



**Exhibit to Managed Application Services  
Service Component Provider  
Master Services Agreement**

**DIR Contract No. DIR-MAS-SCP-RCR-001**

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Between

**The State of Texas, acting by and through  
the Texas Department of Information Resources**

*and*

**Allied Consultants, Inc.**

**Exhibit 1  
Definitions**

January 30, 2017

**EXHIBIT 1**  
**DEFINITIONS**

**Update Methodologies and Attachment for Exhibit 1**

The following update methodologies and attachment are incorporated as part of **Exhibit 1**:

<b>Title</b>	<b>Methodology for Updating Associated Exhibit Attachment</b>
<b><u>Exhibit 1</u></b> Definitions	<b><u>Exhibit 1</u></b> may only be modified by formal amendment, in accordance with <b><u>Section 21.7</u></b> of the MSA.
<b><u>Attachment 1-A</u></b> Common Terms and Acronyms	<b><u>Attachment 1-A</u></b> may only be modified by formal amendment, in accordance with <b><u>Section 21.7</u></b> of the MSA.

**EXHIBIT 1**  
**DEFINITIONS**

When used in this Agreement with initial capital letters, the terms listed in this Exhibit shall have the meanings set forth herein. In addition, common terms and acronyms are listed in **Attachment 1-A**.

<b>Term</b>	<b>Definition</b>
Acceptance or Accepted	Means the determination, in DIR or, if applicable, DIR Customers' reasonable discretion and in accordance with the relevant provisions of <b><u>Exhibit 6</u></b> , confirmed in writing by DIR or the applicable DIR Customer, that Software, Equipment, Systems, and/or other Deliverables are in Compliance, in accordance with <b><u>Section 4.6</u></b> of the Agreement and the Services Management Manual or other criteria agreed to in writing by the Parties.
Acceptance Criteria	Means the criteria that Service Provider must confirm have been met prior to submitting a Deliverable for Acceptance by DIR or a DIR Customer. Acceptance Criteria include: (i) any mutually agreed written criteria identified as Acceptance Criteria, (ii) Compliance, (iii) for all Software and System deliverables that process data, such item successfully integrates with all other Services, Software, Equipment, Systems, and other resources and is fully documented such that the anticipated end user can utilize the functionality of such Deliverable in the manner and for the purpose intended and that reasonable knowledgeable professionals can understand, maintain, support, and modify such Deliverable in accordance with its intended use.
Acceptance Review Period	Has the meaning given in <b><u>Section 4.8(b)(i)</u></b> of the Agreement, provided that any provision of written notice alerting DIR that a Milestone Deliverable is complete and ready for review that is submitted outside a Business Day shall be considered to be submitted for the purpose of DIR internal review, on the Business Day immediately following the day on which such notice was submitted.
Actual Uptime	Means, of the Critical Uptime, the aggregate number of minutes during which the applicable Service component defined in <b><u>Attachment 3-A</u></b> is Available.
Affiliate	Means with respect to an Entity, any other Entity that directly or indirectly Controls, is Controlled by, or is under common Control with that Entity at the time in question.
Agreement	Means the final version of any contractually binding agreement between DIR and the Service Provider relating to the subject matter of the RFO; references to the Agreement include all Exhibits, Attachments and other documents attached thereto or incorporated therein by reference. Notwithstanding the foregoing, unless expressly provided or the context otherwise requires, references to the Agreement in conjunction with

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	section or article references shall be deemed references to the body of the Agreement (that is, <b>Articles 1</b> through <b>21</b> ).
Antivirus Software	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto) that are used to monitor for, filter and detect the presence of Malicious Code and repair or remediate the effects of Malicious Code. Antivirus Software shall include all such programs and programming in use or required to be used as of the Commencement Date, including those as to which the license, maintenance or support costs are included in the Financial Base Case and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Antivirus Software also shall include all such programs and programming developed and/or introduced by or for DIR, any DIR Customer, or Service Provider during the Term.
Appliances	Means a specialized computing device with pre-integrated and pre-configured hardware and/or software packaged to provide a “turn-key” solution. The computing function in an Appliance, though configurable, is designed by the manufacturer to provide a specific function with little or no support. Computer appliances differ from general purpose computers such as an Application or Infrastructure Server in that they are not designed to be modified. Appliances may be physical or virtual and support a variety of functions.
Application Administration	Refers to general services of maintaining and performing administrative tasks on an application; includes security administration that address providing and monitoring authorized user access.
Application Architecture(s)	Means the lay of an Application’s deployment. This generally includes partitioned Application logic and deployment to Application server engines. Application Architectures rely less on specific tool or language technology than on standardized Middleware options, communications protocols, data gateways, platform infrastructures.
Application Capacity Management/Application Capacity Management Services	Refers to activities associated with matching the evolving demands of DCS Customer with the capacity of the Applications in a cost-effective and timely manner.
Application Development Services (ADS)	Has the meaning given in <b><u>Exhibit 2.7.1</u></b>
Application Development Services (ADS) Final Payment	Has the meaning given in <b><u>Exhibit 4, Section 13.3</u></b>

<b>Term</b>	<b>Definition</b>
ADS Final Payment Percentage	Has the meaning given in <b><u>Exhibit 4, Section 13.3</u></b>
Application Integration Architecture	Refers to a set of principles and key choices that identify how application interact and exchange information.
Application Maintenance	Include technical changes to an application that don't affect the functional use of the software (such as moving from one release of a middleware software to another that requires programming changes); Minor Enhancements; defect repair.
Application Maintenance Services (AMS)	Those Services as provided for in <b><u>Exhibit 2.7.2</u></b>
Application Package Data Model(s)	Includes logical and physical data models identified by the application package's vendor to install and execute the packaged solution.
Application Programming/Program Interface (API)	Is a set of routines, protocols, and tools for building software applications. An API expresses a software component in terms of its operations, inputs, outputs, and underlying types.
Application Roadmap	Means Customer plans for retirement, consolidation, and development of Applications.
Application Server(s)	Means any Server used exclusively for performance of Services and designated by DIR as an Application Server (e.g. Business Application, Database, Middleware, Webhosting, etc.).
Application(s) Services	Means any services provided by Service Component Provider or Software Vendor.
Application Testing	Refers to a broad range of testing types (automated, manual, regression, load testing) to ensure the application meets the identified functional and non-functional requirements.
Applications and Applications Software	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials, media, on-line help documentation and tools related thereto) that perform user or DIR Customer-related information processing functions or support day-to-day operations (including the supporting documentation, media, on-line help facilities, and tutorials), or otherwise used in the provision of Services by Service Provider. Applications Software shall include all such programs and programming in use or required to be used as of the Commencement Date, those as to which the license, maintenance, or support costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Applications Software also shall include all

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	such programs and programming developed and/or introduced by or for DIR, any DIR Customer or Service Provider during the Term. Applications Software does not include the tools, utilities, or Operating Software or Systems Software used to deliver Applications Software.
Application(s) Warranty Period	Means at a minimum the period specified in <b>Section 15.4(c)</b> of the Agreement or any other additional warranties provided for in a specific Service Proposal for the applicable Developed Material.
Architectural Diagram	Means a diagram of the structure or structures of the solution which consist of elements, their external visible properties, and the relationships among them.
Architecture	Means the design, process, strategies, and specification of the overall structure, logical components, and the logical interrelationships of Equipment and Software, including System Software, a Network, or other reasonably related conception.
Assistance Event	Means (i) any termination (in whole or in part) under, or the expiration of, the Agreement, or (ii) the discontinuance of the provision of the Services (in whole or in part) in respect of any DIR Customer.
Audit Period	Has the meaning given in <b>Section 9.9(a)</b> of the Agreement.
Authorized User(s)	Means, unless otherwise indicated, officers, directors, employees, contractors, agents, customers, and vendors of DIR or any DIR Customer and any other person(s) designated by DIR or any DIR Customer to receive or use the Systems or Services provided by Service Provider.
Availability or Available	Means that the full functionality of a Service Component is available for use by the Authorized Users and is not degraded in any material respect.
Availability Management	Means the evaluation, design, implementation, measurement and management of the IT Infrastructure Availability from a component and an end-to-end perspective (e.g., Services), including new or modified IT service management methodologies and tools, as well as technology modifications or upgrades of IT infrastructure systems and components.
Availability Requirements	Refers to prerequisites to ensure the full functionality of a Service Component for use by the Authorized Users and without degradation in any material respect.
Bankruptcy Code	Has the meaning given in <b>Section 20.5(b)</b> of the Agreement.
Bankruptcy Rejection	Has the meaning given in <b>Section 20.5(b)</b> of the Agreement.

