Senate Bill 16 (SS1 for SB 16)** – This legislation (the “Delaware Banking Modernization Act of 2026”) amended Chapters 1, 7, 9, and 16 of Title 5 to, among other things, define “digital asset” and “virtual currency,” confirm that digital assets are personal property for purposes of trust powers (5 *Del. C.* § 761(c)), authorize tailored, risk-based application requirements for certificates of public convenience and advantage (5 *Del. C.* § 701(b)), and modernize provisions governing trust company mergers, conversions, and out-of-state trust institutions.
- **Senate Bill 18 (SB 18)** – This legislation repealed and replaced the existing Chapter 23 of Title 5 with a new Chapter 23 (the “Delaware Money Transmission and Virtual Currency Modernization Act”), which consists of a modernized money transmission framework that is aligned with the Conference of State Bank Supervisors’ multistate “Money Transmission Modernization Act” previously enacted into law in more than 30 states, and includes a new Subchapter VIII governing virtual currency business activity (5 *Del. C.* §§ 2333–2339).
- **Senate Substitute 2 for Senate Bill 19 (SS2 for SB19)** – This legislation created a new Chapter 35 of Title 5 (“Delaware Payment Stablecoins Act” or “PSA”), which establishes a licensing and supervisory framework for payment stablecoin issuers (“Issuers”) and a voluntary registration framework for digital asset service providers. The PSA is designed and drafted to be substantially similar to the federal Guiding and Establishing National Innovation for U.S. Stablecoins Act, Pub. L. 119-27, 12 U.S.C. § 5901 et seq. (the “GENIUS Act”), and to qualify Delaware for certification by the federal Stablecoin Certification Review Committee (“SCRC”). The PSA requires the State Bank Commissioner (“Commissioner”) to promulgate implementing regulations in 14 mandatory areas within one year of the legislation’s Effective Date (5 *Del. C.* § 3566(a)), to adopt safe harbor and interim authorization regulations (§ 3566(e)), and to submit a certification application to the SCRC within six months after the required regulations are promulgated (§ 3567(b)). Issuers are subject to periodic examination under OSBC’s examination authority, and Issuers with outstanding issuance exceeding \$1 billion are subject to mandatory annual examination by OSBC (§ 3551).

The need for specialized professional services is driven by three primary factors:

(1) The statutes have deadlines that are compressed and interlocking: certain regulations are due within one (1) year of the Effective Date of SS1 for SB 16, the SCRC certification application is due six months after those regulations are promulgated, and the interim authorization timeframe for entities to issue a payment stablecoin may be as early as 120 days after the final regulations are published.

(2) The supervisory subject matter is highly specialized and entails knowledge and expertise in the areas of reserve composition and attestation, digital asset custody controls, blockchain transaction tracking de-pegging, and redemption-run dynamics. This core knowledge base is crucial to OSBC’s regulatory oversight responsibilities; however, because of the newly enacted 2026 Title 5 Legislation, these areas are not

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currently covered by OSBC's examination process or manuals, and are not addressed in any current examiner training programs.

(3) OSBC's need to examine licensees who are licensed "early" on a statutory annual cycle for any issues exceeding \$1 billion in outstanding issuance before initial capability can realistically be built organically.

Through this RFP, OSBC is soliciting proposals from qualified firms ("Vendors") with extensive experience in the areas of cryptocurrency and broader digital assets to perform professional legal or consulting services, as fully described herein in Section II, to support OSBC's efforts in developing and implementing newly created statutory requirements, as well as establishing internal controls and processes, under the 2026 Title 5 Legislation.

The proposed schedule of events subject to the RFP is outlined below:

Public Notice	Date: September 2, 2026
Deadline for Questions	Date: September 14, 2026
Response to Questions Posted by:	Date: September 18, 2026
Deadline for Receipt of Proposals	Date: September 30, 2026 at 1:00 PM (EDT)
Estimated Notification of Award	Date: October 9, 2026

Each proposal must be accompanied by a transmittal letter which briefly summarizes the proposing firm's interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP which the applicant may have taken in presenting the proposal. (Applicant exceptions must also be recorded on Attachment 2).

The State of Delaware reserves the right to deny any and all exceptions taken to the RFP requirements.

A mandatory pre-bid meeting has not been established for this Request for Proposal.

II. Scope of Services

OSBC seeks a Vendor to provide legal or consulting services covering the following six areas: **(1) rulemaking** - drafting and promulgation of implementing regulations; **(2) supervisory program development** - development of examination manuals, work programs, and supervisory policies for payment stablecoin issuers and digital asset custody; **(3) examiner and staff training** – develop training materials and deliver training to OSBC examiners; **(4) licensing operations** - develop licensing, reporting, enforcement, and resolution policies and programs; and provide examination staff augmentation for early licensees; and **(5) SCRC certification** - strategic analysis and advisory services, including support for OSBC's SCRC certification application.; and **(6) strategic analysis**

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and advisory support – regulatory benchmarking, market landscape analysis, and stakeholder mapping.

Vendor's role will be strictly advisory and technical, with OSBC retaining all regulatory decision-making authority.

OSBC intends to award a single contract structured as a base agreement with task orders corresponding to these six tasks (Tasks 1 through 6) set forth in Appendix A, which is attached hereto and incorporated herein by reference. OSBC may issue, defer, re-scope, or decline task orders at its discretion, including to reflect the content and timing of final federal regulations implementing the GENIUS Act. Compensation is anticipated on a time-and-materials basis (i.e., hourly rates) with not-to-exceed ceilings per task order; respondents may propose fixed-fee alternatives for defined deliverables.

III. Required Information

The following information shall be provided in each proposal in the order listed below. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the OSBC.

A. Minimum Requirements

1. Provide Delaware license(s) and/or certification(s) necessary to perform services as identified in the scope of work.

Prior to the execution of an award document, the successful Vendor shall either furnish OSBC with proof of State of Delaware Business Licensure or initiate the process of application where required.

2. Vendor shall provide responses to this RFP scope of work and clearly identify capabilities as presented in the General Evaluation Requirements below.
3. Complete all appropriate attachments and forms as identified within this RFP.
4. Proof of insurance and amount of insurance shall be furnished to the Agency prior to the start of the contract period and shall be no less than as identified in this RFP at Section V.G.8 (Insurance).

B. Additional Submission Requirements

1. Vendors shall propose a detailed work plan and schedule. OSBC's controlling constraints are: required regulations must be promulgated within one year of the PSA's effective date; SCRC certification application due six months after promulgation of required regulations; and licensing beginning as early as 120 days after promulgation. OSBC expects Tasks 1 and 5 (SCRC certification; rulemaking), Tasks 2, 3, and 4 (supervisory program development; operations) and Task 6 (benchmarking) to begin immediately upon award, with the remainder of Task 3 (examiner training manuals and in-person examiner training) to be delivered before the first examinations, and the remainder of Task 4 (examiner augmentation) to be available upon licensing of the first licensees.

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All written deliverables shall become the property of OSBC and shall be delivered in editable native formats.

2. Bidders should demonstrate all of the following additional minimum requirements (and any bidder not demonstrating each minimum qualification may be rejected without further evaluation:

- A proposed team with demonstrated understanding of insured banks, trust banks and trust companies, and uninsured financial institutions, and extensive knowledge of federal and state banking laws.
- Extensive experience with, and considerable knowledge of, compliance and operations relating to digital assets and stablecoins, and related supervisory and regulatory processes, including reserve management, custody, AML/sanctions compliance, and blockchain analytics.
- Experience advising regulatory agencies and regulated financial institutions on the topics described in the Scope of Work, including development of examination programs or supervisory manuals for a state or federal financial regulator.
- Key persons with a minimum of six (6) years of experience in the areas described above. Respondents shall provide documentation sufficient to verify qualifications, including any applicable licenses and descriptions of relevant prior engagements, and shall make such documentation available for verification upon request.

3. Conflict of Interest; confidentiality - Because qualified Vendors may also advise prospective applicants for licenses under Title 5, each bidder shall:

- Disclose all current and reasonably anticipated engagements within the past twenty-four (24) months, with any person the respondent knows or reasonably should know is a prospective applicant for a license, registration, or charter from OSBC, or an affiliate of such a person, including engagements relating to the GENIUS Act or any state digital asset framework.
- Describe the information barriers, staffing separation, and screening procedures it will maintain between work for OSBC and work for regulated or prospective-applicant clients.
- Agree that, during the contract term, it will not accept a new engagement that presents a conflict with its work for OSBC without prior written consent of OSBC, and that personnel assigned under Task 4 will not perform services for any institution they examined for a period of twelve (12) months following the examination.

All non-public information obtained in performance of the contract, including confidential supervisory information, examination reports and workpapers, and applicant information, is and shall remain confidential. Upon execution of the professional services contract, Vendor and all assigned personnel shall execute confidentiality agreements in a form approved by OSBC and shall comply with the terms thereof and with the confidentiality provisions of Title 5 and any information-sharing agreements entered under 5 *Del. C.* §§ 3552(e) and 3567(a).

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Deliverables containing confidential supervisory information may not be reused, cited, or disclosed in any other engagement or in any other manner.

4. Proposal Content Requirements – Proposals shall include the following, in the order listed below:

- **Transmittal letter** signed by a person authorized to bind the respondent.
- **Technical approach:** methodology and work plan for each task, including a proposed schedule keyed to the statutory deadlines in the PSA and the GENUIS Act, and an approach to rescoping federal-alignment deliverables following finalization of federal regulations.
- **Staffing plan:** key persons, roles, resumes, allocation percentages, and location; identification of any subcontractors and their roles.
- **Qualifications and references:** demonstration of each minimum qualification set forth in Section III.B.2 of this RFP; at least [three] references from engagements of similar scope, including at least [one] government or regulatory agency client.
- **Sample work product** (may be redacted): e.g., an examination module, training module, or regulatory benchmarking analysis relevant to the Scope of Work.
- **Conflicts and confidentiality disclosures** and protocols (see Section III.B.3 of this RFP).
- **Cost proposal** submitted separately: fully loaded hourly rates by labor category, any proposed fixed fees by deliverable, estimated hours by task, and expense policy.
- **Required forms, licenses, and certifications:** State standard certifications, including non-collusion, Delaware business license or commitment to obtain, W-9, etc.

C. General Evaluation Requirements

1. Experience, expertise, and reputation
2. Capacity to provide requested services
3. Sample work product and references / Demonstrated ability to perform services
4. Management of actual or potential conflicts of interest and confidentiality
5. Pricing / Cost
6. Location / Proximity

IV. Professional Services RFP Administrative Information

A. RFP Issuance

1. Public Notice

Public notice has been provided in accordance with 29 *Del. C.* [§ 6981](#).

