

# MASSDOT TERMS AND CONDITIONS FOR INFORMATION TECHNOLOGY CONTRACTS



This Commonwealth of Massachusetts Department of Transportation (“MassDOT” or “Department”) Terms and Conditions for Information Technology Contracts (“IT Terms and Conditions”) form is jointly issued by the Executive Office of Technology Services and Security (EOTSS), the Executive Office for Administration and Finance (ANF), the Office of the Comptroller (CTR) and the Operational Services Division (OSD) for use by all Commonwealth of Massachusetts (“State”) Departments and Contractors to govern Contracts subject to the object codes for information technology, as defined by the Office of the Comptroller’s [Expenditure Classification Handbook](#), or other Contracts as expressly approved in writing by EOTSS, ANF, OSD, and CTR. Any changes or electronic alterations by either the Department or the Contractor to the official version of this form shall be void. Upon execution of the Standard Contract Form and filing as prescribed by the Office of the Comptroller, these IT Terms and Conditions will be incorporated by reference into any Contract for IT commodities or services executed by the Contractor and MassDOT, in the absence of a superseding law or regulation requiring a different Contract form. Performance shall include services rendered, obligations due, costs incurred, commodities and deliverables provided and accepted by the Department, programs provided or other commitments authorized under a Contract. A deliverable shall include any tangible product to be delivered as an element of performance under a Contract. MassDOT is entitled to ownership and possession of all deliverables purchased or developed with State funds. MassDOT’s possession, installation, or use of proprietary IT commodities or services, developed by Contractor for the open market without the use of State funds, shall not transfer title or ownership thereof to MassDOT. A “Contract” shall mean, in the following order of priority: (i) these IT Terms and Conditions; (ii) the MassDOT Standard Contract Form, and the Standard Contract Form Instructions and Contractor Certifications; (iii) the Request for Response (RFR) or applicable solicitation document, as it may be amended by the Department; (iv) the Contractor’s response to the RFR or applicable solicitation document, as it may be amended by the Department and Contractor, including any negotiated terms and conditions allowable pursuant to law or regulation; (v) a solicitation created by the Department for a particular engagement such as a Request for Quote (RFQ), as it may be amended by the Department; (vi) any negotiated terms and conditions governing a particular engagement, as expressly agreed to in writing between the Department and the Contractor; and (vii) the Contractor’s response to the Department’s solicitation.

**1. Contract Effective Start Date.** Notwithstanding verbal or other representations by the parties, the effective start date of performance under a Contract shall be the later of the date the Contract was executed by an authorized signatory of the Contractor, the date the Contract was executed by an authorized signatory of the Department, the date specified in

the Contract, or the date of any approvals required by law or regulation.

**2. Payments And Compensation.** The Contractor shall only be compensated for performance delivered and accepted by the Department in accordance with the specific terms and conditions of a Contract. The Department may, in its sole discretion, agree to pre-payment for subscription-based IT commodities or services for a term length as specified in the Contract. All Contract payments are subject to appropriation pursuant to M.G.L. c. 29, § 26, or the availability of sufficient nonappropriated funds for the purposes of a Contract, and shall be subject to intercept pursuant to M.G.L. c. 7A, § 3 and 815 CMR 9.00. Overpayments shall be reimbursed by the Contractor or may be offset by the Department from future payments in accordance with state finance law. Acceptance by the Contractor of any payment or partial payment, without any written objection by the Contractor, shall in each instance operate as a release and discharge of the State from all claims, liabilities or other obligations relating to the performance of a Contract.

**3. Contractor Payment Mechanism.** All Contractors will be paid using the Comptroller’s payment system unless a different payment mechanism is required. The Contractor shall timely submit invoices and supporting documentation as prescribed in a Contract. The Department shall review and return rejected invoices within fifteen (15) days of receipt with a written explanation for rejection. Payments shall be made in accordance with the bill paying policy issued by the Office of the Comptroller and 815 CMR 4.00, provided that payment periods listed in a Contract of less than forty-five (45) days from the date of receipt of an invoice shall be effective only to enable a Department to take advantage of early payment incentives and shall not subject any payment made within the forty-five (45) day period to a penalty. The Contractor Payroll System shall be used only for Individual Contractors who have been determined to be Contract Employees as a result of the Department’s completion of an Internal Revenue Service SS-8 form in accordance with the Omnibus Budget Reconciliation Act (OBRA) of 1990, and shall automatically process all state and federal mandated payroll, tax and retirement deductions.