Term	Definition
Benchmarker	Has the meaning given in <b>Section 11.10(a)</b> of the Agreement.
Benchmarking	Has the meaning given in <b>Section 11.10(a)</b> of the Agreement.
Business Application	A Business Application name is the high-level label used by the agency business and IT organizations to easily reference a group of functions provided by one or more systems to accomplish the specific business needs of the agency. A Business Application is typically a combination of integrated, internally developed custom systems, commercial off the shelf (COTS) applications, and/or customized third party systems.
Business Continuity Services	Means the overall enterprise plans and specific activities of each DIR Customer and/or Service Provider that are intended to enable continued business operations in the event of any unforeseen interruption (e.g. plans and activities to move a department to a new location in the event of a disruption).
Business Day	Means each day from Monday through Friday, excluding State holidays, 7:00 a.m. to 5:00 p.m. local time. State holidays will include all holidays with the status “All Agencies closed.” State holidays will not include State optional holidays or holidays that require skeleton crews.
CAP Failure Credit	Has the meaning given in <b>Exhibit 3</b> of the Agreement.
CAP Failure Event	Has the meaning given in <b>Section 4.1 (g)</b> of the Agreement.
CAP Notice	Has the meaning given in <b>Section 4.1 (g)</b> of the Agreement.
Call	Means a contact (including by telephone, voicemail, electronic mail, fax, automated tool or web request) to Service Provider reporting a problem, requesting assistance or Services, or asking a question pertaining to the Services, as well as automated alerts and other problem and Service notifications communicated to Service Provider.
Capacity Management	Means the processes responsible for ensuring that the elements that collectively make up the Service can deliver the identified capacity in a cost effective and timely manner.
Change(s)	Means any addition, modification, alteration, or deletion to (i) any installed and supported IT Equipment or Software components or (ii) the policies, procedures, or documentation on how Services are performed. This includes all production, test, and development system Equipment and Software, any management and support tools and utilities deployed in the IT environment, all associated documentation, as well as the methodologies used to manage and support delivery of the Services. Changes may arise reactively in response to incidents/problems or externally imposed requirements (e.g., legislative Changes), or

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	proactively from attempts to (a) seek greater efficiency or effectiveness in the provision or delivery of Services; (b) reflect business initiatives; or (c) implement programs, Projects or Service improvement initiatives. Changes must be approved by DIR or designated DCS customer, through the Change Management process, prior to implementation.
Change Advisory Board (CAB)	Means the representative group that is responsible for assessing from both a business and technical viewpoint all high impact request for Change.
Change Control Procedures	Has the meaning given in <b><u>Section 9.6(a)</u></b> of the Agreement.
Change Management or Change Management Process	Means the processes relating to planning and performing all changes in DIR Customer's IT environment pertaining to the Services, including changes to individual components and coordination of changes across all components. The Change Management processes will support and include checkpoints to determine any potential or required Change Control Procedures.
Chargeback	Has the meaning given in <b><u>Exhibit 4</u></b> of the Agreement.
Chargeback System	The system for Chargeback and Utilization Tracking, as described in <b><u>Exhibit 2.1.2.</u></b>
Charges	Means the fees defined in <b><u>Exhibit 4.</u></b>
Cloud or Cloud Services	Refers to services made available to users on demand via the Internet from a third party's servers as opposed to being provided from an organization's own on-premises servers.
Commencement Date	Means the date the Parties agree upon in writing as the date on which Service Provider begins providing the Services to the first STC Customer.
Commercial Off-The-Shelf (COTS)	Means services, Equipment, and/or Software, as applicable, that is readily available to the public from a Third Party that is not an Affiliate of a Party.
Compliance and Comply	Means, with respect to Deliverables, fulfilling the requirements of the Specifications, the Acceptance Criteria, the Agreement, and all other applicable operational and/or functional requirements.
Component	Means a grouping of software functionally or a separate software object in the solution that has the ability to "stand alone" or "integrate with other components" as required.
Confidential Information	Has the meaning given in <b><u>Section 13.1(a)</u></b> of the Agreement.



Term	Definition
Configuration Management	Means the process of identifying and defining the functional and physical characteristics of any Equipment or Software in the Service recipient environment, controlling any modifications to any configuration item (CI) characteristics throughout their life cycle, tracking, recording, and updating any CMDB as a result of any Changes, and reporting on the status of and verifying the completeness, accuracy, and currency of CI data.
Configuration Management Database (CMDB)	Means a System that contains details regarding the Software, Equipment and Systems that are used in the provision and management of the Services, including information that relates to the maintenance, movement and problems experienced with such Software, Equipment and Systems.
Connectivity	Means the ability to access and exchange data, voice, and/or video electronic impulses between various Infrastructure components and with external sources as approved by DIR and provided to Authorized Users.
Consolidated Data Center(s)	Means the centralized Data Center(s) used by Data Center Services (DCS) Service Providers to provide infrastructure services, specifically the Austin Data Center (ADC) and the San Angelo Data Center (SDC).
Continental US	Refers to the 48 contiguous states in addition to Alaska
Contract Changes	Has the meaning given in <b>Section 11.1(f)</b> of the Agreement.
Contract Records	Has the meaning given in <b>Section 9.9(a)</b> of the Agreement.
Contract Year	Means each twelve (12) month period commencing each September and ending each August during the Term. If any Contract Year is less than twelve (12) months “Stub Period”, the rights and obligations under this Agreement that are calculated on a Contract Year basis will be proportionately adjusted for such shorter period.
Control, Controlled and Controlling	Means (a) the legal, beneficial, or equitable ownership, directly or indirectly, of (i) at least fifty percent (50%) of the aggregate of all voting equity interests in an Entity, or (ii) equity interests having the right to at least fifty percent (50%) of the profits of an Entity or, in the event of dissolution, to at least fifty percent (50%) of the assets of an Entity; (b) the right to appoint, directly or indirectly, a majority of the board of directors; (c) the right to control, directly or indirectly, the management or direction of the Entity by contract or corporate governance document; or (d) in the case of a partnership, the holding by an Entity (or one of its Affiliates) of the position of sole general partner.

<b>Term</b>	<b>Definition</b>
Control Deficiency	Has the meaning given in Section 9.9(i)(v) of the Agreement.
Controlled Penetration Tests	Means a type of Assessment that tests the vulnerability of Systems to unauthorized external interventions or improper uses.
Corrective Action Plan or CAP	Has the meaning given in <b>Section 4.1 (g)</b> of the Agreement.
Critical Deliverables	Means the One-Time Deliverables and Recurring Deliverables that have associated Deliverable Credits payable to DIR in the event Service Provider fails to successfully and timely complete such Deliverables as identified in Attachment 3-C.
Critical Uptime	Means the aggregate number of minutes in the specified period(s) in the applicable Measurement Window during which a defined Service component is required to be Available. Unless otherwise specified in the Agreement, the Service Management Manual, or the CMDB, Critical Uptime equals the total number of minutes in the Measurement Window. A defined Service component is not required to be Available during Scheduled Downtime.
Cross-Functional Services	Means those Services performed in connection with performing, and in support of, each of the Services, including those Services described in <b>Exhibit 2.1.2</b> .
Customer	Means the DIR Customer choosing to purchase Managed Application Services from this RFO
Data Center Services (DCS) Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Data Center Statement of Work.
Data Conversion	Refers to the processes and activities associated with converting data from one or more source systems to one or more target systems
Data Conversion Architecture	Refers to models, policies, rules or standards that govern how data will be converted from one or more source systems to one or more target systems.
Database Administrator (DBA)	Means an individual responsible for the design and management of databases and for the implementation of the Database Management System. DBA includes "logical" and "physical" database administrators.