2. Obtaining Copies of the RFP

This RFP is available in electronic form through the State of Delaware Procurement website at <https://bids.delaware.gov/>. Paper copies of this RFP will not be provided to OSBC or otherwise available unless printed from this website.

3. Assistance to Vendors with a Disability

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Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Designated Contact no later than ten days prior to the deadline for receipt of proposals.

4. RFP Designated Contact

All requests, questions, or other communications about this RFP shall be made in writing to OSBC. Address all communications to the person listed below; communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify Vendor. Vendors should rely only on written statements issued by the RFP designated contact.

**State of Delaware, Office of the State Bank Commissioner
Senior Deputy Bank Commissioner Christopher L. Hall
1110 Forrest Avenue
Dover, Delaware 19904
bankcommissioner@delaware.gov**

To ensure that written requests are received and answered in a timely manner, electronic mail (e-mail) correspondence is acceptable, but other forms of delivery, such as postal and courier services, can also be used.

5. Consultants and Legal Counsel

OSBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and Vendors' proposals. Bidders shall not contact the OSBC's consultant or legal counsel on any matter related to the RFP.

6. Contact with State Employees

Direct contact with State of Delaware employees other than the State of Delaware Designated Contact regarding this RFP is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business in the State who require contact in the normal course of doing that business.

7. Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

8. Exclusions

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a Vendor who:

- a. Has been convicted of commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract:

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- b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor:
- c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes:
- d. Has violated contract provisions such as;
 - 1) Known failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - 2) Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
- e. Has violated ethical standards set out in law or regulation; and
- f. Any other cause included in the laws or regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

B. RFP Submissions

1. Acknowledgement of Understanding of Terms

By submitting a bid, each Vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions, requirements, and specifications.

2. Proposal Submission Requirements and Format

Proposals are to be submitted in paper format. Each Proposal must be submitted with four (4) paper copies. One paper copy shall be marked "Master Copy" and shall contain original signatures in all locations requiring a Vendor signature. An electronic copy of the complete submission, on USB, must be included with the paper submission.

Bidders shall submit their Proposal in the format specified above. Failure to submit a Proposal in the required format or through the required submission method may result in the Proposal being deemed non-responsive. OSBC reserves the right to reject any non-responsive or non-conforming proposals.

All Proposals must be sent/submitted/delivered to OSBC and received no later than 1:00 PM (EDT) on September 30, 2026 (as set forth in Section I of this RFP).

Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US First Class Mail, or by hand to:

**Office of the Delaware State Bank Commissioner
Attention: Christopher L. Hall, Senior Deputy Bank Commissioner
1110 Forrest Avenue
Dover, DE 19904**

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Response submitted electronically (i.e., email or via facsimile transmission, or received after the Proposal Due Date and Time will not be accepted. The proposing Vendor bears all risk of delays in delivery, regardless of delivery method.

Vendors are directed to clearly print “BID ENCLOSED” and “CONTRACT NO. STA263186-PROSVCS” on the outside of the bid submission package.

Upon receipt of vendor Proposal, each Vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.

3. Proposal Modifications

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment, or modification to a previously submitted proposal. Changes, amendments, or modifications to proposals shall not be accepted or considered after the hour and date specified as the deadline for submission of proposals in Section I of this RFP

4. Proposal Costs and Expenses

Neither the State of Delaware nor OSBC will not pay any costs incurred by any Vendor associated with any aspect of responding to this RFP, including proposal preparation, printing or delivery, attendance at Vendor’s conference, system demonstrations or negotiation process.

5. Proposal Expiration Date

Prices quoted in the proposal shall remain fixed and binding on the bidder at least through June 30, 2027. OSBC reserves the right to ask for an extension of time if needed.

6. Late Proposals

Proposals received after the specified date and time set forth in Section I of this RFP will not be accepted or considered. To guard against premature opening, sealed proposals shall be submitted, plainly marked with the proposal title, vendor name, and time and date of the proposal opening. Evaluation of the proposals is expected to begin shortly after the proposal due date. To document compliance with the deadline, the proposal will be date and time stamped upon receipt.

7. Proposal Opening

OSBC will not conduct a public opening of Proposals, which will be opened only in the presence of OSBC personnel. OSBC will maintain a public log of the names of all Vendors that submitted proposals. Unless required by applicable law, the contents of any proposal shall not be disclosed prior to contract award, in accordance with 29 *Del. C.* § 10001, et seq. (“FOIA”).

8. Non-Conforming Proposals

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Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive, or a mere formality shall reside solely within OSBC and the State of Delaware.

9. Concise Proposals

OSBC discourages overly lengthy and costly proposals. It is the desire that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. OSBC's interest is in the quality and responsiveness of the proposal.

10. Realistic Proposals

It is the expectation of OSBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

OSBC shall bear no responsibility or increase obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

11. Confidentiality of Documents

The State of Delaware and its constituent agencies are required to comply with the State of Delaware Freedom of Information Act, 29 *Del. C.* § 10001, et seq. ("FOIA"). FOIA requires that the State of Delaware's records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon a written request. All proposals are subject to FOIA's public disclosure obligations.

The State of Delaware wishes to create a business-friendly environment and procurement process. As such, the State respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information (collectively referred to herein as "confidential business information"). Proposals must contain sufficient information to be evaluated. If a vendor feels that they cannot submit their proposal without including confidential business information, they must adhere to the following procedure, or their proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

In order to allow OSBC to assess its ability to protect a vendor's confidential business information, Vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendor(s) may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the

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information in each document is not “public record” as defined by 29 *Del. C.* § 10002, and briefly stating the reasons that each document meets the said definitions.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, OSBC will open the envelope to determine whether the procedure described above has been followed. A vendor’s allegation as to its confidential business information shall not be binding on the State. OSBC shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State’s absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, vendor(s) assume the risk that confidential business information included in a proposal may enter the public domain.

12. Discrepancies and Omissions

Vendor is fully responsible for the completeness and accuracy of their proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the State of Delaware’s Designated Contact, in writing, of such findings at least ten (10) days before the proposal submission deadline. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of vendor’s proposal upon which award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of this RFP will be disallowed if these faults have not been brought to the attention of the Designated Contact, in writing, at least ten (10) calendar days prior to the time set for submission of proposals.

a. RFP Question and Answer Process

OSBC will allow written requests for clarification of the RFP. All questions shall be received no later than September 14, 2026. All questions will be consolidated into a single set of responses and posted on the State’s website at bids.delaware.gov no later than September 18, 2026. Vendor names will be removed from questions in the responses released. Questions should be submitted in the following format. Deviations from this format will not be accepted.

- Section number
- Paragraph number
- Page number
- Text of passage being questioned

Questions not submitted electronically shall be accompanied by a USB drive and questions shall be formatted in Microsoft Word.

13. State’s Right to Reject Proposals

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OSBC and the State of Delaware reserve the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in OSBC's specifications or vendor's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the OSBC or the State of Delaware may deem necessary in the best interest of OSBC and the State of Delaware.

14. State's Right to Cancel Solicitation

OSBC and the State of Delaware reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. Neither OSBC nor the State of Delaware makes no commitments expressed or implied, that this process will result in a business transaction with any vendor.

This RFP does not constitute an offer by OSBC or the State of Delaware. Vendor's participation in this process may result in the OSBC selecting your organization to engage in further discussions and negotiations toward execution of a contract. The commencement of such negotiations does not, however, signify a commitment by the State of Delaware or OSBC to execute a contract nor to continue negotiations. OSBC or the State of Delaware may terminate negotiations at any time and for any reason, or for no reason.

15. State's Right to Award Multiple Source Contracting

Pursuant to 29 *Del. C.* [§ 6986](#), the State of Delaware may award a contract for a particular professional service to two or more vendors if the Delaware State Bank Commissioner makes a determination that such an award is in the best interest of OSBC and the State of Delaware.

16. Potential Contract Overlap

Vendors are advised that the State of Delaware, at its sole discretion, shall retain the right to solicit for goods and/or services as required by its agencies and as it serves the best interest of the State. As needs are identified, there may exist instances where contract deliverables, and/or goods or services to be solicited and subsequently awarded, overlap previous awards. OSBC reserves the right to reject any or all bids in whole or in part, to make partial awards, to award to multiple vendors during the same period, to award by types, on a zone-by-zone basis or on an item-by-item or lump sum basis item by item, or lump sum total, whichever may be most advantageous to OSBC and the State of Delaware.

17. Supplemental Solicitation

The State reserves the right to advertise a supplemental solicitation during the term of the Agreement if deemed in the best interest of the State.

18. Notification of Withdrawal of Proposal

Vendor may modify or withdraw its proposal by written request, provided that both proposal and request is received by the State of Delaware prior to the proposal due date. Proposals may be re-submitted in accordance with the proposal due date in order to be considered further.

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Proposals become the property of the State of Delaware at the proposal submission deadline. All proposals received are considered firm offers at that time.

19. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware's website at bids.delaware.gov. Neither the State of Delaware nor OSBC is bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

20. Exceptions to the RFP

Any exceptions to the RFP, or the State of Delaware's terms and conditions, must be recorded on Attachment 2. Acceptance of exceptions is within the sole discretion of the evaluation committee.

21. Business References

Provide at least three (3) business references consisting of current or previous customers of similar scope and value using Attachment 4. Include business name, mailing address, contact name and phone number, number of years doing business with, and type of work performed. Personal references cannot be considered.

22. Award of Contract

The final award of a contract is subject to approval by OSBC. OSBC has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP.

Notice in writing to a vendor of the acceptance of its proposal by OSBC and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

a. RFP Award Notifications

After reviews of the evaluation committee report and its recommendation, and once the contract terms and conditions have been finalized, OSBC will award the contract.

The contract shall be awarded to the vendor whose proposal is most advantageous, taking into consideration the evaluation factors set forth in this RFP.

It should be explicitly noted that OSBC is not obligated to award the contract to the Vendor who submits the lowest bid or the Vendor who receives the highest total point score, rather the contract will be awarded to the vendor whose proposal is the most advantageous to the State of Delaware. The award is subject to the appropriate State of Delaware approvals.

After a final selection is made, the winning vendor will be invited to negotiate a contract with OSBC; remaining vendors will be notified in writing of their selection status.

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23. Cooperatives

Vendors, who have been awarded similar contracts through a competitive bidding process with a cooperative, are welcome to submit the cooperative pricing for this solicitation. **State of Delaware terms will take precedence.**

C. RFP Evaluation Process

An evaluation team composed of representatives of the State of Delaware will evaluate proposals on a variety of quantitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected.

OSBC reserves full discretion to determine the competence and responsibility, professionally and/or financially, of Vendors. Vendors are to provide in a timely manner any and all information that OSBC may deem necessary to make a decision.

