This standard payable agreement is between The University of Tennessee on behalf of its Health Science Center, an instrumentality of the state of Tennessee (“University”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (“Contractor”).

The parties agree as follows:

1. Term: The term of this agreement begins \_\_\_\_\_\_\_\_\_\_\_\_ (the “Effective Date”) and ends on \_\_\_\_\_\_\_\_\_\_\_\_\_.
2. Scope:
3. Work Made for Hire: **delete this entire section and this red text, if the “work made for hire” language is inapplicable.**

Contractor acknowledges that the University will possess all rights to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the Contractor’s performance under this agreement. Contractor and the University acknowledge that the Contractor's work under this agreement will belong to the University as "work-made-for-hire" (as such term is defined in U.S. Copyright Law). To the extent Contractor’s work is not deemed to constitute "work-made-for-hire," Contractor hereby assigns and transfers to the University all of Contractor’s right, title and interest in and to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the Contractor’s performance under this agreement.

1. Compensation:
2. Terms and Conditions: This agreement is governed by the terms in Schedule 1.
3. Insurance: Contractor shall comply with Schedule 2 (Insurance).
4. Security Addendum: Contractor agrees to comply with the provisions of Schedule 3. Only for agreements for the purchase of software and/or hardware that will access UT systems. Otherwise delete this provision and Schedule 3.
5. Notice:

Contractor:

Address for notices

University:

The University of Tennessee Health Science Center

62 S. Dunlap, Suite 217

Memphis, TN 38163

ATTN: Office of Business Contracts

With a copy to:

Department name and address for notices

Agreed:

**The University of Tennessee Contractor**

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Schedule 1: Terms and Conditions**