<b>Term</b>	<b>Definition</b>
Database Management System (DBMS)	Means a system that controls the organization, storage, retrieval, security, and integrity of data in a database.
Data Quality	Refers to the quality of data to be correct, relevant and useable by the system and is relevant in the context of a DCS Customer activity.
DCS Customer	Means the DIR Customer that participates in the Data Center Services program
DCS Network	Means the LAN in the Consolidated Data Centers, the LAN in the legacy portion of the SDC, and the portion of the LAN in the Winters Data Center that supports In-Scope servers.
DCS Service Provider(s)	Means, collectively, all Service Component Providers and the MSI contracted to provide infrastructure services in the Data Center Services program.
Deliverable	Has the meaning given in <b>Section 4.8(a)</b> of the Agreement.
Deliverable Credits	Has the meaning given in <b>Section 7.2(b)</b> of the Agreement.
Derivative Work	Means a work based on one or more preexisting works, including a condensation, transformation, translation, modification, expansion, or adaptation, that, if prepared without authorization of the owner of the copyright of such preexisting work, would constitute a copyright infringement under applicable Laws, but excluding the preexisting work.
Developed Material	Means any Materials or any modifications, enhancements, improvements, Upgrades or Derivative Works of Materials that are developed pursuant to the Agreement or otherwise paid for by DIR or any DIR Customer under the Agreement.
Development or Development Environment	Means the Systems environment in which Software and databases are initially designed and created. DIR Customers may have more than one Development Environment.
Development and Testing	Refers to a software development process that involves synchronized application of a broad spectrum of defect prevention and detection strategies in order to reduce software development risks, time, and costs.
Development and Testing Environment	Refers to a setting in which the software development and testing/test process takes place.
Development Tool	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that are used in the development, testing,

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	deployment, and maintenance of Software. Development Tools shall include all such programs and programming in use or required to be used as of the Commencement Date, those as to which the license, maintenance or support costs are included in the Financial Base Case and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Development Tools also shall include all such programs and programming developed and/or introduced by or for DIR, any DIR Customer or Service Provider during the Term.
DIR	Has the meaning given in the preamble to the Agreement.
DIR Auditors	Has the meaning given in <b>Section 9.9(b)</b> of the Agreement.
DIR Contractor(s)	Has the meaning given in <b>Section 4.7(a)</b> of the Agreement.
DIR Customer	<p>Means, collectively, any of the following Entities that are designated by DIR to receive Services under the Agreement, whether directly from any DCS Service Provider or from DIR through an Interagency, Interlocal, or other agreement:</p> <ul style="list-style-type: none"> <li>(a) DIR in its capacity as a recipient of Services;</li> <li>(b) any State agency, unit of local government or institution of higher education as defined in Section 2054.003, Texas Government Code, and those State agencies that execute Interagency Agreements with DIR, as authorized by Chapter 771, Texas Government Code;</li> <li>(c) any Texas local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code;</li> <li>(d) any other state or governmental Entity of another state, as authorized by Section 2054.0565, Texas Government Code;</li> <li>(e) any other Entity permitted under Law to purchase Services from or through DIR; and</li> <li>(f) other Entities to which the Parties agree.</li> </ul> <p>The Parties acknowledge and agree that the definition of eligible DIR Customers is subject to modification by the State Legislature, and that the then-current definition of DIR Customers shall control for all purposes.</p>
DIR Data	Means any data or information of or regarding DIR or any DIR Customer that is provided to or obtained by Service Provider in connection with the negotiation and execution of the Agreement or the performance of Service Provider's obligations under the Agreement, including data and information with respect to the constituency, customer, operations, facilities, products, rates, regulatory compliance, competitors, assets, expenditures, mergers, acquisitions, divestitures, billings, collections, revenues and finances of DIR or any DIR Customer. DIR Data also

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	<p>means any data or information (i) created, generated, collected or processed by Service Provider in the performance of its obligations under the Agreement, including data processing input and output, service level measurements, asset information, Reports, third party service and product agreements, contract charges, and retained expense and Pass-Through Expenses, or (ii) that resides in or is accessed through Software, Equipment or Systems provided, operated, supported, or used by Service Provider in connection with the Services, as well as information derived from this data and information, but excluding the following information to the extent not required to be provided or otherwise made available to DIR under this Agreement, including in connection with DIR's rights related to Benchmarking, Subcontractors, auditing, Reports, or Termination Assistance Services: (A) financial/accounting information (including costs, expenditures, billings collections, revenues and finances) of Service Provider, its Affiliates or Subcontractors; (B) information created by Service Provider to measure the productivity and efficiency of the Services and/or to improve the processes and procedures used by in the performance of the Services; (C) human resources and personnel information of Service Provider, its Affiliates or Subcontractors; and (iv) information with respect to Third Party Contracts or licenses of Service Provider, its Affiliates or Subcontractors and used in the performance of the Services. Data or information constituting DIR Data shall not constitute Service Provider Confidential Information.</p>
DIR Managed Applications Services Manager	Has the meaning given in <b><u>Section 10.1(a)</u></b> of the Agreement.
DIR Facilities or DIR Facility	Means the facilities that are provided by DIR or a DIR Customer for use by Service Provider to the extent necessary to provide the Services as well as those DIR, DIR Customer and DIR Contractor locations at or to which Service Provider is to provide the Services. DIR Facilities include the Non-Consolidated Service Locations and the Consolidated Data Centers.
DIR Laws	Has the meaning given in <b><u>Section 15.12(d)</u></b> of the Agreement.
DIR Owned Materials	Has the meaning given in <b><u>Section 14.1(a)</u></b> of the Agreement.
DIR Personal Data	Means that portion of DIR Data that is subject to any Privacy Laws and includes, but is not limited to, information which any DIR Customer discloses that consists of personal Confidential Information or identifies any consumer served by the Texas Health and Human Services Commission or constituent agencies, in accordance with applicable federal and state laws and other applicable rules, including but not limited to the Texas Health and Safety Code and 25 Texas Administrative Code, Chapter 414.

Term	Definition
DIR Provided Equipment	Has the meaning given in <b>Section 6.4(e)</b> of the Agreement.
DIR Rules	Has the meaning given in <b>Section 6.3(a)</b> of the Agreement.
DIR Standards or Standards	Has the meaning given in <b>Section 9.5(a)</b> of the Agreement.
DIR-Initiated Financial Dispute	Has the meaning given in Section 12.4(d) of the Agreement.
Disaster	Means (1) a sudden, unplanned calamitous event causing great damage or loss; (2) any event that creates an inability on an organizations part to provide critical business functions for some predetermined period of time; (3) in the business environment, any event that creates an inability on an organization's part to provide the critical business functions for some predetermined period of time; (4) the period when company management decides to divert from normal production responses (in total or in part) and exercises its disaster recovery plan; and (5) typically signifies the beginning of a move from a primary to an alternate location.
Disaster Recovery (DR) Services	Means the process of following specific advance arrangements and procedures in response to a disaster, resumption of the critical business functions within a predetermined period of time, minimizing the amount of loss, and repairing or replacing the damaged facilities as soon as possible. The Disaster Recovery Services include support and coordination with the Business Continuity Services.
Disaster Recovery Plan (DRP)	Means the plan to execute Disaster Recovery Services.
Documentation	Is the product of activities associated with developing, revising, maintaining, reproducing and distributing Service information in hard copy and electronic form.
Downtime	Means the unplanned time that a particular System, Application, Software, Equipment, Network or any other part of the Services is not Available during the Measurement Window. Downtime begins upon the Start Time of the Outage and ends when service is restored (be it temporary, work around, or permanent).
Draft Invoice	Has the meaning given in <b>Section 12.1(a)</b> of the Agreement.
Eligible Service Provider	Has the meaning given in <b>Exhibit 4</b> .
Effective Date	Has the meaning given in the "Authority to Execute" section of the Agreement.