1. Proposal Evaluation Team

The Proposal Evaluation Team shall be comprised of representatives of the State of Delaware. The Team shall determine which Vendors meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 *Del. C.* §§ [6981](#) and [6982](#). Professional services for this solicitation are considered under 29 *Del. C.* § 6982(b). The Team may negotiate with one or more Vendors during the same period and may, at its discretion, terminate negotiations with any or all Vendors. The Team shall make a recommendation regarding the award to the State Bank Commissioner, who shall have final authority, subject to the provisions of this RFP and 29 *Del. C.* § [6982\(b\)](#), to award a contract to the successful vendor in the best interests of OSBC and the State of Delaware.

2. Proposal Selection Criteria

The Proposal Evaluation Team shall assign up to the maximum number of points for each Evaluation Item to each of the proposing vendor's proposals. All assignments of points shall be at the sole discretion of the Proposal Evaluation Team.

The proposals shall contain the essential information on which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by the State of Delaware to be essential for use by the Team in the bid evaluation and award process. Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible contractor and participate in the Proposal Evaluation Team's consideration for award. Proposals which do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Team.

The Team reserves the right to:

- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all proposals or portions of proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.

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- Request modification to proposals from any or all vendors during the contract review and negotiation.
- Negotiate any aspect of the proposal with any vendor and negotiate with more than one vendor at the same time.

Criteria Weight

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Evaluation Team to evaluate proposals:

Criteria	Weight
Vendor's (employees/staff members) experience, expertise, and reputation: • Length of time in business and in the subject matter areas of financial services, financial regulation, cryptocurrency, and digital assets. • Experience and expertise in the area of financial intuitions. • Experience and expertise in the area of cryptocurrency, including stablecoin. • Experience and expertise in drafting and interpreting statutes and regulations. • Experience and expertise advising or counselling financial institutions. • Experience and expertise advising or counselling financial services regulators (State and/or Federal)	30%
Vendor's capacity to provide the requested professional services • Size • Staffing • Financial condition • Use of technology and technological capacity and capabilities • Technical approach and understanding of statutory framework and deadlines	25%
Quality of Vendor's sample work product and references (Vendor's demonstrated ability to perform requested services)	15%
Vendor's proposed management of actual or potential conflicts of interest and confidentiality	10%

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Criteria	Weight
Vendor's pricing / cost	15%
Vendor's location / proximity	5%
Total	100%

Vendors are encouraged to review the evaluation criteria and to provide a response that addresses each of the scored items. Evaluators will not be able to make assumptions about a Vendor's capabilities so the responding Vendor should be detailed in their proposal responses. Evaluators may conduct interviews from bidders as part of the evaluation process

3. Proposal Clarification

The Evaluation Team may contact any Vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Proposals may not be modified as a result of any such clarification request.

4. References

The Evaluation Team may contact any customer of the Vendor, whether or not included in the Vendor's reference list, and use such information in the evaluation process. Additionally, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include Vendor personnel. If the Vendor is involved in such site visits, the State of Delaware will pay travel costs only for State of Delaware personnel for these visits.

5. Oral Presentations

After initial scoring and a determination that Vendor(s) are qualified to perform the required services, certain Vendors may be invited to make oral presentations to the Evaluation Team. All vendor(s) selected will be given an opportunity to present to the Evaluation Team.

The selected Vendors will have their presentations scored or ranked based on their ability to successfully meet the needs of the contract requirements, successfully demonstrate their product and/or service, and respond to questions about the solution capabilities.

The Vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the proposed system and its components. All of the Vendor's costs associated with participation in oral discussions and system demonstrations conducted for the State of Delaware are the Vendor's responsibility.

V. Contract Terms and Conditions

A. Contract Use by Other Agencies

In accordance with 29 *Del. C.* § 6904(e), if no state contract exists for a certain good or service, covered agencies may procure that certain good or service under another agency's contract

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so long as the arrangement is agreeable to all parties. Agencies, other than covered agencies, may also procure such goods or services under another agency's contract when the arrangement is agreeable to all parties.

B. Cooperative Use of Award

As a publicly competed contract awarded in compliance with Chapter 69 of Title 29 of the Delaware Code, this contract is available for use by other states and/or governmental entities through a participating addendum. Interested parties should contact the State Contract Procurement Officer identified in the contract for instruction. Final approval for permitting participation in this contract resides with the Director of Government Support Services and in no way places any obligation upon the awarded Vendor(s).

C. General Information

1. The contract period is for one (1) year, with three (3) optional extensions, to be exercised at OSBC's sole discretion, for a period of one (1) year for each extension, subject to the satisfactory negotiation of terms (including a cost acceptable to both OSBC and the Selected Vendor) and the annual availability of an appropriation by the General Assembly. OSBC is under no express or implied obligation, legal or otherwise, to extend the Contract.
2. The selected Vendor will be required to enter into a written agreement with OSBC. OSBC reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the OSBC. Vendors will be required to sign the contract for all services and may be required to sign additional agreements.
3. The selected Vendor or Vendors will be expected to enter negotiations with OSBC, which will result in a formal contract between parties. Procurement will be in accordance with subsequent contracted agreement. This RFP and the selected Vendor's response to this RFP will be incorporated as part of any formal contract.
4. The successful Vendor shall promptly execute a contract incorporating the terms of this RFP within twenty (20) days after award of the contract. No Vendor is to begin any service prior to receipt of a State of Delaware purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office and the Department of Finance. The purchase order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once it is received by the successful Vendor.
5. If the Vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another Vendor. Such Vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.

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6. OSBC reserves the right to extend this contract on a month-to-month basis for a period of up to three months after the term of the full contract has been completed.

7. Vendors are not restricted from offering lower pricing at any time during the contract term.

D. Collusion or Fraud

Any evidence of agreement or collusion among Vendor(s) and prospective Vendor(s) acting to illegally restrain freedom from competition by agreement to offer a fixed price, or otherwise, will render the offers of such Vendor(s) void.

By responding, Vendor shall be deemed to have represented and warranted that its proposal is not made in connection with any competing vendor submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud; that the vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and that no employee or official of the State of Delaware participated directly or indirectly in the vendor's proposal preparation.

Advance knowledge of information which gives any particular vendor advantages over any other interested Vendor(s), in advance of the opening of proposals, whether in response to advertising or an employee or representative thereof, will potentially void that particular proposal.

E. Lobbying and Gratuities

Lobbying or providing gratuities shall be strictly prohibited. Vendors found to be lobbying, providing gratuities to, or in any way attempting to influence a State of Delaware employee or agent of the State of Delaware concerning this RFP or the award of a contract resulting from this RFP shall have their proposal immediately rejected and shall be barred from further participation in this RFP.

The selected Vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State of Delaware shall have the right to annul any contract resulting from this RFP without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

All contact with State of Delaware employees, contractors or agents of the State of Delaware concerning this RFP shall be conducted in strict accordance with the manner, forum and conditions set forth in this RFP.

F. Solicitation of State Employees

Until contract award, Vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State of Delaware's employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with Vendor, without prior written approval of the State of Delaware's contracting officer. Solicitation of State of Delaware employees by a Vendor may result in rejection of the vendor's proposal.

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This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the Vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

G. General Contract Terms

1. Independent Contractors

The parties to the contract shall be independent contractors to one another, and nothing herein shall be deemed to cause this agreement to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

It may be at the State of Delaware's discretion as to the location of work for the contractual support personnel during the project period. The State of Delaware may provide working space and sufficient supplies and material to augment the Vendor's services.

2. Temporary Personnel are Not State Employees Unless and Until They are Hired

Vendor agrees that any individual or group of temporary staff person(s) provided to the State of Delaware pursuant to this Solicitation shall remain the employee(s) of Vendor for all purposes including any required compliance with the Affordable Care Act by the Vendor. Vendor agrees that it shall not allege, argue, or take any position that individual temporary staff person(s) provided to the State pursuant to this Solicitation must be provided any benefits, including any healthcare benefits by the State of Delaware and Vendor agrees to assume the total and complete responsibility for the provision of any healthcare benefits required by the Affordable Care Act to aforesaid individual temporary staff person(s). In the event that the Internal Revenue Service, or any other third party governmental entity determines that the State of Delaware is a dual employer or the sole employer of any individual temporary staff person(s) provided to the State of Delaware pursuant to this Solicitation, Vendor agrees to hold harmless, indemnify, and defend the State to the maximum extent of any liability to the State arising out of such determinations.

Notwithstanding the content of the preceding paragraph, should the State of Delaware subsequently directly hire any individual temporary staff employee(s) provided pursuant to this Solicitation, the aforementioned obligations to hold harmless, indemnify, and defend the State of Delaware shall cease and terminate for the period following the date of hire. Nothing herein shall be deemed to terminate the Vendor's obligation to hold harmless, indemnify, and defend the State of Delaware for any liability that arises out of compliance with the ACA prior to the date of hire by the State of Delaware. Vendor will waive any separation fee provided an employee works for both the vendor and hiring agency, continuously, for a three

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(3) month period and is provided thirty (30) days written notice of intent to hire from the agency. Notice can be issued at second month if it is the State's intention to hire.

3. Work Performed in a State Building

Awarded Vendor(s) who have any employees carrying out any work related to the awarded contract at a State-owned (or State-leased) facility shall have those employees comply with any health mandate or policy issued by the State related to a pandemic or other State of Emergency issued by any State authority during the term of the awarded contract, including those that apply directly to State employees.

4. Licenses and Permits

In performance of the contract, Vendor will be required to comply with all applicable federal, state and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful Vendor. Vendor shall be properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § 2101.

Prior to receiving an award, the successful Vendor shall either furnish the State of Delaware with proof of State of Delaware Business Licensure or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the following numbers: (302) 577-8200—Public Service, (302) 577-8205—Licensing Department.

Information regarding the award of the contract will be given to the State of Delaware Division of Revenue. Failure to comply with the State of Delaware licensing requirements may result in termination of the contract and subject Vendor to applicable fines and/or interest penalties.

5. Notice

Any notice to the State of Delaware required under the Agreement shall be sent by registered mail to:

**Office of the Delaware State Bank Commissioner
Attention: Christopher L. Hall, Senior Deputy Bank Commissioner
1110 Forrest Avenue
Dover, DE 19904**

6. Indemnification

a) General Indemnification

By submitting a proposal, the proposing Vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the Vendor's, its agents and employees' performance work or services in connection with the contract.

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b) Proprietary Rights Indemnification

Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the State of Delaware, the State of Delaware shall promptly notify the Vendor in writing and Vendor shall defend such claim, suit or action at Vendor's expense, and Vendor shall indemnify the State of Delaware against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

If any equipment, software, services (including methods) products or other intellectual property used or furnished by the Vendor (collectively "Products") is or in Vendor's reasonable judgment is likely to be, held to constitute an infringing product, Vendor shall at its expense and option either:

- (a) Procure the right for the State of Delaware to continue using the Product(s);
- (b) Replace the product with a non-infringing equivalent that satisfies all the requirements of the contract; or
- (c) Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the State of Delaware agrees to and accepts in writing.