1. Termination:
2. For Cause: If Contractor materially breaches this agreement, University may terminate this agreement immediately.
3. Unrestricted Right: Either party may terminate this agreement for any reason by giving the other party at least 30 days’ prior notice. Unless stated in Schedule 1, University will not be responsible for any damages, including cancellation fees.
4. Work: If University terminates this agreement, upon receipt of University’s notice of termination, Contractor shall not start any new work. Upon receipt of University’s notice of termination, Contractor will stop or complete existing work, as the University directs.
5. Payment for Services Rendered: If University terminates this agreement, University will pay for any authorized work that Contractor performs through the effective date of termination.
6. Invoices:
7. Unless the University elects to submit a payment request through the University’s accounts payable process on Contractor’s behalf, Contractor shall invoice the University.
8. Contractor shall submit monthly invoices to University. Such invoices shall be based on the cost for services performed or goods delivered and reimbursable costs, if any, incurred during the billing period and shall provide adequate information to properly document such costs.
9. Late Payment: University’s payment will not be considered late unless University pays later than 45 calendar days after receiving Contractor’s invoice.
10. Records; Audit:
11. Records: Contractor shall maintain records for all expenses for which Contractor invoices the University under this agreement. Contractor shall maintain its records for at least 3 years, and shall maintain its records in accordance with generally accepted accounting principles.
12. Audit: During the term of this agreement and for 3 years after the last payment from the University to Contractor under this agreement, the State of Tennessee Comptroller or the University’s internal audit, or both, may audit Contractor’s records that relate to this agreement.
13. Assistance: Contractor shall provide the University with any documentation, access to information, or other assistance necessary for the University to ensure that Contractor complies with its obligations under this agreement.
14. PaymentWorks: Contractor must register as a vendor in University’s vendor-management system, PaymentWorks.
15. Conflicts of Interest:
16. Contractor states that no part of the Contractor’s compensation will be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this agreement.
17. Contractor states that this agreement is immediately void if the Contractor is, or within the past 6 months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past 6 months has been, an employee of the State of Tennessee.
18. Iran Divestment Act: The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Contractor hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
19. Illegal Immigrants: In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Contractor hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.
20. Tennessee Department of Revenue: In compliance with the requirements of Tenn. Code Ann. § 12-3-306, the Contractor hereby attests that it has registered with the State of Tennessee’s Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this agreement.
21. Debarment: Contractor hereby attests that the following are true statements:
    * 1. Contractor is not currently debarred by the U.S. federal government.
      2. Contractor is not currently suspended by the U.S. federal government.
      3. Contractor is not currently named as an “excluded” Contractor by the U.S. federal government.
22. Background Checks: This clause applies if Contractor will provide services on the University’s property.
23. General Obligation: Contractor will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For proposes of this agreement, “criminal conduct” means (a) that the person is listed on any state’s sexual offender registry; (b) that person is listed on the Tennessee Abuse Registry, or (c) that the person has been convicted of a felony in any state.
24. Prompt Background Checks: If the University requests, Contractor must perform a comprehensive criminal background check on any Contractor employee or sub-contractor.
25. Premises Rules: When Contractor is physically present on University property, Contractor shall make reasonable efforts to cause its employees and permitted sub-contractors to become aware of, and act in full compliance with, University’s rules, policies, and procedures (collectively referred to as “rules.”). For example, Contractor shall ensure that it complies with the University’s applicable rules regarding safety, smoking, noise, access restrictions, parking, security, and consideration for minors (students and University visitors under age 18).
26. Conduct: Contractor shall make reasonable efforts to ensure that Contractor’s employees and sub-contractors will conduct themselves in a professional manner while on University property, and while interacting with University employees, students, or visitors. Contractor must report, within 24 hours, to the University’s Office of Procurement Services any complaints about Contractor’s employees or sub-contractors engaging in the following behavior: sexually suggestive or harassing behavior; unwanted physical touching; unwanted photographs; alcohol use; illegal drug use; or physical manifestations of alcohol or drug use (e.g. Contractor’s employee emits smells that indicate that the individual consumed alcohol recently). The parties acknowledge that University may prohibit anyone from entering its campus at any time, due to violations of the law.
27. Assignment: This agreement is personal to Contractor. Accordingly, Contractor may not assign any rights or delegate any duties under this agreement.
28. Independent Contractor: The parties intend for their relationship to that of independent contractors. Contractor acknowledges that it is not an employee of University.
29. Governing Law: The laws of the state of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University’s liability will be governed by the Tennessee Claims Commission Act.
30. Self-Insurance: The University is self-insured under the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301 et seq., which covers certain tort liability for actual damages of up to $300,000 per claimant and $1,000,000 per occurrence.
31. Use of University Intellectual Property: Except as allowed in this section, Contractor shall not use the University’s name, marks, logos, or any other University-owned intellectual property for any reason, without the written consent of an authorized official of the University. During the term of this agreement, Contractor may list the University’s name in Contractor’s list of clients.
32. Third-Party Beneficiaries: There are no third-party beneficiaries to this agreement.
33. Severability: The parties intend as follows:
34. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
35. that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of the agreement will remain in effect as written; and
36. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.
37. Modification; Waiver: No amendment of this agreement will be effective unless it is in writing and signed by authorized officials of the parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by an authorized official of the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.
38. Counterparts: If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.
39. Force Majeure:
    1. If a Force Majeure Event prevents a party from complying with any one or more obligations under this agreement, that inability to comply will not constitute breach if (1) that party uses reasonable efforts to perform those obligations, (2) that party’s inability to perform those obligations is not due to its failure to (A) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (B) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (3) that party complies with its obligations under section this section (E)(10)(iii).
    2. For purposes of this agreement, “Force Majeure Event” means, with respect to a party, any event or circumstance, whether or not foreseeable, that was not caused by that party and any consequences of that event or circumstance.
    3. If a Force Majeure Event occurs, the noncomplying party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long the noncomplying party expects it to last. Thereafter the noncomplying party shall update that information as reasonably necessary. During a Force Majeure Event, the noncomplying party shall use reasonable efforts to limit damages to the other party and to resume its performance under this agreement.
40. Notice:
41. For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company, with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid;
42. Subject to sub-section (3) below, a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:
43. if it is delivered by hand, delivered by a national transportation company, with all fees prepaid, or delivered by registered or certified mail, return receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and
44. if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.
45. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.
46. Non-Discrimination: No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal and/or Tennessee State Constitutional and/or statutory law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in the performance of the Contract or in the employment practices of the vendor/contractor. Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and applicants, notices of non-discrimination.
47. Travel: Unless otherwise indicated above, University will not reimburse Contractor for travel costs.
48. Entire Agreement: This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties. In the event that Contractor maintains terms and conditions on its website, software, invoices, etc., such terms and conditions do not apply to the University.

**Schedule 2: Insurance**

Contractor must comply with the following terms regarding insurance:

1. **Additional Insurance Requirements*:*** Contractor’s policies must include, or be endorsed to include, the following provisions:
   1. On insurance policies where The University of Tennessee is named as an additional insured, The University of Tennessee must be an additional insured to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this agreement.
   2. The Contractor’s insurance coverage must be primary insurance and non-contributory with respect to all other available sources.