<b>Term</b>	<b>Definition</b>
Electronic PHI or ePHI	Has the meaning given in <b>Section 13.3(i)(i)</b> of the Agreement.
End State Application Architecture	Means the outcome of Application logic and deployment to Application server engines activities.
End-to-end Testing	Means user-level testing of component based systems. It verifies that the integrated component functions correctly as part of the overall system and the existing components of a system work as before.
End User Requirements	Means requirements that are applicable to the users of the systems, which tend to focus on User Interface parts of the Functional Requirements.
Enhancement(s)	Means a Change or work order requested by the DCS Customer to an Application that provides additional functionality and is explicitly identified as an Enhancement.
Entity or Entities	Means a governmental body, agency, unit or division (including those categories described in the definition of DIR Customer), corporation, partnership, joint venture, trust, limited liability company, limited liability partnership, association, or other organization or entity.
Equipment	Means the computer, telecommunications, and facility-related hardware, equipment, and peripherals (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that are used in connection with the Services by Service Provider.
Escrow Agreement	Has the meaning given in <b>Exhibit 26</b> to the Agreement.
Event of Loss	Has the meaning given in <b>Exhibit 24</b> to the Agreement.
Executive Customer Survey	Means the survey delivered to the DIR Customer executive. Such executive will be designated by the DIR Customer representative and may include, among others, the agency head, deputy, chief operating officer, or chief administrative officer.
Expected Service Level	Means the desired level of performance for a Key Measurement, as set forth in <b>Attachment 3-A</b> .
Expected Service Level Default	Means the Service Provider's level of performance for a particular Key Measurement fails to meet the applicable Expected Service Level (but does not fail to meet the applicable Minimum Service Level), as specified in <b>Exhibit 3</b> and its Attachments, and has failed to meet such Expected Service Level for four (4) or more occurrences in any rolling twelve (12) month period.
Expiration Date	Means the ending date of the Term.

<b>Term</b>	<b>Definition</b>
Extraordinary Event	Has the meaning given in <b>Section 11.6(a)</b> of the Agreement.
FAQ(s)	Means a frequently asked question or list of such questions.
Federal Tax Information (FTI)	Means any Federal tax information, including without limitation, and tax return-derived information received from the IRS.
Fixed Fees	Is a set amount paid for work or a service and is independent of a time and effort required to produce the identified deliverable.
Forward Schedule of Change (FSC)	Means a documented plan for future changes, which are scheduled for a defined rolling period of time, and is revised on a monthly basis.
Full Time Equivalent (FTE)	Means a level of effort, excluding vacation, holidays, training, administrative and other non-productive time (but including a reasonable amount of additional work outside normal business hours), equivalent to that which would be provided by one person working full time for one year. Unless otherwise agreed, one FTE is assumed to be 1,920 productive hours per year. Without DIR's prior written approval, one dedicated individual's total work effort cannot amount to more than one FTE.
Function Point	An index that measures the size and complexity of a software product using function point analysis, a methodology documented and maintained by the International Function Point Users Group (IFPUG).
Functional Architecture	Is a collection of principles, choices, elements (e.g. components, interfaces, responsibilities) and interaction between elements that in collection provide the requirement functionality.
Functional Requirements	Are the decomposition and rendering of high level requirements that establish how a business process (function) will be addressed, including components such as the key components and constraints around the logic, and User Interface, batch processes and data elements.
Functional Service Area	Means any subset or grouping of the MSI Services and Service Component (or any portion or combination thereof).
Future Initiative	Refers to work that Customers plan to undertake in the near future for which funding may or may not be approved.
Function Point	An index that measures the size and complexity of a software product using function point analysis, a methodology documented and maintained by the International Function Point Users Group (IFPUG)



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Help Desk	Means the facilities, associated technologies, and fully trained DIR Customer staff who respond to calls, coordinate all problem and request management activities, and act as a single point of contact for end users.
Help Desk Customer Satisfaction Survey	Means the survey delivered to DIR Customer Help Desk staff.
Historically Underutilized Business(es)	Shall have the meaning given to such term by the Texas Comptroller of Public Accounts.
IIRIRA	Has the meaning given in <b>Section 15.8(o)</b> of the Agreement.
Incident	Means an event which is not part of the standard operation of a service and which causes or may cause disruption to or a reduction in the quality of services and DIR and/or DIR Customer productivity.
Incident Management	Means the activities associated with restoring normal service operation as quickly as possible and minimizing the adverse impact on business operations.
Incident Management Services	Means activities associated with Incident Management.
Incident Priority	Means the priority of a reported incident based upon the Severity Level.
Income Tax	Means any tax on or measured by the net income of a Party (including taxes on capital, net worth or revenue that are imposed as an alternative to a tax based on net or gross income), or taxes which are of the nature of excess profits tax, minimum tax on tax preferences, alternative minimum tax, accumulated earnings tax, personal holding company tax, capital gains tax, or franchise tax for the privilege of doing business.
Information Technology Infrastructure Library (ITIL)	Means a world-wide recognized best-practice framework for the management and delivery of IT services throughout their full life-cycle. The primary structure of the requirements in the Statements of Work are based on an ITIL v2 Foundations with ITIL v3 guidance in select functional areas (e.g. Request Management and Fulfillment) with the expectation of migrating towards ITIL v3 progressively as process improvements are incorporated into the Service Management Manual.
Infrastructure	Means the entire portfolio of Equipment, System Software, and Network components required for the integrated provision and operation of DIR and DIR Customer's IT systems and Applications.
Infrastructure as a Services (IaaS)	Is a service model that delivers outsourced computer infrastructure to support enterprise operations.

Term	Definition
Initial Term	Has the meaning given in <b>Section 3.1</b> of the Agreement.
Initial Test or Initial Test Environment	Means the system environment that closely simulates Development; it is the first stage of testing and is often subject to numerous changes. DIR Customers may have more than one Initial Test Environment.
In-Scope	Means those Services or resources that are the subject of Service Provider's obligations under the Agreement.
Instance	Means one running OS kernel process that manages: (i) all of or a discrete subset of the Server's persistent storage (disk), volatile storage (memory), and central processing units; and (ii) a single list of processes (process table). Depending on the Server's configuration, one or more Instance may run on a single application physical Server. Instances in a clustered configuration shall be deemed to be discrete Instances, though each Instance within a cluster shall accommodate different tiers, depending on DIR requirements.
Interface(s)	Means Application interfaces that are supported by Service Provider in delivering services.
Integration	Means an agreed upon mechanism for two or more application or processes to exchange information
Integration Test	Means a test performed to validate that the Applications continue to coexist correctly, including but not limited to data flows and associated interfaces.
Interagency Agreement	Means an agreement, as authorized by Chapter 771, Texas Government Code, entered into between DIR and any DIR Customer pursuant to which Services are provided to such DIR Customer.
IRS	Means the Internal Revenue Service; a division of the U.S. Treasury Department responsible for collecting taxes.
IT Service Management (ITSM)	Refers to the entirety of activities – directed by policies, organized and structured in processes and supporting procedures — that are performed by an organization or part of an organization to plan, deliver, operate and control IT services offered to customers.
Key Measurements	Means those Service Levels measured monthly and are described in <b>Attachment 3-B</b> .
Key Service Provider Personnel	Means the Service Provider Personnel filling the positions designated in <b>Attachment 5-A</b> as Key Service Provider Personnel.

<b>Term</b>	<b>Definition</b>
Laws	Means all federal, state and local laws, statutes, ordinances, regulations, rules, executive orders, circulars, opinions, interpretive letters and other official releases of or by any government, or any authority, department or agency thereof.
Legacy Applications	Are application programs that operate with obsolete or inefficient hardware or software technology.
Legacy Systems Study	Refers to a study commissioned by the 83rd Legislature (House Bill 2738) to evaluate the composition of the state's current technology landscape and determine how best to approach and make decisions about an aging technology infrastructure.
Level 1 Support	Means support that is provided as the entry point for inquiries or problem reports from Authorized Users. If Level 1 personnel cannot resolve the inquiry or problem, the inquiry or problem is directed to the appropriate Level 2 personnel or a Third Party for resolution.
Level 2 Support	Means support that serves as a consolidation point for inquiries and problems between Level 1 and Level 3. For example, Level 2 Support might exist in a computer operations or a distribution/mail out center. If Level 2 personnel cannot resolve the inquiry or problem, the inquiry or problem is directed to the appropriate Level 3 personnel or a Third Party for resolution.
Level 3 Support	Means support provided by the personnel or Third Party that is most knowledgeable about the underlying problem or question and that is utilized when efforts to resolve the problem or question by Level 1 and Level 2 Support have failed or are bypassed. Inquiries or problems are usually reported by Level 1 or Level 2 Support personnel, but may be initiated directly by Authorized Users or the Service Provider.
Logical DBA	Means the Database Administrator who is responsible for the logical aspects of a database (including schema design, data modeling, application tuning, and application performance assistance). Logical DBAs have extensive knowledge of the business applications and requirements.
Logical Data Model for Transactional and Reporting Requirements	Is a type of data model showing a detailed representation organization's data, independent of any particular technology, and described in business language
Logical Security	Means controlling access to information, software, and data by utilizing Operating Software parameters and Applications-level security controls. Logical Security includes logical separation of processors and disk and segregation of reusable storage media.