8. Insurance

- a) Vendor recognizes that it is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the Vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the Vendor in their negligent performance under this contract.
- b) Vendor shall maintain (and retain) such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. Vendor is an independent contractor and is not an employee of the State of Delaware.
- c) Vendor shall obtain at its own cost and expense and keep in force and effect during the term of this Agreement, including all extensions, the types of insurance coverages and the corresponding minimum coverage limits specified below with a carrier satisfactory to the State of Delaware. Vendor must carry the following coverage depending on the type of service or product being delivered:
 - a. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.
 - b. Comprehensive General Liability - \$1,000,000 per occurrence / \$3,000,000 per aggregate.

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- c. Automotive Liability Insurance covering all automotive units used in the work (including all units leased from and/or provided by the State to Vendor pursuant to this Agreement, as well as all units used by Vendor, regardless of the identity of the registered owner, for completing the professional services under this Agreement, to include but not limited to transporting Delaware clients or staff), providing coverage on a primary non-contributory basis with limits of not less than:
 - 1. \$1,000,000 combined single limit each accident for bodily injury;
 - 2. \$250,000 for property damage to others;
 - 3. \$25,000 per person per accident Uninsured/Underinsured Motorist coverage;
 - 4. \$25,000 per person, \$300,000 per accident Personal Injury Protection (PIP) benefits as provided for in 21 *Del. C.* § 2118; and
 - 5. Comprehensive coverage for all leased vehicles, which shall cover the replacement cost of the vehicle in the event of collection, damage, or other loss.
 - d. Cyber Liability Insurance with coverage terms and coverage amount as required by Appendix B (see Appendices B-1, B-2, and B-3).
- d) The successful Vendor must carry at least one of the following depending on the scope of work being performed.
- (1) Medical/Professional Liability - \$1,000,000 per occurrence/\$3,000,000 per aggregate
 - (2) Miscellaneous Errors and Omissions - \$1,000,000 per occurrence/\$3,000,000 per aggregate
 - (3) Product Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate
- e) Should any of the above-described policies be cancelled before expiration date thereof, notice will be delivered in accordance with the policy provisions.
 - f) Before any work is done pursuant to this Agreement, the Certificate of Insurance and/or copies of the insurance policies, referencing the contract number stated herein, shall be filed with the State. The certificate holder is as follows: State of Delaware Office of the State Bank Commissioner, Contract No. STA263186-PROREGSVCS, 1110 Forrest Avenue, Dover, DE 19904
 - g) Nothing contained herein shall restrict or limit the Vendor's right to procure insurance coverage in amounts higher than those required by this Agreement. To the extent that the Vendor procures insurance coverage in amounts higher than the amounts required by this Agreement, all said additionally procured coverages will be applicable to any loss or claim and shall replace the insurance obligations contained herein.

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h) To the extent that Vendor has complied with the terms of this Agreement and has procured insurance coverage for all vehicles Leased and/or operated by Vendor as part of this Agreement, the State of Delaware's self-insured insurance program shall not provide any coverage whether coverage is sought as primary, co-primary, excess or umbrella insurer or coverage for any loss of any nature.

i) In no event shall the State of Delaware or the OSBC be named as an additional insured on any policy required under this agreement.

j) Vendor shall provide a Certificate of Insurance (COI) as proof that Vendor has the required insurance. The COI shall be provided to agency contact prior to any work being completed by the awarded Vendor.

k) Should any of the above-described policies be cancelled before expiration date thereof, notice will be delivered in accordance with the policy provisions.

9. Performance Requirements

The selected Vendor will warrant that it possesses, or has arranged through subcontractors, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all Federal and State laws, and County and local ordinances, regulations and codes.

10. BID BOND

There is no Bid Bond Requirement.

11. PERFORMANCE BOND

There is no Performance Bond requirement.

12. Vendor Emergency Response Point of Contact

The awarded Vendor(s) shall provide the name(s), telephone, or cell phone number(s) of those individuals who can be contacted twenty four (24) hours a day, seven (7) days a week where there is a critical need for commodities or services when the Governor of the State of Delaware declares a state of emergency under the Delaware Emergency Operations Plan or in the event of a local emergency or disaster where a state governmental entity requires the services of the Vendor. Failure to provide this information could render the proposal as non-responsive.

In the event of a serious emergency, pandemic or disaster outside the control of the State, the State may negotiate, as may be authorized by law, emergency performance from the Contractor to address the immediate needs of the State, even if not contemplated under the original Contract or procurement. Payments are subject to appropriation and other payment terms.

13. Warranty

Vendor will provide a warranty that the deliverables provided pursuant to the contract will function as designed for a period of no less than one (1) year from the date of system

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acceptance. The warranty shall require the Vendor correct, at its own expense, the setup, configuration, customizations or modifications so that it functions according to the State's requirements.

14. Costs and Payment Schedules

All contract costs must be as detailed specifically in the Vendor's cost proposal. No charges other than as specified in the proposal shall be allowed without written consent of the State of Delaware. The proposal costs shall include full compensation for all taxes that the selected Vendor is required to pay.

OSBC will require a payment schedule based on defined and measurable milestones. Payments for services will not be made in advance of work performed. OSBC may require holdback of contract monies until acceptable performance is demonstrated (as much as 25%).

15. Liquidated Damages

OSBC may include in the final contract liquidated damages provisions for non-performance.

16. Dispute Resolution

At the option of both Parties, OSBC and Contractor shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided evidence that is otherwise admissible or discoverable shall not be rendered inadmissible.

If the matter is not resolved by negotiation, as outlined above, or, alternatively, the Parties elect to proceed directly to mediation, then the matter will proceed to mediation as set forth below. Any disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to a mediator selected by the parties. If the matter is not resolved through mediation, it may be submitted for arbitration or litigation. The Agency reserves the right to proceed directly to arbitration or litigation without negotiation or mediation. Any such proceedings held pursuant to this provision shall be governed by State of Delaware law, and jurisdiction and venue shall be in the State of Delaware. Each Party shall bear its own costs of mediation, arbitration, or litigation, including attorneys' fees.

17. Remedies

Except as otherwise provided in this RFP, including but not limited to Section V.G.15 above, all claims, counterclaims, disputes, and other matters in question between the State of Delaware and the Contractor arising out of, or relating to, this RFP, or a breach of it may be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State of Delaware.

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18. Termination of Contract

The contract resulting from this RFP may be terminated as follows by OSBC.

a) Termination for Cause

If, for any reasons, or through any cause, Vendor fails to fulfill in timely and proper manner its obligations under this Contract, or if Vendor violates any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this contract by giving written notice to Vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by Vendor under this Contract shall, at the option of the State, become its property, and Vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is usable to the State.

On receipt of the contract cancellation notice from OSBC, Vendor shall have no less than five (5) days to provide a written response and may identify a method(s) to resolve the violation(s). Vendor response shall not effect or prevent the contract cancellation unless OSBC provides a written acceptance of the Vendor response. If OSBC does accept the Vendor's method and/or action plan to correct the identified deficiencies, OSBC will define the time by which the Vendor must fulfill its corrective obligations. Final retraction of OSBC's termination for cause will only occur after the Vendor successfully rectifies the original violation(s). At its discretion OSBC may reject in writing Vendor's proposed action plan and proceed with the original contract cancellation timeline.

b) Termination for Convenience

OSBC may terminate this Contract at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, models, photographs, reports, supplies, and other materials shall, at the option of OSBC, become its property and the Vendor shall be entitled to receive compensation for any satisfactory work completed on such documents and other materials, and which is usable to OSBC.

c) Termination for Non-Appropriations

In the event the General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated as to any obligation of OSBC requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds. This is not a termination for convenience and will not be converted to such.

19. Non-discrimination

In performing the services subject to this RFP, Vendor, as set forth in Title 19 *Del. C.* § 711, will agree that it will not discriminate against any employee or applicant with respect to

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compensation, terms, conditions or privileges of employment because of such individual's race, marital status, genetic information, color, age, religion, sex, sexual orientation, gender identity, or national origin. Vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

20. Covenant against Contingent Fees

Vendor will warrant that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the Vendor for the purpose of securing business. For breach or violation of this warranty OSBC shall have the right to annul the contract without liability or at its discretion to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

21. Vendor Activity

No activity is to be executed in an offshore facility, either by a subcontracted firm or a foreign office or division of the Vendor. The Vendor must attest to the fact that no activity will take place outside of the United States in its transmittal letter. Failure to adhere to this requirement is cause for elimination from future consideration.

22. Vendor Responsibility

OSBC will enter into a contract with the successful Vendor(s). The successful Vendor(s) shall be responsible for all products and services as required by this RFP whether or not the Vendor or its subcontractor provided final fulfillment of the order.

23. Personnel and Services

1. Vendor represents that it has, or will secure at its own expense, all personnel required to perform the services required under this contract.
2. All of the services required hereunder shall be provided by or performed by Vendor or under its direct supervision, and all personnel, including subcontractors, engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.
3. None of the services covered by this contract shall be subcontracted without the prior written approval of the State.

24. Fair Background Check Practices

Pursuant to 29 *Del. C.* § 6909B, the State of Delaware does not consider the criminal record, criminal history, credit history or credit score of an applicant for state employment during the initial application process unless otherwise required by state and/or federal law. Vendors doing business with the State are encouraged to adopt fair background check practices. Vendors can refer to 19 *Del. C.* § 711(g) for applicable established provisions.

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25. Vendor Background Check Requirements

Vendor(s) selected for an award that access state property or come in contact with vulnerable populations, including children and youth, shall be required to complete background checks on employees serving the State's on premises contracts. Unless otherwise directed, at a minimum, this shall include a check of the Delaware Sex Offender Central Registry at: <https://sexoffender.dsp.delaware.gov/>

Individuals that are listed in the registry shall be prevented from direct contact in the service of an awarded state contract, but may provide support or off-site premises service for contract Vendors. Should an individual be identified and the Vendor(s) believes their employee's service does not represent a conflict with this requirement, may apply for a waiver to the primary agency listed in the solicitation. OSBC's decision to allow or deny access to any individual identified on a registry database is final and at OSBC's sole discretion.

As OSBC's request, Vendor shall provide a list of all employees serving an awarded contract, and certify adherence to the background check requirement. Individual(s) found in the central registry in violation of the terms stated, shall be immediately prevented from a return to state property in service of a contract award. A violation of this condition represents a violation of the contract terms and conditions, and may subject the Vendor to penalty, including contract cancellation for cause.