**4. Contract Termination Or Suspension.** A Contract shall terminate on the date specified in a Contract, unless this date is properly amended in accordance with all applicable laws and regulations prior to this date, or unless terminated or suspended under this Section upon prior written notice to the Contractor. The Department may, without penalty, terminate or suspend a Contract: (i) without cause; (ii) if the Contractor breaches any material term or condition or fails to perform or fulfill any material obligation required by a Contract; (iii) in the event of an elimination of an appropriation or availability of sufficient funds for the purposes of a Contract; or (iv) in the event of an unforeseen public emergency mandating immediate Department action. Upon immediate notification to the other party, neither the Department nor the Contractor shall be deemed to be in breach for failure or delay in performance due

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to Acts of God or other causes factually beyond their control and without their fault or negligence. Subcontractor failure to perform or price increases due to market fluctuations or product availability will not

be deemed factually beyond the Contractor's control.

**5. Written Notice.** Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by any other appropriate method evidencing actual receipt by the Department or the Contractor. Any written notice of termination or suspension delivered to the Contractor shall state the effective date and period of the notice, the reasons for the termination or suspension, if applicable, any alleged breach or failure to perform, a reasonable period to cure any alleged breach or failure to perform, if applicable, and any instructions or restrictions concerning allowable activities, costs or expenditures by the Contractor during the notice period.

**6. Confidentiality, Privacy, and Protection of Data.** The Contractor shall comply with M.G.L. c. 66A if the Contractor becomes a "holder" of "personal data" and shall comply with M.G.L. c. 93H if the Contractor accesses "personal information." The Contractor shall also protect the physical security and restrict any access to personal or other Department data in the Contractor's possession, or used by the Contractor in the performance of a Contract, which shall include, but is not limited to, the Department's public records, documents, files, software, equipment or systems. See also MassDOT's Standard Contract Form and the Enterprise Security Policies and Standards: <https://www.mass.gov/handbook/enterpriseinformation-security-policies-and-standards>.

**7. Record-keeping And Retention, Inspection Of Records.** The Contractor shall maintain records, books, files and other data as specified in a Contract and in such detail as shall properly substantiate claims for payment under a Contract, for a minimum retention period of six (6) years beginning on the first day after the final payment under a Contract, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving a Contract. The Department shall have access, as well as any parties identified under Executive Order 195, during the Contractor's regular business hours and upon reasonable prior notice, to such records, including on-site reviews and reproduction of such records at a reasonable expense.

**8. Assignment.** The Contractor may not assign or delegate, in whole or in part, or otherwise transfer any liability, responsibility, obligation, duty or interest under a Contract, with the exception that the Contractor shall be authorized to assign present and prospective claims for money due to the Contractor pursuant to a Contract in accordance with M.G.L. c. 106, § 9318. The Contractor must provide sufficient notice of assignment and supporting documentation to enable the Department to verify and implement the assignment. Payments

to third party assignees will be processed as if such payments were being made directly to the Contractor and these payments will be subject to intercept, offset, counter claims or any other Department rights which are available to the Department or the State against the Contractor. Upon prompt written notice to the Contractor, the Department may assign or delegate, in whole or in part, or transfer any liability, responsibility, obligation, duty or interest under a Contract, to another Department, provided that the assignee has agreed to take full responsibility of such Contract, liability, responsibility, obligation, duty or interest.

**9. Subcontracting By Contractor.** Any subcontract entered into by the Contractor for the purposes of fulfilling the obligations under a Contract must be in writing, authorized in advance by the Department and shall be consistent with and subject to the provisions of these IT Terms and Conditions and a Contract. Subcontracts will not relieve or discharge the Contractor from any duty, obligation, responsibility or liability arising under a Contract. The Contractor shall be responsible for the acts and omissions of its subcontractors. The Department is entitled to copies of all subcontracts and shall not be bound by any provisions contained in a subcontract to which it is not a party.

**10. Affirmative Action, Non-Discrimination In Hiring And Employment.** The Contractor shall comply with all federal and state laws, rules and regulations promoting fair employment practices or prohibiting employment discrimination and unfair labor practices and shall not discriminate in the hiring of any applicant for employment nor shall any qualified employee be demoted, discharged or otherwise subject to discrimination in the tenure, position, promotional opportunities, wages, benefits or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability, handicap, sexual orientation or for exercising any rights afforded by law. The Contractor commits to purchasing supplies and services from certified minority or women-owned businesses, small businesses or businesses owned by socially or economically disadvantaged persons or persons with disabilities.