<b>Term</b>	<b>Definition</b>
Losses	Means all losses, liabilities, damages (including punitive and exemplary damages), fines, penalties, settlements, judgments, interest and claims (including taxes), in each case that a court finally awards to a third party or which are otherwise included in the amount payable to a third party and all related costs and expenses (including reasonable legal fees and disbursements and costs of investigation, litigation, experts, settlement, judgment, interest and penalties), as incurred.
MAS Service Provider	Refers to the service provider for any one of the four Managed Application Services Service Components: Application Development, Application Maintenance, Rate Card Resources and SaaS Administrator.
Maintainability	Refers to characteristics of a Service that determines how easy or difficult it is to provide existing and potentially enhanced services.
Major Enhancement	Has the meaning as set forth in <b><u>Exhibit 2.7.2, Section 3.2.1.2.b</u></b>
Major Incident	The highest category of impact for an Incident. A Major Incident results in significant disruption to business operations.
Major Problem	A cause of one or more Major Incidents. The cause is not usually known at the time a Problem record is created, and the Problem Management Process is responsible for further investigation.
Major Release	Means a new version of Software that includes changes to the architecture and/or adds new features and functionality in addition to the original functional characteristics of the preceding Software release. These releases are usually identified by full integer changes in the numbering, such as from "7.0" to "8.0," but may be identified by the industry as a major release without the accompanying integer change.
Malicious Code	Means (i) any code, program, or sub-program whose knowing or intended purpose is to damage or interfere with the operation of the computer system containing the code, program or sub-program, or to halt, disable or interfere with the operation of the Software, code, program, or sub-program, itself, or (ii) any device, method, or token that permits any person to circumvent the normal security of the Software or the system containing the code.
Managed Application Services (MAS)	Is a procurement and service delivery mechanism to be offered by Texas DIR for customers to engage prequalified providers to obtain governed application services.
Management Tools	Means all software products and tools (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto) that are used by Service Provider to deliver and manage the Services. Management Tools shall include all such products

Term	Definition
	and tools in use or required to be used as of the Commencement Date, those as to which the license, maintenance, or support costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Management Tools also shall include all such products and tools selected and/or developed by or for DIR, any DIR Customer or Service Provider during the Term.
Master Data Standards	Refer to criteria that represent the business objects that are agreed on and shared across the enterprise.
Materials	Means all formulae, algorithms, processes, process improvements, procedures, designs, concepts, methodologies, trade secrets, technology, Software (in both object and source code form), databases, specifications and all records thereof, including documentation, design documents and analyses, interface documentation, studies, tools, plans, models, flow charts, reports and drawings.
Measurement Window	Means the time during, or frequency by, which a Service Level shall be measured. The Measurement Window will exclude approved scheduled maintenance.
Middleware	Means Software that facilitates interactions and integration between and among two or more separate Software programs, Systems, or platforms.
Milestone Deliverable	Has the meaning given in <b><u>Section 4.8(b)</u></b> of the Agreement.
Minimum Service Level	Means the minimum level of performance set forth in <b><u>Attachment 3-A</u></b> with respect to each Key Measurement.
Minimum Service Level Default	Means the Service Provider's level of performance for a particular Key Measurement fails to meet the applicable Minimum Service Level at any time.
Minor Enhancement	Has the meaning as set forth in <b><u>Exhibit 2.7.2, Section 3.2.1.2.a</u></b>
Minor Release	Means a scheduled release containing small functionality updates and/or accumulated resolutions to defects or non-conformances made available since the immediately preceding release (whether Major Release or Minor Release). Minor Releases shall include "Maintenance Releases" which are supplemental to and made available between Major Releases and other Minor Releases, issued and provided under specific Service Provider Service Level or maintenance obligations and contain only accumulated resolutions or mandated changes. These releases are usually identified by a change in the decimal numbering of a release, such as "7.12" to "7.13."

Term	Definition
Monthly Charges	Means the total Charges invoiced by Service Provider in any calendar month for Services (excluding Pass-Through Expenses, Out-of-Pocket Expenses and Service Taxes).
Monthly Business Days	Means Business Days in a given month.
Monthly Business Days Assigned	Means with respect to any month and any Service Provider Personnel, the number of Monthly Business Days that such Service Provider Personnel is assigned full time to the performance of Services.
Monthly Invoice	Has the meaning given in <b>Section 12.1(a)</b> of the Agreement.
Monthly Invoice Amount	Means Charges due and owing for the preceding month as defined in <b>Exhibit 4</b> and any other amounts payable by DIR to Service Provider pursuant to the express terms of the Agreement.
Monthly Productive Hours Worked	Means with respect to any month and any Service Provider Personnel, the number of productive hours worked by such Service Provider Personnel, excluding non-productive time (e.g. commuting time, vacation, holidays, training unrelated to the Services, education, marketing, administrative staff meetings, medical leave, and military leave).
MSI	Means the Multisourcing Service Integrator who has entered into a contract with DIR for the Multisourcing Service Integrator SOW.
Multi-Supplier Environment	Has the meaning given in <b>Section 9.15</b> of the Agreement.
N/N-1	Means the version of Software designated and/or approved by DIR or the applicable governance committee, as the current standard for deployment. N-1 is one release prior to the above-described designated or approved Software version.
Network	Means collectively, WAN, LAN, and other communication or transport networks.
Network Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Network Statement of Work.
Network Topology	Means the arrangement in which the nodes or interfaces to the Network are connected.
New Advances	Has the meaning given in <b>Section 9.12(e)</b> of the Agreement.
New Application	An application added to the Supported Application List.

<b>Term</b>	<b>Definition</b>
New Application Baseline	The AMS hourly support baseline developed during the three (3) months following the date the New Application enters the Production environment.
New Services	Means services requested by DIR, DIR Customers, or required by applicable Laws (without limiting the obligation of the Parties under <b>Section 15.11</b> of the Agreement) (i) that are materially different from the Services, (ii) that require materially different levels of effort or resources from Service Provider to provide the Services, and (iii) which are not required for Service Provider to meet the Service Levels. For the avoidance of doubt, New Services shall not include (a) increases in the volume of Services for which there is an associated Resource Baseline or charging methodology, or (b) the disaggregation of an existing service from a Functional Service Area.
Noncompliance	Means each instance that the Software, Equipment, Systems, or other Deliverable or milestone fails to meet its Acceptance Criteria or is otherwise deficient in DIR's reasonable discretion (in accordance with the Service Management Manual or other criteria agreed by the Parties, to the extent applicable).
Non-Functional Requirements (NFR)	Means requirements that address areas other than functionality such as performance, availability, and ease of maintenance.
Notice of Election	Has the meaning given in <b>Section 17.3(a)</b> of the Agreement.
Offshore	Refers to an operational location of Service not within one of the fifty (50) United States, or within or directly adjacent to the Continental US.
One-Time Charges	Means any Charges that are specified by the Service Provider and which are non-recurring and are typically associated with start-up and implementation costs.
One-Time Deliverables	Means those Deliverables that are non-recurring that have associated Deliverable Credits payable to DIR in the event Service Provider fails to successfully and timely complete such Deliverables.
Online System	Computer system that is a part of, or is embedded in, a larger entity, such as a communications system, and that interacts in real or near-real time with the entity and its users.
Onshore	Refers to an operational location of Service within one of the fifty (50) United States.
Onsite	Refers to physical presence at a location of Service delivery.