Individual contracts may require additional background checks and/or security clearance(s), depending on the nature of the services to be provided or locations accessed, but any other requirements shall be stated in the contract scope of work or be a matter of common law. The Vendor(s) shall be responsible for the background check requirements of any authorized Subcontractor providing service to the Agency's contract.

26. Work Product

All materials developed by Vendor under the executed contract are the sole and exclusive property of OSBC. Vendor shall not be permitted to share any such materials with any third party, or use them for any other purpose without OSBC's prior written consent.

27. Contract Documents

This RFP, the purchase order, the executed contract, and any supplemental documents between OSBC and Vendor shall constitute the contract between OSBC and Vendor. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: Contract, RFP, Vendor's response to the RFP, and purchase order. No other documents shall be considered. These documents will constitute the entire agreement between OSBC and Vendor.

28. Applicable Law

The laws of the State of Delaware shall apply, except where Federal Law has precedence. Vendor consents to jurisdiction and venue in the State of Delaware. Vendor consents to

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exclusive jurisdiction and venue in the State of Delaware, and agrees that any litigation relating to the Contract must be filed and litigated in a court in the State of Delaware.

In submitting a proposal, Vendor certifies that it complies with all federal, state and local laws applicable to its activities and obligations including:

- a) the laws of the State of Delaware;
- b) the applicable portion of the Federal Civil Rights Act of 1964;
- c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- e) that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If any Vendor fails to comply with (a) through (e) of this paragraph of this Section, OSBC reserves the right to disregard the proposal, terminate the contract, or consider the Vendor in default.

Vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

29. Severability

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

30. Assignment of Antitrust Claims

As consideration for the award and execution of this contract by the State, Vendor hereby grants, conveys, sells, assigns, and transfers to the State of Delaware all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, regarding the specific goods or services purchased or acquired for the State pursuant to this contract. Upon either the State's or Vendor notice of the filing of or reasonable likelihood of filing of an action under the antitrust laws of the United States or the State of Delaware, the State and Vendor shall meet and confer about coordination of representation in such action.

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31. Scope of Agreement

If the scope of any provision of the contract is determined to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

32. Affirmation

The Vendor must affirm that within the past five (5) years the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is not currently suspended or debarred and is not a successor, subsidiary, or affiliate of a suspended or debarred business.

33. Audit Access to Records

Vendor shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately reflect performance hereunder. Vendor agrees to preserve and make available to the State, upon request, such records for a period of five (5) years from the date services were rendered by Vendor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. Vendor agrees to make such records available for inspection, audit, or reproduction to any official State representative in the performance of their duties under the Contract. Upon notice given to Vendor, representatives of the State or other duly authorized State or Federal agency may inspect, monitor, and/or evaluate the cost and billing records or other material related to this Contract. The cost of any Contract audit disallowances resulting from the examination of Vendor's financial records will be borne by Vendor. Reimbursement to the State for disallowances shall be drawn from the Vendor's own resources and not charged to Contract cost or cost pools indirectly charging Contract costs.

34. State of Delaware Technology and Information Requirements

Vendor has executed and agrees to the terms and conditions of (1) the "STATE OF DELAWARE TERMS AND CONDITIONS GOVERNING CLOUD SERVICE AND DATA USAGE AGREEMENT" (attached hereto and incorporated herein by reference as Appendix B-1), (2) the "STATE OF DELAWARE TERMS AND CONDITIONS GOVERNING CLOUD SERVICES AND DATA USAGE POLICY" (attached hereto and incorporated herein by reference as Appendix B-2; and (3) the State of Delaware, Department of Technology and Information requirements set forth in the "ADDITIONAL PROVISIONS REGARDING CYBER RESPONSIBILITIES, LIABILITY, AND INSURANCE" document (attached hereto and incorporated herein as Appendix B-3).

35. IRS 1075 Publication (If Applicable)

I. Performance

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by officers or employees with the following requirements:

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- (1) All work will be performed under the supervision of the contractor.
- (2) The contractor and contractor's officers or employees to be authorized access to Federal Tax Information ("FTI") must meet background check requirements defined in IRS Publication 1075. The contractor will maintain a list of officers or employees authorized access to FTI. Such list will be provided to the agency and, upon request, to the IRS.
- (3) FTI in hardcopy or electronic format shall be used only for the purpose of carrying out the provisions of this contract. FTI in any format shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection or disclosure of FTI to anyone other than the contractor or the contractor's officers or employees authorized is prohibited.
- (4) FTI will be accounted for upon receipt and properly stored before, during, and after processing. In addition, any related output and products require the same level of protection as required for the source material.
- (5) The contractor will certify that FTI processed during the performance of this contract will be completely purged from all physical and electronic data storage with no output to be retained by the contractor at the time the work is completed. If immediate purging of physical and electronic data storage is not possible, the contractor will certify that any FTI in physical or electronic storage will remain safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of FTI will be given to the agency. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide the agency with a statement containing the date of destruction, description of material destroyed, and the destruction method.
- (7) All computer systems receiving, processing, storing, or transmitting FTI must meet the requirements in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.
- (8) No work involving FTI furnished under this contract will be subcontracted without the prior written approval of the IRS.
- (9) Contractor will ensure that the terms of FTI safeguards described herein are included, without modification, in any approved subcontract for work involving FTI.
- (10) To the extent the terms, provisions, duties, requirements, and obligations of this contract apply to performing services with FTI, the contractor shall assume toward the subcontractor all obligations, duties and responsibilities that the agency under this contract assumes toward the contractor, and the subcontractor shall assume toward the contractor

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all the same obligations, duties and responsibilities which the contractor assumes toward the agency under this contract.

(11) In addition to the subcontractor's obligations and duties under an approved subcontract, the terms and conditions of this contract apply to the subcontractor, and the subcontractor is bound and obligated to the contractor hereunder by the same terms and conditions by which the contractor is bound and obligated to the agency under this contract.

(12) For purposes of this contract, the term "contractor" includes any officer or employee of the contractor with access to or who uses FTI, and the term "subcontractor" includes any officer or employee of the subcontractor with access to or who uses FTI.

(13) The agency will have the right to void the contract if the contractor fails to meet the terms of FTI safeguards described herein.

II. Criminal/Civil Sanctions

(1) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any FTI for a purpose not authorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution.

(2) Each officer or employee of a contractor to whom FTI is or may be accessible shall be notified in writing that FTI accessible to such officer or employee may be accessed only for a purpose and to the extent authorized herein, and that access/inspection of FTI without an official need-to-know for a purpose not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution.

(3) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that any such unauthorized access, inspection or disclosure of FTI may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each unauthorized access, inspection, or disclosure, or the sum of actual damages sustained as a result of such unauthorized access, inspection, or disclosure, plus in the case of a willful unauthorized access, inspection, or disclosure or an unauthorized access/inspection or disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC sections 7213, 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C.

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552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each officer or employee understands the agency's security policy and procedures for safeguarding FTI. A contractor and each officer or employee must maintain their authorization to access FTI through annual recertification of their understanding of the agency's security policy and procedures for safeguarding FTI. The initial certification and recertifications must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, a contractor and each officer or employee must be advised of the provisions of IRC sections 7213, 7213A, and 7431 (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training on the agency's security policy and procedures provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For the initial certification and the annual recertifications, the contractor and each officer or employee must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. Inspection

The IRS and the Agency, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. Based on the inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with FTI safeguard requirements.

36. Other General Conditions

- a) Current Version** – “Packaged” application and system software shall be the most current version generally available as of the date of the physical installation of the software.
- b) Status Reporting** – The selected Vendor will be required to lead and/or participate in status meetings and submit status reports covering such items as progress of work being performed, milestones attained, resources expended, problems encountered and corrective action taken, until final system acceptance.
- c) Regulations** – All equipment, software and services must meet all applicable local, State and Federal regulations in effect on the date of the contract.

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- d) Assignment** – Any resulting contract shall not be assigned except by express prior written consent from the Agency.
- e) Changes** – No alterations in any terms, conditions, delivery, price, quality, or specifications of items ordered will be effective without the written consent of the State of Delaware.
- f) Billing** – The successful Vendor is required to "Bill as Shipped" to the respective ordering agency(s). Ordering agencies shall provide contract number, ship to and bill to address, contact name and phone number.
- g) Payment** – The State reserves the right to pay by Automated Clearing House (ACH), Purchase Card (PCard), or Single Use Account (SUA). The agencies will authorize and process for payment of each invoice within thirty (30) days after the date of receipt of a correct invoice. Vendors are invited to offer in their proposal value added discounts (i.e. speed to pay discounts for specific payment terms). Cash or separate discounts should be computed and incorporated as invoiced.
- h) W-9** - The State of Delaware requires a new Vendor to complete the registration process through the Delaware Supplier Portal at <http://esupplier.erp.delaware.gov>. Successful completion of this registration enables the creation of a State of Delaware supplier record. The Taxpayer ID (SSN or EIN) and Applicant (supplier) name are submitted to the Internal Revenue Service for "matching". If the Taxpayer ID and name do not match, the Vendor record cannot be approved. It is the applicant's responsibility to select the appropriate 1099 Withholding Type and Class. If incorporated, a business is not subject to 1099 reporting unless the business is providing legal or medical services. Any questions about completing this registration or specific comments about the registration, please contact supplier maintenance by phone at 302-672-5000.
- i) Purchase Orders** – Agencies that are part of the First State Financial (FSF) system are required to identify the contract number (STA-263186-PROREGSVCS) on all Purchase Orders (P.O.) and shall complete the same when entering P.O. information in the state's financial reporting system.
- j) Purchase Card (PCard) and Single Use Account (SUA)** – The State of Delaware intends to maximize the use of the PCard and SUA for payment for goods and services provided under contract. Vendors shall not charge additional fees for acceptance of this payment method and shall incorporate any costs into their proposals. Additionally, there shall be no minimum or maximum limits on any PCard or SUA transaction under the contract.
- k) Additional Terms and Conditions** – OSBC reserves the right to add terms and conditions during the contract negotiations.

VI. RFP Miscellaneous Information

A. No Press Releases or Public Disclosure

The State of Delaware and OSBC reserve the right to pre-approve any news or broadcast advertising releases concerning this solicitation, the resulting contract, the work performed, or any reference to the State of Delaware or OSBC with regard to any project or contract

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performance. Any such news or advertising releases pertaining to this solicitation or resulting contract shall require the prior express written permission of the OSBC.

The State will not prohibit or otherwise prevent the awarded Vendor(s) from direct marketing to the State of Delaware agencies, departments, municipalities, and/or any other political subdivisions, however, the Vendor shall not use the State's seal or imply preference for the solution or goods provided.

B. Definitions of Requirements

To prevent any confusion about identifying requirements in this RFP, the following definition is offered: The words *shall*, *will* and/or *must* are used to designate a mandatory requirement. Vendors must respond to all mandatory requirements presented in the RFP. Failure to respond to a mandatory requirement may cause the disqualification of your proposal.