Certificate holder must be listed as:

The University of Tennessee

Office of Risk Management

5723 Middlebrook Pike

Suite 218

Knoxville, TN 37996

1. **Notice of Cancellation*:*** Each insurance policy required by the insurance provisions of this agreement must provide the required coverage and must not be suspended, voided, or canceled except after 30 days’ prior written notice has been given to The University of Tennessee, except when cancellation is for non-payment of premium; then 10 days’ prior notice may be given. Such notice must be sent directly to the University via email at: [riskmanagement@tennessee.edu](mailto:riskmanagement@tennessee.edu)

If any insurance company refuses to provide the required notices, the Contractor or its insurance broker must notify The University of Tennessee of any cancellation, suspension or non-renewal of any insurance within 7 days of receipt of insurers’ notification to that effect.

1. **Acceptability of Insurers*:*** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Tennessee and with an “A.M. Best” rating of not less than A- VII. The University of Tennessee in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
2. **Verification of Coverage*:*** Contractor must furnish The University of Tennessee with certificates of insurance (ACORD form or equivalent) as required by this agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by The University of Tennessee before work commences. Each insurance policy required by this agreement must be in effect at or prior to commencement of work under this agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this agreement or to provide evidence of renewal is a material breach of agreement.

Please send verification of coverage to: [riskmanagement@tennessee.edu](mailto:riskmanagement@tennessee.edu)

1. **Renewals**: Contractor must provide the University with renewal certificates of insurance (ACORD form or equivalent), as applicable, by emailing renewal certificates to: [riskmanagement@tennessee.edu](mailto:riskmanagement@tennessee.edu) Contractor must provide renewal certificates within 5 business days of Contractor receiving the renewal certificate.
2. **Subcontractors:**Contractor’s certificate(s) must include all subcontractors as additional insureds under its policies, or contractor must furnish to The University of Tennessee separate certificates and endorsements for each subcontractor. All coverages for subcontractors must be subject to the minimum requirements identified above.
3. **Approval:**Any modification or variation from the insurance requirements in this agreement must be made by the risk management department, whose decision must be final. Such action will not require a formal agreement amendment, but may be made by administrative action.
4. **Waiver of Subrogation**: Contractor hereby waives any right of subrogation on the part of its insurance provider against the University. Contractor must ensure that its insurance certificates include the following language:

The University of Tennessee, its Board of Trustees, officers, employees, agents, and volunteers are named as Additional Insureds with respect to the General and Automobile Liability policies. A Waiver of Subrogation applies to Workers Compensation and the General and Automobile Liability policies as evidenced on this certificate of insurance. All insurance policies above are primary and non-contributory to any other insurance available to the Certificate Holder. A thirty day notice of cancellation is required.

1. During the term of this agreement, Contractor must maintain the following insurance types and limits (or higher limits):

Workers Compensation (WC): Statutory Limits – required in all contracts

Employers’ Liability Each Accident $100,000

Employers’ Liability Disease – each employee $100,000

Employers’ Liability Disease – policy limit $500,000

Commercial General Liability (CGL):

Each Occurrence Limit $ 1,000,000

Damage to Rented Premises – Ea. Occ. $300,000

Medical Expense – any one person $10,000

Personal & Advertising Injury Limit $1,000,000

General Aggregate Limit $2,000,000

Products/Completed Ops. Aggregate Limit $2,000,000

Automobile Liability

Combined Single Limit – each accident $1,000,000

**Schedule 3**

1. **Definitions**: For purposes of this Schedule 3, the following definitions apply:
2. “**Brand Features**” means the trade names, trademarks, service marks, logos, domain names, and other distinctive brand features of each party, respectively, as secured by such party from time to time.
3. “**End User**” means the individuals authorized by the University to access and use the Services.
4. The University uses the Federal Information Processing Standards Publication 199 to categorize systems and information. University classifies moderate and high information as follows:
5. The potential impact is ”**moderate**” if the loss of confidentiality and integrity could be expected to have a serious adverse effect on organizational operations, organizational assets, or individuals. For example, the loss of confidentiality and integrity might: (i) cause a significant degradation in mission capability to an extent and duration that the organization is able to perform its primary functions, but the effectiveness of the functions is significantly reduced; (ii) result in significant damage to organizational assets; (iii) result in significant financial loss; or (iv) result in significant harm to individuals that does not involve loss of life or serious life threatening injuries.
6. The potential impact is ”**high**” if the loss of confidentiality and integrity could be expected to have a severe or catastrophic adverse effect on organizational operations, organizational assets, or individuals. For example, the loss of confidentiality and integrity might: (i) cause a severe degradation in or loss of mission capability to an extent and duration that the organization is not able to perform one or more of its primary functions; (ii) result in major damage to organizational assets; (iii) result in major financial loss; or (iv) result in severe or catastrophic harm to individuals involving loss of life or serious life threatening injuries.