Term	Definition
Out-of-Pocket Expenses	Means reasonable, demonstrable and actual expenses due and payable to a Third Party by Service Provider that are approved in advance by DIR and for which Service Provider is entitled to be reimbursed by DIR under the Agreement. Out-of-Pocket Expenses shall not include Service Provider's overhead costs (or allocations thereof), general and/or administrative expenses or other markups. Out-of-Pocket Expenses shall be calculated at Service Provider's actual incremental expense and shall be net of all rebates and allowances.
Outage	Means a condition such that a System, Service, Application System, Equipment or network component is not Available or is substantially not Available and is impacting normal business operations.
Party and Parties	Has the meaning given in the recitals to the Agreement.
Pass-Through Expense(s)	Means the Service Provider expenses listed in <b>Exhibit 4</b> which DIR has agreed to pay directly or reimburse to Service Provider on an Out-of-Pocket Expenses basis.
Payment Based Milestone(s)	Has the meaning given in <b>Exhibit 4, Section 13.2</b> .
PCI-DSS	Has the meaning given in <b>Section 13.5(d)</b> of the Agreement.
Peer Group	Means tier one providers of services that are the same as or similar to the Services and that are matched to the defined Assessed environment.
Performance Category	Means a grouping of Critical Service Levels or Key Measurements as set forth in <b>Attachment 3-A</b> . Critical Deliverables do not constitute a Performance Category.
Physical DBA	<p>Means the database administrator responsible for the environmental aspects of a database, including but not limited to the following activities:</p> <ul style="list-style-type: none"> <li>- Supporting the design and implementation of multiple production, test and development database subsystems, exclusive of table creation for Development and Initial Test Environments.</li> <li>- Capacity planning for database instances and reorganizing as necessary.</li> <li>- Performing stress testing and database performance tuning.</li> <li>- Installing, maintaining, and monitoring the DBMS Software and products, including technical advice and support to the ADM staffs and Logical DBAs as may be required.</li> </ul>
Plan	Has the meaning given in <b>Section 13.3(i)(ii)</b> of the Agreement.



Term	Definition
Platform as a Service (PaaS)	Is a category of cloud computing services that provides a platform allowing customers to develop, run and manage Web applications without the complexity of building and maintaining the infrastructure typically associated with developing and launching an application.
Pre-Production or Pre-Production Environment	Means the system environment that closely simulates Production; has minimal changes; and is used for testing applications, software, and databases just prior to migration to Production.
Priority 1 Applications	Means the Applications designated as “Priority 1 Applications” pursuant to the Service Management Manual.
Priority 2 Applications	Means the Applications designated as “Priority 2 Applications” pursuant to the Service Management Manual.
Privacy Laws	Means Laws relating to data privacy or data protection.
Problem	Means an underlying cause of one or more Incidents. A Problem is labeled a “Known Error” when the root cause is known and a temporary workaround or permanent solution has been identified.
Problem Management	Means the process of tracking and managing all problems arising in DIR and DIR Customer's IT environment, and resolving those problems arising from or related to the Services.
Production or Production Environment	Means the system environment in which an organization's data processing is accomplished. This environment contains DIR Customer's business data and has the highest level of security and availability of all environments (includes training and other Production-like environments).
Project(s)	Has the meaning given in <b>Section 4.7</b> of the Agreement.
Proportional AMS Application Fee	Has the meaning given Exhibit 4, Section 14.2.
Project Based Deliverable	Means a structure involving the purchase of application-related services that are purchased for a specified scope of work finitely executed.
Solution Order	Refers to Customer’s approval to execute a Project or Service defined by the Service Provider in their Service Proposal.
Service Proposal	Means a proposal in response to a Solution Request and describes the Service Provider’s solution, pricing, team, schedule, and assumptions.
Project Deliverable	Has the meaning given in <b>Section 4.9(d)</b> of the Agreement.

Term	Definition
Proposal	Has the meaning given in the preamble to the Agreement.
Proposal Documents	Has the meaning given in Section 2(e) of the Agreement.
Protected Health Information (PHI)	Has the meaning given in <b><u>Section 13.3(i)</u></b> of the Agreement.
Public Information Act	Has the meaning given in <b><u>Section 13.1(b)(vii)</u></b> of the Agreement.
Quality Assurance (QA)	Means the actions, planned and performed, to provide confidence that all processes, Systems, Equipment, Software, and components that influence the quality of the Services are working as expected individually and collectively.
Rate Card	A listing of hourly personnel pricing rates as documented in <b><u>Attachment 4-A</u></b> .
Recovery Point Objective (RPO)	Means the recovery point objectives expressed as the acceptable amount of data loss measured in time prior to an event that has been declared as a disaster.
Recovery Time Objective (RTO)	Means the recovery time objectives, as designated in <b><u>Exhibit 16</u></b> , expressed as the duration of time within which an Application, including all technology components included in the DIR Customer DR Plan must be recovered, restored and operational starting from the time of declaration of a disaster.
Recurring Deliverables	Means those Deliverables to be provided on a scheduled and recurring basis that have associated Deliverable Credits payable to DIR in the event Service Provider fails to successfully and timely complete such Deliverables.
Refresh	Means the upgrading and/or replacing of Equipment and Software during the Term.
Regression Testing	Means any type of software testing that seeks to uncover software regressions. Such regressions occur whenever software functionality that was previously working correctly stops working as intended. Typically regressions occur as an unintended consequence of program changes.
Release	Means the collection of hardware, software, documentation, processes, and other components (training, knowledge transfer) required to implement one or more approved Change.
Release Management	Means the planning, creation, testing and deployment of a Release.

<b>Term</b>	<b>Definition</b>
Reliability	Refers to an attribute of a solution related component that consistently performs according to specifications.
Renewal Term	Has the meaning given in <b>Section 3.2</b> of the Agreement.
Reports	Has the meaning given in <b>Section 9.2(a)</b> of the Agreement.
Request for Change (RFC)	Means a formal proposal for a Change to be made to any component of an IT infrastructure or any aspect of an IT service. An RFC shall include details of, and the justification for, the proposed Change. DIR Customer must approve all RFCs in writing.
Request Management	Means the process of tracking and managing all requests from Authorized Users arising in DIR's and DIR Customers' IT environment, and resolving those requests arising from or related to the Services.
Required Consent(s)	Means the consents (if any) required to be obtained: (i) to assign or transfer to Service Provider DIR licensed Third Party Materials, Third Party Contracts, Equipment Leases or Acquired Assets (including related warranties); (ii) to grant Service Provider the right to use and/or access the DIR licensed Third Party Materials, Third Party Contracts, and DIR Provided Equipment in connection with providing the Services; (iii) to grant DIR, the DIR Customers and/or their designee(s) the right to use and/or access the Service Provider Owned Materials, Third Party Materials and Equipment acquired, operated, supported, used, or required to be used by Service Provider in connection with providing the Services; (iv) to assign or transfer to DIR, the DIR Customers and/or their designee(s) any Developed Materials to the extent provided in the Agreement; (v) to assign or transfer to DIR, the DIR Customers and/or their designee(s) Service Provider Owned Materials, Third Party Materials, Third Party Contracts, Equipment leases or other rights following the Term to the extent provided in the Agreement; and (vi) all other consents required from third parties in connection with Service Provider's provision of, and DIR's and the DIR Customers' receipt and use of, the Services and Service Provider's performance of its obligations hereunder.
Resolution Time	Means the number of minutes between the Start Time for an Incident and the time such Incident is Resolved.
Resolve or Resolution	Means the restoration of full service or the completion of the service request in a manner acceptable to DIR or the applicable Authorized User in their reasonable discretion. Resolution may include the restoration of full service by workaround or other alternative means.