VII. Attachments

The following attachments and appendixes shall be considered part of the solicitation:

- Attachment 1 – Non-Collusion Statement
- Attachment 2 – Exceptions
- Attachment 3 – Confidentiality and Proprietary Information
- Attachment 4 – Business References
- Attachment 5 – Office of Supplier Diversity Application
- Appendix A – Scope of Work / Technical Requirements
- Appendix B – State of Delaware Department of Technology and Information Requirements
 - Appendix B-1 – State of Delaware Terms and Conditions Governing Cloud Storage and Data Usage Agreement
 - Appendix B-2 – State of Delaware Terms and Conditions Governing Cloud Storage and Data Usage Policy
 - Appendix B-3 -- State of Delaware Cyber Responsibilities, Liability, and Insurance

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Attachment 1

CONTRACT Number: STA263186-PROREGSVCS
CONTRACT TITLE: REGULATORY CONSULTING & ADVISORY SERVICES
DEADLINE TO RESPOND: September 30, 2026 at 1:00 PM (EDT)

NON-COLLUSION STATEMENT

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this solicitation, **and further certifies that it is not a sub-contractor to another Vendor who also submitted a bid/proposal as a primary Vendor in response to this solicitation** submitted this date to the State of Delaware, Office of the State Bank Commissioner.

It is agreed by the undersigned Vendor that the signed submission of this bid/proposal represents, subject to any express exceptions set forth on the Exception form, the Vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Office of the State Bank Commissioner.

Company Name	
DBA (if applicable)	
Name of Authorized Representative	
Title	
Phone Number	
Email Address	

Company Address	
Phone Number	
Email Address	
Tax ID Number	
Diverse Vendor Self-Identification	
State Certified	
If yes, which State(s)	
Federal Certified	

AFFIRMATION: Within the past five (5) years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment? _____
If yes, explain: _____

THIS PAGE SHALL BE SIGNED AND NOTARIZED (NOTARY SEAL MUST BE VISIBLE) FOR YOUR BID/PROPOSAL TO BE CONSIDERED.

Authorized Representative

Notary

--	--

Attachment 2

EXCEPTION FORM

☐ By checking this box, the Vendor acknowledges that they take no exceptions to the specifications, terms or conditions found in this RFP.

[illegible]

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Attachment 3

**Contract No. STA263816-PROREGSVCS
REGULATORY CONSULTING & ADVISORY SERVICES**

CONFIDENTIAL INFORMATION FORM

☐ By checking this box, the Vendor acknowledges that they are not providing any information they declare to be confidential or proprietary for the purpose of production under 29 Del. C. Ch. 100, Delaware Freedom of Information Act.

[illegible]

Note: Vendor may use additional pages as necessary, but the format shall be the same as provided above.

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Attachment 4

**Contract No. STA263816-PROREGSVCS
REGULATORY CONSULTING & ADVISORY SERVICES
BUSINESS REFERENCES**

List three business references, including the following information:

- Business Name and Mailing address
- Contact Name and phone number
- Number of years doing business with
- Type of work performed

Please do not list any State Employee as a business reference. If you have held a State contract within the last 5 years, please provide a separate list the contract(s). DO NOT CHANGE FORMAT.

Reference One

Contact Name	
Contact Title	
Business Name	
Address	
Email	
Phone	
Current Vendor?	
Work Performed	

Reference Two

Contact Name	
Contact Title	
Business Name	
Address	
Email	
Phone	
Current Vendor?	
Work Performed	

Reference Three

Contact Name	
Contact Title	
Business Name	
Address	
Email	
Phone	
Current Vendor?	
Work Performed	

STATE OF DELAWARE PERSONNEL MAY NOT BE USED AS REFERENCES



The Office of Supplier Diversity (OSD)

Supplier Diversity Certification Application Portal can be found here:
[Office of Supplier Diversity Certification Application Portal](#)

For more information, please send an email to OSD:
osd@delaware.gov or call 302-577-8477

[Subscribe](#) to the OSD Mailing List

Carvel State Building
820 N. French Street, 10th Floor
Wilmington, DE 19801

Telephone: 302-577-8477 / Fax: 302-736-7915

Email: osd@delaware.gov

Web site: <https://business.delaware.gov/osd/>

*Submission of a completed Office of Supplier Diversity (OSD) application is optional and does not influence the outcome of any award decision.



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Appendix A - SCOPE OF WORK AND TECHNICAL REQUIREMENTS

Task 1 – Rulemaking

Draft, promulgate, and implement OSBC's regulations required under the 2026 Title 5 Legislation (SS1 for SB16, SB 18, and SS2 for SB 19), in accordance with the Delaware Administrative Procedures Act (29 *Del. C.* Ch. 101):

- SS for SB16 – 5 *Del. C.* § 3566(a) mandates regulations in 14 areas, including application procedures and fees, reciprocal recognition, reserve composition and custody standards, capital and net worth, risk management and wind-down planning, AML program standards, examination standards and fees, data privacy and information security, federal-to-state conversion procedures, change-in-control review, and voluntary DASP registration procedures. Section 3566(e) additionally requires safe harbor regulations for Chapter 23 money transmitter licensees and interim authorization procedures.
- SB 18's virtual currency subchapter (subchapter III) carries discretionary rulemaking under 5 *Del. C.* § 2339.
- SB 16 authorizes tailored certificate-of-public-convenience-and-advantage application forms under 5 *Del. C.* § 701(b).

Task 2 — Supervisory Program Development - Examination Manuals and Work Programs

Develop examination manual(s) and modular work program(s) tailored to payment stablecoin issuance and digital asset custody, for use in examinations under 5 *Del. C.* § 3551 and in supervision of trust companies exercising digital asset custody powers. Deliverables shall include, at minimum:

- An overall rating framework for permitted payment stablecoin issuers, with component ratings, scoring methodology, and criteria for composite ratings, adaptable to issuer size and business model.
- Examination scoping guidance: areas to test, risk-based scoping criteria, and examination frequency considerations consistent with § 3551.
- Standard first-day letters and documentation request lists, including reserve composition and attestation records under §§ 3521 and 3526, redemption policy documentation under § 3523, custody records under § 3527, AML and sanctions program documentation under §§ 3531–3532, and risk management and wind-down documentation under § 3535.
- Detailed procedures for evaluating and scoring digital asset custody controls, including key management, segregation of customer and reserve assets, third-party custodian oversight, and on-chain verification techniques.
- Enforcement and remediation protocols keyed to the Commissioner's powers under § 3552, including matter-escalation criteria, corrective action frameworks, civil penalty assessment

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guidance consistent with § 3552(b), and coordination procedures for emergency actions and redemption suspensions under §§ 3552(d) and 3555.

Task 3 — Examiner Training Materials and In-Person Examiner Training

Develop and deliver training for examiners and other OSBC staff, comprising:

- A foundational curriculum to level-set knowledge across all supervisory staff: digital asset fundamentals, stablecoin economics and reserve models, the GENIUS Act and federal implementing regulations, and the structure of Chapters 23 and 35 of Title 5.
- An advanced curriculum for a designated examiner cadre, including custody controls testing, reserve valuation and attestation review, blockchain transaction tracing fundamentals, and red flags specific to stablecoin issuer risk, including de-pegging events, reserve commingling, and redemption gating.
- In-person delivery of both curricula at the OSBC's location, train-the-trainer materials, knowledge assessments, and all materials in editable formats licensed for OSBC's ongoing internal use.

Task 4 — Operations re: Licensing, Supervision, and Resolution Policies and Programs; Examination Staff Augmentation

Develop other policies and programs relevant to licensing and supervision of institutions under Chapters 23 and 35 of Title 5, including:

- Licensing and application review procedures, forms, and internal review checklists under §§ 3511–3512, including fitness and character review under § 3536, change-in-control review under § 3517, federal-to-state conversion procedures under § 3516, and interim authorization processing under § 3566(e)–(f).
- Ongoing reporting and monitoring programs, including monthly reporting and attestation review under § 3526 and off-site surveillance indicators.
- Enforcement and remediation policy, consistent with Task 1 protocols and the Administrative Procedures Act, 29 *Del. C.* ch. 101.
- Receivership and resolution planning under § 3556, including a resolution playbook addressing holder priority, reserve segregation and tracing, coordination with the Court of Chancery, and coordination with federal regulators; and procedures for review of issuer wind-down plans under § 3535.

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- Voluntary digital asset service provider registration procedures and consumer disclosure standards under § 3518, and supervisory procedures for virtual currency business activity under 5 *Del. C.* §§ 2333–2339.
- Provide qualified personnel to support OSBC's examinations of early licensees, under the direction and control of an OSBC examiner-in-charge. Augmentation personnel shall comply with all confidentiality requirements applicable to OSBC's examination function, shall execute individual confidentiality undertakings in a form approved by OSBC, and shall be subject to the conflict-of-interest provisions in Section 7. OSBC anticipates drawing on this task on an as-needed basis as licensees are licensed

Task 5 — SCRC Certification/Regulatory Benchmarking

- Provision-by-provision benchmarking of Chapter 35 of Title 5 (PSA) and OSBC's draft and final regulations against the GENIUS Act, final federal implementing regulations (including the OCC's rules under Docket ID OCC-2025-0372 and Treasury's rules under RIN 1505-AC90, as finalized), and other state frameworks, structured to directly support the OSBC's "substantially similar" demonstration and SCRC certification application under § 3567(b).

Task 6 — Strategic Analysis and Advisory Support

- **Market landscape analysis.** Analysis of the prospective licensee pipeline and their client bases, projected issuance volumes, and business models, to inform supervisory resource planning and fee modeling under § 3571.
- **Stakeholder mapping.** Mapping and engagement analysis of external stakeholders, including prospective clients of licensees, card and payment networks, the Federal Reserve Bank of Philadelphia, correspondent banks, other state regulators (including recognition under § 3513), and federal agencies identified in § 3567(a).

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**Appendix B – STATE OF DELAWARE DEPARTMENT OF TECHNOLOGY AND
INFORMATION REQUIREMENTS**

**Appendix B-1 - State of Delaware Terms and Conditions Governing
Cloud Storage and Data Usage Agreement**

**Appendix B-2 - State of Delaware Terms and Conditions Governing
Cloud Storage and Data Usage Policy**

Appendix B-3 -- State of Delaware Cyber Responsibilities, Liability, and Insurance



PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement

Contract/Agreement # _____, Appendix _____

between State of Delaware and _____ dated _____

This document shall become part of the final contract.