**11. Liability.** Unless otherwise exempted by law, and subject to Section 13, the Contractor shall be liable for any and all claims, liabilities, and costs which arise out of the Contractor's performance of a Contract.

**12. Indemnification.** The Contractor shall indemnify and hold harmless the State, including the Department, its agents, officers and employees, against any and all claims, liabilities, and costs for personal injury, property damage, or infringement of intellectual property rights, (each, an "Unlimited Claim"), and all claims, liabilities, and costs, in connection with a security or data breach, or unauthorized disclosure of data, (each, a "Data Breach"), and other claims, liabilities, and costs, which arise out of Contractor's performance of a Contract. After prompt notification by the State, the Contractor shall have an opportunity to participate in the defense of claims and any negotiated settlement agreement or judgment. The State shall not be liable for any costs incurred by the Contractor

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arising under this Section 12. The Contractor (including its agents, officers, employees or subcontractors) shall at no time be considered an agent or representative of the Department or the State. Any indemnification of the Contractor shall be subject to appropriation and applicable law.

**13. Limitation of Liability.** Absent a higher limitation of liability expressly agreed to in a particular Contract between the Department and the Contractor, the limitation of liability in this Section 13 shall apply. This Section 13 shall not limit the State's right of recovery for the Contractor's indemnification obligations for an Unlimited Claim under Section 12, nor the State's ability to join the Contractor as a third-party defendant in connection with an Unlimited Claim or Data Breach. The Contractor's liability for any Data Breach shall not exceed the greater of: (i) \$250,000; (ii) the amount mandated by applicable State or Federal law; (iii) five times the total value of the Contract (or in the case of subscription-based Contracts, five times the total value of the Contract during the committed subscription term); or (iv) the total coverage provided by Contractor's insurance provider(s) for such Data Breach. The Contractor's liability for any other claim shall not exceed the greater of: (i) \$100,000; or (ii) two times the total value of the Contract (or in the case of subscription-based Contracts, two times the total value of the Contract during the committed subscription term). Except for the Contractor's indemnification obligations for an Unlimited Claim or Data Breach under Section 12, the Contractor shall not be liable for incidental or consequential damages, including without limitation, loss of use of equipment, lost revenue, lost savings or lost profits of the State.

**14. Waivers.** Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to that party. No waiver by either party of any default or breach shall constitute a waiver of any subsequent default or breach.

**15. Risk Of Loss.** The Contractor shall bear the risk of loss for any Contractor materials used for a Contract and for all deliverables, Department personal or other data which is in the possession of the Contractor or used by the Contractor in the performance of a Contract until possession, ownership and full legal title to the deliverables are transferred to and accepted by the Department.

**16. Forum, Choice of Law And Mediation.** Any actions arising out of a Contract shall be governed by the laws of Massachusetts, and shall be brought and maintained in State court in Massachusetts, unless a federal court in Massachusetts has exclusive jurisdiction thereof. The Department, with the approval of the Office of the Attorney General (AGO), may: (i) consent to the jurisdiction of federal courts outside of Massachusetts; or (ii) agree to voluntary mediation through the Massachusetts Office of Dispute Resolution (MODR) of any

Contract dispute and will share the costs of such mediation with the Contractor. No legal or equitable rights of the parties shall be limited by this section.

**17. Contract Boilerplate Interpretation, Severability, Conflicts With Law, Integration.** Any amendment or attachment to any Contract which contains conflicting language or has the effect of deleting, replacing or modifying any printed language of these IT Terms and Conditions, as officially published by EOTSS, ANF, CTR and OSD, or any printed language of the Standard Contract Form shall be interpreted as superseded by the official printed language. If any provision of a Contract is found to be superseded by state or federal law or regulation, in whole or in part, then both parties shall be relieved of all obligations under that provision only to the extent necessary to comply with the superseding law, provided however, that the remaining provisions of the Contract, or portions thereof, shall be enforced to the fullest extent permitted by law. All amendments must be executed by the parties in accordance with Section 1 of these IT Terms and Conditions and filed with the original record copy of a Contract as prescribed by CTR. The printed language of the Standard Contract Form, as officially published by ANF, CTR and OSD, which incorporates by reference these IT Terms and Conditions, shall supersede any conflicting verbal or written agreements relating to the performance of a Contract, or attached thereto, including contract forms, purchase orders or invoices of the Contractor.

**IN WITNESS WHEREOF, the Contractor certifies under the pains and penalties of perjury that it shall comply with these IT Terms and Conditions for any applicable Contract executed with MassDOT as certified by their authorized signatory signing the Standard Contract Form.**