# The system might store, process, and transmit university information that is classified as moderate, including Personal Information. Personal Information is defined by the state in Tennessee Code Annotated § 47-18-2107 as the following:

"**Personal information**":

**(A)**  Means an individual's first name or first initial and last name, in combination with any one (1) or more of the following data elements:

**(i)**  Social security number;

**(ii)**  Driver license number; or

**(iii)**  Account, credit card, or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account; and

**(B)**  Does not include information that is lawfully made available to the general public from federal, state, or local government records or information that has been redacted, or otherwise made unusable;

1. “**Securely Destroy**” means taking actions that render data written on media unrecoverable by both ordinary and extraordinary means.
2. “**Security Breach**” means a security-relevant event in which the security of a system or procedure used to create, obtain, transmit, maintain, use, process, store or dispose of data is breached, and in which University Data is exposed to unauthorized disclosure, access, alteration, or use.
3. **Rights and License in and to University Data**: All rights including, all intellectual property rights, in and to University Data remain University’s exclusive property, and University hereby grants Supplier a limited, nonexclusive license to use these data as provided in this agreement solely for the purpose of performing its obligations. This agreement does not give a party any rights, implied or otherwise, to the other’s data, content, or intellectual property, except as expressly stated in the agreement. If Supplier will use third parties to fulfill its obligations under this agreement, Supplier must first obtain the University’s permission before transferring University data to any third parties.
4. **Intellectual Property Rights and Disclosure**:
   1. Unless University agrees otherwise in writing, Supplier will not disclose to any third party any materials that Supplier creates for University under this agreement.
   2. Supplier states that University will own all rights, title and interest in any and all intellectual property rights the University creates in the performance or otherwise arising from this agreement and will have full ownership and beneficial use it, free and clear of claims of any nature by any third party including, without limitation, copyright or patent infringement claims. Supplier hereby assigns all rights, title, and interest in any and all intellectual property created in the performance or otherwise arising from this agreement, and will execute any future assignments or other documents needed for the University to document, register, or otherwise perfect such rights.
5. **Data Security**: Supplier shall protect University’s information in compliance with the controls defined in (select one):

Center for Internet Security;

ISO 27001;

NIST SP 800-53;

NIST Cybersecurity Framework.