	Public Data	Non Public Data	
1	✓	✓	Data Ownership: The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The PROVIDER shall not access State of Delaware user accounts, or State of Delaware data, except (i) in the course of data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request. All information obtained or generated by the PROVIDER under this contract shall become and remain property of the State of Delaware.
2	✓	✓	Data Usage: The PROVIDER shall comply with the following conditions. At no time will any information, belonging to or intended for the State of Delaware, be copied, disclosed, or retained by PROVIDER or any party related to PROVIDER for subsequent use in any transaction. The PROVIDER will take reasonable steps to limit the use of, or disclosure of, and requests for, confidential State data to the minimum necessary to accomplish the intended purpose under this agreement. PROVIDER may not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. Protection of Personally Identifiable Information (PII, as defined in the State's Terms and Conditions Governing Cloud Services and Data Usage Policy), privacy, and sensitive data shall be an integral part of the business activities of the PROVIDER to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. The PROVIDER shall safeguard the confidentiality, integrity, and availability of State information. No party related to the PROVIDER or contracted by the PROVIDER may retain any data for subsequent use in any transaction that has not been expressly authorized by the State of Delaware.
3	✓	✓	Termination and Suspension of Service: In the event of termination of the contract, PROVIDER shall implement an orderly return of State of Delaware data in CSV, XML, or another mutually agreeable format. The PROVIDER shall guarantee the subsequent secure disposal of State of Delaware data. a) Suspension of services: During any period of suspension, contract negotiation, or disputes, the PROVIDER shall not take any action to intentionally erase any State of Delaware data. b) Termination of any services or agreement in entirety: In the event of termination of any services or agreement in entirety, the PROVIDER shall not take any action to intentionally erase any State of Delaware data for a period of ninety (90) days after the effective date of the termination. All obligations for protection of State data remain in place and enforceable during this 90-day period. After such 90-day period has expired, the PROVIDER shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally or contractually prohibited, dispose of all State of Delaware data in its systems or otherwise in its possession. Within this 90-day timeframe, the PROVIDER will continue to secure and back up State of Delaware data covered under the contract. c) Post-Termination Assistance: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement. d) Secure Data Disposal: When non-public data is provided by the State of Delaware, the PROVIDER shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, paper). Data shall be permanently deleted, and shall not be recoverable, in accordance with National Institute of Standards and Technology (NIST) approved methods after ninety (90) days of the contract termination. The PROVIDER shall provide written certificates of destruction to the State of Delaware.



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement

Contract/Agreement # _____, Appendix _____

between State of Delaware and _____ dated _____

This document shall become part of the final contract.

	Public Data	Non Public Data	
4		✓	Data Location: The PROVIDER shall not store, process, or transfer any non-public State of Delaware data outside of the United States, including for back-up and disaster recovery purposes. The PROVIDER will permit its personnel and subcontractors to access State of Delaware data remotely only as required to provide technical or call center support.
5		✓	Encryption: The PROVIDER shall encrypt all non-public data in transit regardless of the transit mechanism. For engagements where the PROVIDER stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest . The PROVIDER's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2 , Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the PROVIDER cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach in accordance with the Terms and Conditions Governing Cloud Services and Data Usage Policy .
6		✓	Breach Notification and Recovery: The PROVIDER must notify the State of Delaware at eSecurity@delaware.gov immediately or within 24 hours of any determination of the breach of security as defined in 6 Del. C. §12B-101(2) resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. The PROVIDER shall send a preliminary written report detailing the nature, extent, and root cause of any such data breach no later than two (2) business days following notice of such a breach. The PROVIDER will continue to send any and all reports subsequent to the preliminary written report. The PROVIDER shall meet and confer with representatives of DTI regarding required remedial action in relation to any such data breach without unreasonable delay. If data is not encrypted (see CS3, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans' Personally Identifiable Information (PII, as defined in Delaware's Terms and Conditions Governing Cloud Services and Data Usage Policy) by PROVIDER or its subcontractors. The PROVIDER will assist and be responsible for all costs to provide notification to persons whose information was breached without unreasonable delay but not later than sixty (60) days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; or 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State will retain all determining authority for breach accountability and responsibility. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part of the State to hold a PROVIDER harmless. The PROVIDER shall not issue a media notice without the approval of the State.
7		✓	Background Checks: The PROVIDER must warrant that they will only assign employees and subcontractors who have passed a federally compliant (IRS Pub 1075 2.C.3) criminal background check. The background checks must demonstrate that staff, including subcontractors, utilized to fulfill the obligations of the contract,



PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement

Contract/Agreement # _____, Appendix _____

between State of Delaware and _____ dated _____

This document shall become part of the final contract.

	Public Data	Non Public Data																						
			have no convictions, pending criminal charges, or civil suits related to any crimes of dishonesty. This includes but is not limited to criminal fraud, or any conviction for any felony or misdemeanor offense for which incarceration for a minimum of one (1) year is an authorized penalty. The PROVIDER shall promote and maintain an awareness of the importance of securing the State's information among the PROVIDER's employees and agents. Failure to obtain and maintain all required criminal history may be deemed a material breach of the contract and grounds for immediate termination and denial of further work with the State of Delaware.																					
8		✓	Security Logs and Reports: The PROVIDER shall allow the State of Delaware access to system security logs that affect this engagement, its data, and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.																					
9		✓	Sub-contractor Flowdown: The PROVIDER shall be responsible for ensuring its subcontractors' compliance with the security requirements stated herein.																					
10		✓	Contract Audit: The PROVIDER shall allow the State of Delaware to audit conformance including contract terms, system security, and data centers, as appropriate. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be conducted with at least thirty (30) days advance written notice and shall not unreasonably interfere with the PROVIDER's business. In lieu of performing its own audit, the State may request the results of a third party audit from the PROVIDER or an attestation of compliance.																					
11		✓	Cyber Liability Insurance: An awarded vendor unable to meet the Terms and Conditions Governing Cloud Services and Data Usage Policy requirement of encrypting PII at rest shall, prior to execution of a contract, present a valid certificate of cyber liability insurance at the levels indicated below. Further, the awarded vendor shall ensure the insurance remains valid for the entire term of the contract, inclusive of any term extension(s). Levels of cyber liability insurance required are based on the number of PII records anticipated to be housed within the solution at any given point in the term of the contract. Should the actual number of PII records exceed the anticipated number, it is the vendor's responsibility to ensure that sufficient coverage is obtained (see table below). In the event that vendor fails to obtain sufficient coverage, vendor shall be liable to cover damages up to the required coverage amount. <table><tr><th>Level</th><th>Number of PII records</th><th>Level of cyber liability insurance required (occurrence = data breach)</th></tr><tr><td>1</td><td>1-10,000</td><td>\$2,000,000 per occurrence</td></tr><tr><td>2</td><td>10,001 – 50,000</td><td>\$3,000,000 per occurrence</td></tr><tr><td>3</td><td>50,001 – 100,000</td><td>\$4,000,000 per occurrence</td></tr><tr><td>4</td><td>100,001 – 500,000</td><td>\$15,000,000 per occurrence</td></tr><tr><td>5</td><td>500,001 – 1,000,000</td><td>\$30,000,000 per occurrence</td></tr><tr><td>6</td><td>1,000,001 – 10,000,000</td><td>\$100,000,000 per occurrence</td></tr></table>	Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)	1	1-10,000	\$2,000,000 per occurrence	2	10,001 – 50,000	\$3,000,000 per occurrence	3	50,001 – 100,000	\$4,000,000 per occurrence	4	100,001 – 500,000	\$15,000,000 per occurrence	5	500,001 – 1,000,000	\$30,000,000 per occurrence	6	1,000,001 – 10,000,000	\$100,000,000 per occurrence
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STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement

Contract/Agreement # _____, Appendix _____

between State of Delaware and _____ dated _____

This document shall become part of the final contract.

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions [check one]:

FOR
OFFICIAL
USE ONLY

☐

1-3 (Public)

☐

1-11 (Non-Public)

Provider Name/Address (print): _____

Provider Authorizing Official Name (print): _____

Provider Authorizing Official Signature: _____

Date: _____



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DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd.
Dover, Delaware 19904

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Appendix B-2

Synopsis:	This policy provides guidance for State of Delaware organizations to utilize offsite or cloud facilities and services, including hosting and computing (XaaS: e.g, Software-, Infrastructure-, Platform-, etc., as-a-Service). Additionally, it addresses situations when State data is used by an entity for audit, research, or other purposes.
Authority:	Title 29 Chapter 90C Delaware Code, §9004C – General Powers, duties and functions of DTI “2) Create, implement and enforce statewide and agency technology solutions, policies, standards and guidelines, including as recommended by the CIO”
Applicability:	This policy is applicable to all users of the State of Delaware communications and computing resources. DTI is an Executive Branch Agency and has no authority over the customers in Legislative and Judicial Branches, as well as Local Education Agencies, and other Federal and Local Government entities that use these resources. However, all users, including these entities, must agree to abide by all policies, standards promulgated by DTI as a condition of access and continued use of these resources.
Effective:	5/15/2013
Reviewed:	4/14/2023
Approved By:	Chief Information Officer
Sponsor:	Chief Security Officer

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I. Policy

EXECUTIVE SUMMARY

Cloud and offsite hosting and services (contracted XaaS: Infrastructure-, Platform-, Software-as-a-Service) offer credible alternatives to traditional IT delivery models. Contracted XaaS can provide benefits such as rapid delivery, enhanced scalability, development agility and new funding models.

PURPOSE

This policy establishes the terms and conditions for contracted XaaS and establishes terms and conditions for data usage. All IT-related RFPs, Contracts, etc. and data sharing engagements that may involve offsite hosting must abide by this policy. The terms and conditions set forth in this policy will help to protect the State's organizations by mitigating the risks associated with entrusting the State's computing operations and data to a third party.

POLICY STATEMENT

New contracts and amendments to contracts with service providers, as well as agreements regarding others (including but not limited to audit, research, etc.), are expected to include a cloud services and data usage signed agreement, as applicable, approved by DTI. When it applies, the *Terms and Conditions Governing Cloud Services and Data Usage* policy requires a signed *Terms and Conditions Governing Cloud Services and Data Usage Agreement*. Contracts or other agreements already in force will be expected to include the applicable signed agreements approved by DTI at the next renewal or revision date. The following standard agreement is available:

- [Terms and Conditions Governing Cloud Services and Data Usage Agreement \(PDF\)](#)

Nothing in this policy statement or its related agreement precludes state agencies from imposing their own industry-specific terms and conditions as their business might require, above and beyond those promulgated by DTI.



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IMPLEMENTATION RESPONSIBILITY

DTI and/or the organization's technical staff will implement this policy during the course of normal business activities, including project execution and the design, development, or support of systems.

Service providers should be familiar with, and adhere to, security guidelines closely aligned with standardized industry approaches to assessment, documentation, monitoring, and controls for cloud products and services, such as those promulgated by the Federal Risk and Authorization Management Program (FedRAMP), Cloud Security Alliance (CSA), the National Institute of Standards and Technology (NIST), and other accreditation authorities as these become recognized by the industry.