<b>Term</b>	<b>Definition</b>
Response	Has the meaning given in the recitals of the Agreement.
Response Time	Means the number of elapsed minutes between the time a Call is received and the time Service Provider responds to the Authorized User or other designated DIR contact to acknowledge and verify the problem.
RFO	Has the meaning given in the recitals of the Agreement.
Roles and Responsibilities	Means any task assigned to either the selected Service Component Provider or DCS Customer.
Root Cause Analysis (RCA)	Means the formal process, specified in the Service Management Manual, to be used by Service Provider to diagnose the underlying cause of problems at the lowest reasonable level so that effective corrective action can be taken.
Schedule	refers to a specific named document or part of a named document that is part of the contract package executed between two parties, one of which is Texas DIR and the other party is either the MSI or Service Component Provider.
Scheduled Downtime	Means a period in which a subject Service component is not required to be Available due to scheduled time required to perform system maintenance (for example, preventive maintenance, system upgrades, etc.), provided that such period has been mutually agreed between the Parties and is scheduled so as to minimize the impact to DIR's business. The Service Provider shall maintain Availability during such periods to the extent reasonably practicable.
Scheduled Event(s)	Refers to a planned activity that is to occur in the future and may impact system availability and can create a Scheduled Downtime.
Section	refers to a section in the MAS SOW
Secure Document Storage	Means a physical storage location with security controls that restricts check in and check out of document forms only to authorized personnel.
Security Design Review	Means an evaluation of application development design from a security perspective.
Server	Means any computer that provides shared processing or resources (e.g. Application processing, database, mail, proxy, firewalls, backup capabilities, print, and fax services) to Authorized Users or other computers over the Network. A Server includes associated peripherals (e.g. local storage devices, attachments to centralized storage, monitor,

Term	Definition
	keyboard, pointing device, tape drives, and external disk arrays) and is identified by a unique manufacturer's serial number.
Services	Has the meaning given in <b>Section 4.1(a)</b> of the Agreement.
Service Component	Means a single area which is represented with a Statement of Work (i.e. Managed Application Services, Mainframe, Server, Network, Data Center, and Print-Mail).
Service Component Provider	Means, collectively, all Service Providers, excluding the MSI, who have entered into an agreement with DIR to provide the services contemplated by one or more Statement(s) of Work (i.e. Application Development Service Component Provider, Application Management Service Component Provider; Rate Card Resources Service Component Provider, SaaS Administrator Service Component Provider; Server Component Provider, Network Component Provider, Print-Mail Component Provider, Data Center Component Provider, and Mainframe Component Provider).
Service Continuity Management	Refer to the activities associated with providing prioritized service continuity and disaster recovery Services for the Applications, and their associated infrastructure.
Service Delivery Failure	Has the meaning given in <b>Exhibit 3</b> to the Agreement.
Service Desk	Means the facilities, associated technologies, and fully trained staff who respond to Calls, facilitate all Incident Management, Problem Management, Change and Request Management activities, and act as a single point of contact for coordination and communication to Authorized Users and Service Providers in regard to the Services.
Service Level Invoice Amount	Means Charges due and owing for the preceding month, excluding Pass-Through Expenses.
Service Level Default	Means an Expected Service Level Default or Minimum Service Level Default.
Service Levels	Means, individually and collectively, the quantitative performance standards for the Services set forth in <b>Exhibit 3</b> to the Agreement.
Service Management Manual	Means the management procedures manual for the Services.
Service Proposal	Means a proposal in response to a MAS Solution Request and describes the Service Provider's solution, pricing, team, schedule, and assumptions

<b>Term</b>	<b>Definition</b>
Service Provider	Means the party to this Agreement.
Service Provider Agent	A Party acting on behalf of the Service Component Provider.
Service Provider Account Manager	Has the meaning given in <b><u>Section 8.2</u></b> of the Agreement and shall describe the Service Provider representative responsible for both the day-to-day relationship with DIR and the DIR Customers as well as the delivery of all Services to DIR and the DIR Customers.
Service Provider Laws	Has the meaning given in <b><u>Section 15.12(d)</u></b> of the Agreement.
Service Provider Owned Materials	Has the meaning given in <b><u>Section 14.3(a)</u></b> of the Agreement.
Service Provider Personnel	Means those employees, representatives, contractors, subcontractors, and agents of Service Provider and its Subcontractors.
Service Provider Site(s)	refers to a physical location belonging to the selected Service Providers,
Service Provider-Provided Software	Refers to any software product that the Service Component Provider provides in the course of delivery of Services.
Service Request (or Request for Service)	Means a request for information, advice, access or standard change to an IT service that does not require solution proposal development. Examples of such Service Request include provisioning ID access, password resets, and Service Catalog requests.
Service Taxes	Means all sales, use, excise, and other similar taxes that are assessed against either Party on the provision of the Services as a whole, or on any particular Service received by DIR or the DIR Customers from Service Providers, excluding Income Taxes.
Services	Has the meaning given in <b><u>Section 4.1(a)</u></b> of the Agreement.
Severity Level	Means the categorization of a problem associated with the Services based on the potential impact of the problem to DIR and any DIR Customer, as further defined in <b><u>Attachment 3-E</u></b> .
Severity Level 1	Has the meaning given in <b><u>Attachment 3-E</u></b> .
Severity Level 2	Has the meaning given in <b><u>Attachment 3-E</u></b> .
Severity Level 3	Has the meaning given in <b><u>Attachment 3-E</u></b> .
Severity Level 4	Has the meaning given in <b><u>Attachment 3-E</u></b> .

Term	Definition
Software	Means all Materials consisting of software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto), including Antivirus Software, Application Software, Development Tools and System Software.
Software as a Service (SaaS)	Refers to a software distribution model in which applications are hosted by a vendor and made available to customers over a network, typically the Internet.
Software Engineering Institute (SEI)	Refers to the Carnegie Mellon Software Engineering Institute.
Software Enhancement	Refers to changes in application code that will provide new business functionality.
Software Enhancement Support	Refers to ongoing maintenance provided by either the Service Component Provider or a software or cloud vendor.
Solution Request or Request for Solution	Means a Service Request that requires development of a proposal for DIR Customer approval to fulfill the request.
Specialized Services	Has the meaning given in <b>Section 9.8</b> of the Agreement.
Specifications	Means, with respect to processes, Software, Equipment, Systems or other contract deliverables to be designed, developed, delivered, integrated, installed, and/or tested by Service Provider, the technical, design and/or functional specifications set forth in Third Party Vendor documentation, in a New Services or Project description requested and/or approved by DIR, or otherwise agreed upon in writing by the Parties.
Standard of Due Care	Means then-current accepted industry best practices for network and data security that are employed by members of the Peer Group.
Standard Work Hours	Means, in any given month, one hundred and fifty (150) hours as used in the equation to determine FTP resources utilized.
Start Time	Means, with respect to an Incident or a Call, the time when the Incident ticket is created. With respect to an Outage, the earlier of the time when the Incident is detected or should have been detected (by the applicable monitoring for the System). If more than one ticket is created for the same root cause, the Start Time shall be based on the earliest of the ticket creation times.
State	Means the State of Texas, unless expressly stated otherwise.

Term	Definition
State Data Center(s)	Means the consolidated State data centers in San Angelo, Texas, and/or Austin, Texas.
State Legislature	Means the governmental legislative body of the State.
Statewide Technology Centers (STC)	<p>Means the shared services DIR offers through the following government code:</p> <p>Sec. 2054.378. SCOPE OF OPERATION OF CENTERS. (a) The department may operate statewide technology centers to provide two or more state agencies, on a cost-sharing basis, services relating to:</p> <p>(1) information resources and information resources technology; and</p> <p>(2) the deployment and development of statewide applications.</p> <p>(b) The department may operate a statewide technology center directly or contract with another person to operate the center.</p>
STC Customer	Means the DIR Customer that purchases any of the shared services offered through DIR’s Statewide Technology Centers, which include Data Center Services, Managed Applications Services and Managed Security Services.
Strategic Plan	Means the plans that may be periodically developed by DIR that set forth DIR’s key operational objectives and requirements and outline its strategies for achieving such objectives and requirements. DIR may revise the Strategic Plan from time to time. The Strategic Plan is likely to include both annual and multi-year strategies, objectives, and requirements.
Stress Testing	Means tests that put a greater emphasis on robustness, Availability, and error handling under a heavy load, rather than on what would be considered correct behavior under normal circumstances.
Statement(s) of Work (SOW)	Means <b>Exhibit 2</b> and its attachments.
Subcontractors	Means subcontractors (of any tier) of Service Provider, including Affiliates of Service Provider performing Services under the Agreement pursuant to <b>Section 9.11(c)</b> of the Agreement. The initial list of Subcontractors is set forth on <b>Exhibit 21</b> to the Agreement.
Support Center	Means the Service Provider’s facilities, associated technologies, and fully trained staff who respond to Calls, coordinate all Incident Management and Problem Management and Request Management activities, and act as a central point of contact for Authorized Users in regard to the Services.