1. **Data Privacy**:
   1. Supplier will use University Data only for the purpose of fulfilling its duties under this agreement and will not share such data with or disclose it to any third party without the prior written consent of University, except as required by this agreement or as otherwise required by law.
   2. Supplier will not store University Data on servers located outside of the United States, unless the University agrees in writing that Supplier may store University Data outside of the United States.
   3. Supplier will provide access to University Data only to its employees and subcontractors who need to access the data to fulfill Supplier’s obligations under this agreement. Supplier shall ensure that employees who perform work under this agreement have read, understood, and received appropriate instruction as to how to comply with the data protection provisions of this agreement.
2. **Background Checks**:
   1. Supplier shall ensure that its employees have undergone appropriate background screening and possess all needed qualifications to comply with the terms of this agreement including but not limited to all terms relating to data and intellectual property protection.
   2. Supplier shall perform the following background checks on all employees who have potential to access University Data in accordance with the Fair Credit Reporting Act: Social Security Number trace; 7-year felony and misdemeanor criminal records check of federal, state, or local records (as applicable) for job related crimes; Office of Foreign Assets Control List (OFAC) check; Bureau of Industry and Security List (BIS) check; the Office of Inspector General’s Exclusions Database; and Office of Defense Trade Controls Debarred Persons List (DDTC).
3. **Data Authenticity and Integrity**: Supplier will take reasonable measures, including audit trails, to protect the confidentiality, integrity, and availability of the University’s Data against deterioration or degradation of data quality and authenticity. Supplier shall ensure that University Data is preserved, maintained, and accessible throughout their lifecycle, including converting and migrating electronic data as often as necessary so that information is not lost due to hardware, software, or media obsolescence or deterioration.
4. **Security Breach**:
   1. Response: Immediately upon becoming aware of a Security Breach of Moderate or High information, or of circumstances that could have resulted in unauthorized access to or disclosure or use of University Data, Supplier will notify University, fully investigate the incident. Supplier will cooperate fully with the University’s investigation of and response to the incident, including providing University or its agents, or both, with access (physical and logical) to Supplier’s related documents and facilities. Except as otherwise required by law, Supplier will not provide notice of the incident directly to individuals whose Personal Information was involved, regulatory agencies, or other entities, without University’s prior written permission.
   2. Liability: In addition to any other remedies available to University under law or equity, Supplier will reimburse University in full for all costs incurred by the University in investigation and remediation of such Security Breach, including but not limited to providing notification to individuals or entities whose Personal Information was compromised and to regulatory agencies or other entities as required by law or contract; providing one year’s credit monitoring to the affected individuals if the Personal Information exposed during the breach could be used to commit financial identity theft; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Security Breach.
5. **Response to Legal Orders, Demands, or Requests for Data**:
   1. Except as otherwise expressly prohibited by law, Supplier will:
      1. immediately notify University of any subpoenas, warrants, or other legal orders, demands or requests received by Supplier seeking University Data;
      2. consult with University regarding its response;
      3. cooperate with University’s reasonable requests in connection with efforts by University to intervene and quash or modify the legal order, demand or request; and
      4. upon University’s request, provide the University with a copy of its response.
   2. If University receives a subpoena, warrant, or other legal order, demand (including request pursuant to the Tennessee Public Records Act) or request seeking University Data maintained by Supplier, University will promptly provide a copy to Supplier. Supplier will promptly supply the University with copies of data required for University to respond, and will cooperate with University’s reasonable requests in connection with its response.
6. **Data Transfer Upon Termination or Expiration**:
   1. Upon termination or expiration of this agreement, Supplier will ensure that all University Data are securely returned or destroyed as directed by University in its sole discretion. Transfer to University or a third party designated by University shall occur within a reasonable period of time, and without significant interruption in service. Supplier shall ensure that such transfer/migration uses facilities and methods that are compatible with the relevant systems of University or its transferee, and to the extent technologically feasible, that University will have reasonable access to University Data during the transition. In the event that University requests destruction of its data, Supplier agrees to Securely Destroy all data in its possession and in the possession of any subcontractors or agents to which the Supplier might have transferred University data. Supplier agrees to provide documentation of data destruction to University.
   2. Fees:
      1. Destruction: Supplier will not charge University any fees for Securely Destroying University data.
      2. Return: Supplier will not charge University any fees for returning University data.
   3. Supplier will notify the University of impending cessation of its business and any contingency plans. This includes immediate transfer of any previously escrowed assets and data and providing the University access to Supplier’s facilities to remove and destroy University-owned assets and data. Supplier shall implement its exit plan and take all necessary actions to ensure a smooth transition of service with minimal disruption to University.
7. **Audits**:
   1. If Supplier must create, obtain, transmit, use, maintain, process, or dispose of the University Data which has been identified to Supplier as having the potential to affect the accuracy of University’s financial statements, Supplier will at its expense conduct or have conducted at least annually a:
      1. American Institute of CPAs Service Organization Controls (SOC) Type II audit, or other security audit with audit objectives deemed sufficient by University, which attests Supplier’s security policies, procedures and controls;
      2. Vulnerability scan, performed by an industry standard scanner, of Supplier’s electronic systems and facilities that are used in any way to deliver electronic services under this agreement; and
      3. Formal penetration test, performed using an industry standard process and qualified personnel, of Supplier’s electronic systems and facilities that are used in any way to deliver electronic services under this agreement.
   2. University will review Supplier’s results of the above, and determine whether Supplier complies with industry standards.
   3. Additionally, Supplier will provide University upon request the results of the above audits, scans and tests, and will promptly modify its security measures as needed based on those results in order to meet its obligations under this agreement. University may require, at University expense, Supplier to perform additional audits and tests, the results of which will be provided promptly to University.
8. **Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance**: Supplier shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to Supplier’s profession in an amount not less than $10,000,000 per occurrence or claim, and $10,000,000 annual aggregate, covering all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties. Such coverage must include data breach response expenses, in an amount not less than $10,000,000 and payable whether incurred by University or Supplier, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for University or on behalf of University.
9. **Credit Monitoring Services**: In the event that Supplier experiences a data breach that exposes consumer credit information, such as Social Security Numbers, Supplier shall provide credit monitoring to the affected University employees for at least 12 months. University and Supplier will agree on the credit monitoring company. Supplier will pay for all costs associated with the credit monitoring service.
10. **Forensic Examination Services**: In the event that Supplier experiences a data breach, Supplier shall engage the services of a forensic data examiner at Supplier’s costs.
11. **California Consumer Privacy Act**: Supplier hereby states that it is in compliance with the California Consumer Privacy Act.