ENFORCEMENT and WAIVER

DTI will enforce this policy during the course of normal business activities, including review of proposed projects and during the design, development, or support of systems. This policy may also be enforced by others during the course of their normal business activities, including contract execution, review or amendment, audits, and design reviews.

Cyber Security Liability Insurance

The State of Delaware places paramount importance on protection of sensitive Personally Identifiable Information (PII) or otherwise confidential information as defined by 6 Del. C. §1202C (15) and §12B-101(7)a, and as noted below under Section II – Definitions.

In accordance with the State's Terms and Conditions Governing Cloud Services and Data Usage Agreement Item 5, non-public state data shall be encrypted in transit and, for PII data, at rest. A service provider will employ validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2 Security Requirements. When the Service Provider cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Such a liability protection policy shall comply with the State's requirements, incorporated by addendum to this policy (see Addendum 1: Cyber Security Liability Insurance Requirement).



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In the event a service provider fails to keep in effect at all times the insurance coverage required by this provision, the State may, in addition to pursuing any other remedies available, terminate the contract upon the occurrence of such event, subject to the provisions of the contract.

If there is ambiguity or confusion regarding any part of this policy, seek clarification from the point of contact defined in the header of this policy.

II. Definitions

Personally Identifiable Information (PII)

1. Information or data, alone or in combination, that identifies or authenticates a particular individual. Such information or data may include, without limitation, Name, Date of birth, Full address (e.g. house number, city, state, and/or zip code), Phone Number, Passwords, PINs, Federal or state tax information, Biometric data, Unique identification numbers (e.g. driver's license number, social security number, credit or debit account numbers, medical records numbers), Criminal history, Citizenship status, Medical information, Financial Information, Usernames, Answers to security questions or other personal identifiers.
2. Information or data that meets the definition ascribed to the term "Personal Information" under Delaware Code Title 6 § 12B-101 Title 6, §1202C, and Title 29 §9017C or any other applicable State of Delaware or Federal law.





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III. Development and Revision History

Date	Revision
5/15/2013	Rev 0 – Initial version
8/27/2014	Rev 1 – Updated version
11/17/2014	Rev 2 – Updated version
11/23/2015	Rev 3 - Removed language regarding the State’s inclusion on the insured list.
3/1/2016	Rev 4 - Added Tiered Coverage Schedule. Added PII definition. Adjusted Ponemon value. Updated link for The Center for Digital Government 2014 study of Cloud Security Procurements.
10/10/2016	Rev 5 - Added language and references to State standards in the Implementation Responsibility section.
2/1/2018	Rev 5 - Added language and references to State standards in the Implementation Responsibility section.
6/18/2018	Rev 6 - Revised policy titles and agreement references. Added language and references to new Data Usage Terms and Conditions Policy, as well as to State standards in the Implementation Responsibility section; revised DelCode references with respect to definitions of Personally Identifiable Information (PII); moved information regarding Cyber Liability Insurance Requirement to be incorporated by Addendum 1.
4/14/2023	Rev 7 – Revised the wording to reflect the consolidated policy and agreement documents.
11/1/2024	Rev 7 - Removed a reference to the Technology Investment Council

IV. Approval Signature Block

Name & Title:	Date
State Chief Information Officer	



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Listing of Appendices

APPENDIX 1 - CYBER SECURITY LIABILITY INSURANCE REQUIREMENTS

- Issued by an insurance company acceptable to the State of Delaware and valid for the entire term of the contract, inclusive of any term extension(s).
- Liability limits will be calculated based on the maximum system record count over the life of the contract and the ***Ponemon Institute*** average Public Sector Breach cost per record as published in the most recent *Cost of Breach Study* (e.g., 2017, \$141). Refer to the Tiered Coverage Schedule below.

Tiered Coverage Schedule

Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)
1	1-10,000	\$2,000,000 per occurrence
2	10,001 – 50,000	\$3,000,000 per occurrence
3	50,001 – 100,000	\$4,000,000 per occurrence
4	100,001 – 500,000	\$15,000,000 per occurrence
5	500,001 – 1,000,000	\$30,000,000 per occurrence
6	1,000,001 – 10,000,000	\$100,000,000 per occurrence

- Shall include, but not be limited to, coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, and liability assumed under an insured contract.
- At a minimum, the policy must include third party coverage for credit monitoring; notification costs to data breach victims; and regulatory penalties and fines.
- Shall apply separately to each insured against whom claim is made or suit is brought subject to the Service Provider's limit of liability.
- Shall include a provision requiring that the policy cannot be cancelled without thirty days written notice to the State Chief Information Officer.
- The Service Provider shall be responsible for any deductible or self-insured retention contained in the insurance policy.
- The coverage under the policy shall be primary, and not excess, to any other insurance carried by the Service Provider.



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- The State of Delaware shall not be a named or additional insured under the policy.



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Cyber Responsibilities, Liability and Insurance

A. Vendor Protection of Customer Data

1. The awarded vendor shall, at a minimum, comply with all Delaware Department of Technology and Information (DTI) security standards identified in this Request for Proposals and any resultant contract(s).

B. Definitions

Data Breach

1. In general the term “data breach” means a compromise of the security, confidentiality, or integrity of, or the loss of, computerized data for the State of Delaware that results in, or there is a reasonable basis to conclude has resulted in :
 1. 1 The unauthorized acquisition of personally identifiable information (PII); or
 1. 2 Access to PII that is for an unauthorized purpose, or in excess of authorization,
2. Exclusion
 - 2.1 The term “data breach” does not include any investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a political subdivision of a State, or of an intelligence agency of the United States.

Personally Identifiable Information (PII)

1. Information or data, alone or in combination that identifies or authenticates a particular individual.
 1. 1 Such information or data may include, without limitation, Name, Date of birth, Full address (e.g. house number, city, state, and/or zip code), Phone Number, Passwords, PINs, Federal or state tax information, Biometric data, Unique identification numbers (e.g. driver's license number, social security number, credit or debit account numbers, medical records numbers), Criminal history, Citizenship status, Medical information, Financial Information, Usernames, Answers to security questions or other personal identifiers.

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2. Information or data that meets the definition ascribed to the term “Personal Information” under §6809(4) of the Gramm-Leach-Bliley Act or other applicable law of the State of Delaware.

Customer Data

1. All data including all text, sound, software, or image files provided to Vendor by, or on behalf of, Delaware which is occasioned by or arises out of the operations, obligations, and responsibilities set forth in this contract.

Security Incident

1. Any unauthorized access to any Customer Data maintained, stored, or transmitted by Delaware or a third party on behalf of Delaware.

C. Responsibilities of Vendor in the Event of a Data Breach

1. Vendor shall notify State of Delaware, Department of Technology and Information (DTI) and Government Support Services (GSS) without unreasonable delay when the vendor confirms a data breach. Such notification is to include the nature of the breach, the number of records potentially affected, and the specific data potentially affected.
 1. 1 Should the State of Delaware or the awarded vendor determine that a data breach has actually occurred; the awarded vendor will immediately take all reasonable and necessary means to mitigate any injury or damage which may arise out of the data breach and shall implement corrective action as determined appropriate by VENDOR, DTI, and GSS.
 1. 2 Should any corrective action resultant from Section B.1.1. above include restricted, altered, or severed access to electronic data; final approval of the corrective action shall reside with DTI.
 1. 3 In the event of an emergency the awarded vendor may take reasonable corrective action to address the emergency. In such instances the corrective action will not be considered final until approved by DTI.
 1. 4 For any record confirmed to have been breached whether such breach was discovered by the awarded vendor, the State, or any other entity and notwithstanding the definition of personally identifiable information as set forth at 6 Del. C. § 12B-101 the awarded vendor shall:

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- 1.4.1. Notify in a form acceptable to the State, any affected individual as may be required by 6 *Del. C.* § 12B-101 of the Delaware Code.
- 1.4.2. Provide a preliminary written report detailing the nature, extent, and root cause of any such data breach no later than two (2) business days following notice of such a breach.
- 1.4.3. Meet and confer with representatives of DTI and GSS regarding required remedial action in relation to any such data breach without unreasonable delay.
- 1.4.4. Bear all costs associated with the investigation, response and recovery from the breach, such as 3-year credit monitoring services, mailing costs, website, and toll free telephone call center services.

D. No Limitation of Liability for Certain Data Breaches

1. Covered Data Loss

- 1.1 The loss of Customer Data that is not (1) Attributable to the instructions, acts or omissions of Delaware or its users or (2) Within the published recovery point objective for the Services

2. Covered Disclosure

- 2.1 The disclosure of Customer Data as a result of a successful Security Incident.

3. Notwithstanding any other provision of this contract, there shall be no monetary limitation of vendor's liability for the vendor's breach of its obligations under this contract which proximately causes a (1) Covered Data Loss or (2) Covered Disclosure, where such Covered Data Loss or Covered Disclosure results in any unauthorized public dissemination of PII.

E. Cyber Liability Insurance

1. An awarded vendor unable to meet the DTI Cloud and Offsite Hosting Policy requirement of encrypting PII at rest shall, **prior to execution of a contract**, present a valid certificate of cyber liability insurance at the levels indicated below. Further, the awarded vendor shall ensure the insurance remains valid for the entire term of the contract, inclusive of any term extension(s).

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2. Levels of cyber liability insurance required are based on the number of PII records anticipated to be housed within the solution at any given point in the term of the contract. The level applicable to this contract is: LEVEL 1. Should the actual number of PII records exceed the anticipated number, it is the vendor's responsibility to ensure that sufficient coverage is obtained (see table below). In the event that vendor fails to obtain sufficient coverage, vendor shall be liable to cover damages up to the required coverage amount.

Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)
1	1-10,000	\$2,000,000 per occurrence
2	10,001 – 50,000	\$3,000,000 per occurrence
3	50,001 – 100,000	\$4,000,000 per occurrence
4	100,001 – 500,000	\$15,000,000 per occurrence
5	500,001 – 1,000,000	\$30,000,000 per occurrence
6	1,000,001 – 10,000,000	\$100,000,000 per occurrence

F. Compliance

1. The awarded vendor(s) is required to comply with applicable security-related Federal, State, and Local laws.

G. Media Notice

1. No media notice may be issued without the approval of the State.

H. Points of Contact – Data Breach

1. State of Delaware

Department of Technology and Information
Aashish Patel, Chief Security Officer
Aashish.Patel@delaware.gov ; 302.739.9631

Office of the State Bank Commissioner
Christopher L. Hall, Senior Deputy Bank Commissioner
1110 Forest Avenue
Dover, DE 19904
ChristopherL.Hall@delaware.gov