Term	Definition
Supported Application List	List of Applications the Service Provider supports, by DCS Customer, through executed Application Maintenance Services Service Proposals
Support Tier	Refers to either Tier 1, 2 or 3 support.
System	Means an interconnected grouping of manual or electronic processes, including Equipment, Software and associated attachments, features, accessories, peripherals and cabling, and all additions, modifications, substitutions, Upgrades or enhancements to such System. Systems shall include all Systems in use or required to be used as of the Commencement Date, all additions, modifications, substitutions, Upgrades, or enhancements to such Systems and all Systems installed or developed by or for DIR, the DIR Customers or Service Provider during the Term.
Systems Development Life Cycle (SDLC)	Is a term used in system engineering, information systems and software engineering to describe a process for planning, creating, testing, and deploying an information system.
Systems Overhead	Means non-billable Resource Units used by the Service Provider to measure and calculate DIR Customers' resource usage, to perform Service Provider billing functions, used for capacity planning studies or attributable to reruns that are due to the fault of Service Provider, and such other Service Provider usage set forth as such in <b>Exhibit 4</b> to the Agreement.
Technology Evolution	Means any improvement, upgrade, addition, modification, replacement, or enhancement to the standards, policies, practices, processes, procedures, methods, controls, scripts, product information, technologies, architectures, standards, equipment, software, systems, tools, products, transport systems, interfaces and personnel skills available to provide the Services in line with the best practices of first tier leading providers of services that are the same as or similar to the Services. Technology Evolution includes, as relating to such items for such purpose: higher capacity, further scaling and commercializing of processes, more efficient and scalable processes, new versions and types of applications and systems/network software, new operational or IT Infrastructure processes, and new types of hardware and communications equipment that shall enable Service Provider to perform the Services more efficiently and effectively as well as enable DIR and the DIR Customers to meet and support their operational requirements and strategies.
Technology Plan	Has the meaning given in <b>Section 9.5(d)</b> of the Agreement.
Technical Recovery Guide	Means a compilation of technical information, procedures, environmental configurations, operations and dependencies required to document each application and environment to ensure technical recovery of hardware,

Term	Definition
	Operating System, storage, Network and other Equipment. Technical Recovery Guides capture operational elements, dependencies and instructions which must be re-enabled and sequenced appropriately to restore business operations. Attachment 16-A further defines the specific content which must be included in the Technical Recovery Guides.
Technology Refreshment and Replenishment (TR&R) Services	Means the activities associated with modernizing the IT infrastructure on a continual basis to ensure that the system components stay current with evolving industry-standard technology platforms.
Technical Requirements	Refer to the underlying hardware and software requirements that would be required to support and run a solution.
Term	Means the Initial Term and the Renewal Terms, if any, including any period during which Termination Assistance Services are provided by Service Provider under the Agreement.
Termination Assistance Services	Means (i) the Services (including the terminated, insourced, resourced or expired Services, the Services described in <b>Section 4.4</b> of the Agreement, the Services described in <b>Exhibit 23</b> to the Agreement and, in each case, any replacements thereof or supplements thereto), to the extent DIR requests such Services during a Termination Assistance Services period; (ii) Service Provider's cooperation with DIR, DIR Customers and their designee(s) in the orderly transfer of the Services (or replacement or supplemental services) to DIR, the DIR Customers and/or their designee(s); and (iii) any New Services requested by DIR in order to facilitate the transfer of the Services (or replacement or supplemental services) to DIR, the DIR Customers and/or their designee(s).
Termination Charge	Means the termination charges payable by DIR as set forth in <b>Exhibit 4</b> to the Agreement. The Termination Charge shall be calculated as of the later of (i) the end of the Term (or the date of termination of the applicable Services under the Agreement), and (ii) the satisfactory completion of all Termination Assistance Services.
Termination Services	Refers to the activities the current Service Provider undertakes to disentangle or either move or enable the move of Services to DCS Customer or a new Service Provider.
Texas Project Delivery Framework	Means the standardized framework identified by DIR for state and other government agencies to use to deliver projects.
Third Party	Means, whether or not capitalized, a legal entity, company, or person(s) that is not a Party to the Agreement, and is not an Affiliate of a Party.

Term	Definition
Third Party Contract(s)	Means all agreements between third parties and DIR, any DIR Customer, or Service Provider that have been or shall be used to provide the Services.
Third Party Materials	Means Materials that are owned by Third Parties and provided under license or lease to Service Provider, DIR or any DIR Customer and that have been or shall be used to provide or receive the Services. Third Party Materials shall include Materials owned by Subcontractors (excluding Affiliates of Service Provider) and used in the performance of the Services.
Third Party Vendor(s)	Means a Third Party that provides products or services to any Party that is related to, or is in support of, the Services (e.g. hardware vendors, premier support contracts, etc.). Third Party Vendors do not include Subcontractors.
Traceability Matrix	Is a mechanism that allows the follow-up of requirements through the entire SDLC process to ensure a requirement is addressed in all phases and applicable test cases corresponding to requirements can be identified.
Transport	Means a commercial service providing the carriage or transmission of voice, video, or data electronic impulses over a distance.
Unanticipated Change	Has the meaning given in <b>Section 11.7</b> of the Agreement.
Unit Testing	Means a Software verification and validation method where the programmer gains confidence that individual units of source code are fit for use. A unit is the smallest testable part of an application.
Upgrade(s)	Means updates, patch installations, modifications, renovations, refreshes, enhancements, additions, substitutions and/or new versions or releases of Software or Equipment. For purposes hereof, a workaround or fix to Software or Equipment also constitutes an Upgrade.
Use	Means to load, access, execute, use, manipulate, practice, process, make, have made, operate, copy, execute, compile, store, purge, reproduce, display, perform, distribute, transmit, receive, modify, maintain, enhance, upgrade, store, create Derivative Works, and exercise any other similar rights.
User Acceptance Test(ing) (UAT)	Means testing conducted by the end user using either production or production like data to validate end-to-end business processes and compare actual and expected results. This is a formal testing step with new Applications or major changes to existing Application, and a successful execution and result leads to the user accepting the system.

<b>Term</b>	<b>Definition</b>
Versioned	Means changes are rolled out in distinct releases, the version of the release is maintained in the artifacts being rolled out for compatibility, prior versions are phased out over time through a standard process and all changes are documented.
Warranty Period	Means at a minimum the period specified in Section 15.4(c) of the Agreement or any other additional warranties provided for in a specific Service Proposal for the applicable Developed Material.
Warranty Services	Refers to any activities necessary to repair Problems to enable Applications and Enhancements to perform in accordance with the applicable Documentation or other specifications.
Wide Area Network (WAN)	Means a long-haul, high-speed backbone transmission Network, consisting of WAN Equipment, Software, Transport Systems, Interconnect Devices, and Cabling that, and other services as they become available that are used to create, connect, and transmit data, voice and video signals to within, between or among: (i) LANs, and (ii) other locations that do business with the State and for which DIR is responsible for allowing Connectivity.
Wiring	Means wiring that is generally permanent and embedded in the facility. Choices in cost and implementation are often driven by standards for the facility (BICSI or ANSI/TIA or other low-voltage standards specifying such things as plenum or non-plenum, UTP, Cat-6e, etc.). Wiring installation often calls for certifications. Wiring installation often requires physical changes in the building (e.g. boring through walls or flooring) to be done in coordination with the building management.
Work Order	Has the meaning given in the Agreement.
Work Product	Means (i) all reports and manuals, including transition plans, business requirements documents, design documents, manuals, training and knowledge transfer materials and documentation, (ii) the Service Management Manual, (iii) Desktop Procedures, and (iv) any intellectual property created as a result of this Agreement to express, embody or execute or perform a function, method or process that is specific to the business of DIR or DIR Customers.