



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

**DIR Contract No. DIR-MSS-SCP-001**

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Between

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

*and*

**AT&T Corp.**

**Exhibit 6  
Governance Model**

October 26, 2017

# TABLE OF CONTENTS

<b>1.0</b>	<b>INTRODUCTION.....</b>	<b>1</b>
1.1	Purpose.....	1
<b>2.0</b>	<b>GOVERNANCE POLICY .....</b>	<b>2</b>
2.1	Operational Governance .....	2
2.1.1	Customer Meetings .....	2
2.1.2	DIR Meetings.....	2
2.2	Program Governance.....	3
2.2.1	Representational Decision-Making .....	4
2.2.2	Committee Structure .....	5
2.2.3	Solution Group and Committee Responsibilities .....	6
2.2.4	Governance Roles and Responsibilities .....	8
2.2.5	Shared Responsibilities .....	8
2.2.6	Committee Member Responsibilities .....	8
2.2.7	Partner Group Responsibilities .....	8
2.2.8	DIR Responsibilities .....	9
2.2.9	Service Providers Responsibilities .....	9
2.3	Issue Management .....	9
2.3.1	Escalation Process.....	10
2.3.2	Strategic Decision Process .....	11
2.3.3	Decision Documentation.....	11
<b>3.0</b>	<b>SERVICE MANAGEMENT MANUAL.....</b>	<b>12</b>

**EXHIBIT 6**  
**GOVERNANCE**

**Update Methodologies and Attachments to Exhibit 6**

The following update methodologies and attachments are incorporated as part of **Exhibit 6**:

<b>Title</b>	<b>Methodology for Updating Associated Exhibit Attachments</b>
<b><u>Exhibit 6</u></b> Governance	<b><u>Exhibit 6</u></b> is a point of reference at contract execution with future updates made in accordance with Section 2.2, Organizational Overview, of the Service Management Manual.
<b><u>Attachment 6-A</u></b> DIR Functional Organization Chart	<b><u>Attachment 6-A</u></b> is a point of reference at contract execution. No updates are anticipated for <b><u>Attachment 6-A</u></b> .
<b><u>Attachment 6-B</u></b> Service Management Manual	<b><u>Attachment 6-B</u></b> is a point of reference at contract execution with future updates made in accordance with version control procedures Section 2.1, of the Service Management Manual.
<b><u>Attachment 6-C</u></b>	<b><u>Attachment 6-C</u></b> may only be modified by formal amendment, in accordance with <b><u>Section 21.7</u></b> of the MSA.

## **1.0 INTRODUCTION**

In 2010, DIR established the owner-operator governance model for the data center services program. This model, involves DIR and Customers at all levels in governance decision making, including as representatives on all governance committees. The owner-operator model focuses on resolving issues at the lowest possible level and driving for consensus-based solutions. Where consensus cannot be reached, there are escalation processes in place. This Exhibit describes the owner-operator governance structure; the roles and responsibilities to maintain a working relationship, Service Provider participation and the issue management process in place. As deemed necessary, the currently deployed governance model will be adapted to include Managed Security Services.

### **1.1 Purpose**

The governance model is a set of defined interactions, expectations, decisions, roles and processes that guide the governance of Statewide Technology services. The governance model is designed to facilitate effective resolution of issues and enable strategic decision making. The governance model involves Customers, and Service Providers and has the following guiding principles:

- Establish Customer business executives as leaders in guiding Statewide Technology services strategy
- Implement a decision-making model with Customer authority and accountability
- Resolve issues at the lowest possible organizational level
- Establish representative groups to resolve issues
- Formalize roles and responsibilities for strategy and issue management among DIR, Customers and Service Providers

## **2.0 GOVERNANCE POLICY**

Governance of Statewide Technology services is based on an “owner-operator” approach in which Customers actively work directly with Service Providers to resolve local operational issues and participate in committees to address enterprise matters. Enterprise-level decisions, Customers’ issues, and resolution of escalated Customer-specific issues are carried out by standing governance committees, organized by subject area and comprised of representatives from Customers, DIR management, Service Provider management and subject-matter experts. Customers are structured into “partner groups,” which select representatives to participate in these committees.

Central features of the owner-operator model include the following:

- a. Customers work directly with Service Provider personnel on operational issues and local governance functions and decisions.
- b. Governance committees address exceptions, enterprise matters and escalations from Customers.
- c. Committees are decision-makers and serve a key communication role across the enterprise.
- d. DIR will assess and route issues to the correct committee.
- e. DIR provides contract oversight functions.

### **2.1 Operational Governance**

Operational governance consists of day-to-day management of the Services, issue resolution, and Customer-specific technology decisions. Success of the governance model rests largely on managing operational governance, including resolving issues and making decisions, at the lowest possible level. Thus, the vast majority of issues are resolved through direct interaction between the Service Providers and Customers with DIR participation for some escalated issues as appropriate. This approach provides for good management practice, with individuals who have the greatest knowledge of the situation empowered to act, and enables the governance committees to focus on escalated issues and strategic decision making. Multisourcing Service Integrator (MSI) participation and effort in these meetings are a major component in the MSI account management responsibilities. Service Component Providers participate in these meetings as required, based on agenda topics.

#### **2.1.1 Customer Meetings**

To enable the intent of addressing issues at the lowest possible level, Customers interface directly with Service Providers on a day-to-day basis. Customers’ technical staff communicates issues and follow up on requests with Service Providers’ staff as necessary to ensure effective delivery of the Services. Regularly scheduled operational meetings may focus on service delivery, change management, planning projects, status, finance or other topics, depending on the circumstances. The meeting frequency is determined by the Customer needs.

#### **2.1.2 DIR Meetings**

To enable DIR’s role in overseeing the Agreement, DIR interfaces with Customers and STC Service Providers on a variety of enterprise issues. On a daily basis, DIR management and technical staff interface with Customers and Service Providers to answer questions about the Agreement, understand and

resolve issues, and facilitate communication and coordination. DIR also has regular enterprise operations meetings with the MSI and appropriate Service Component Provider staff to manage the Agreement. The historical frequency of these meetings has been weekly and meetings have included but have not been limited to the following topic areas:

- a. Service delivery and operations performance
- b. Problem Management
- c. Finance, invoices, and chargeback
- d. Contract administration and Deliverables
- e. Service level and performance management
- f. Security and disaster recovery management
- g. Customer Satisfaction
- h. Customer Relationship management
- i. Issues Management and Governance
- j. Asset Management and License Compliance
- k. Services Management Manual currency
- l. Solution Request management

Please see **Attachment 6-A**, DIR Functional Organization Chart, for DIR's current functional organizational chart.

## **2.2 Program Governance**

The Statewide Technology Centers governance consists of governance committees which provide forums for leadership, oversight, solution and decision making for enterprise-level matters related to Statewide Technology services. The committees are consensus decision-making bodies, with one representative from each partner group and DIR, which make strategic enterprise decisions and resolve escalated issues. The governance committees comprise the Business Executive Leadership Committee, the IT Leadership Committee, and four solution groups:

- a. Contracts and Finance
- b. Service Delivery
- c. Technology
- d. Security
- e. Geographic Information Systems

The solution groups focus on their designated subject areas and comprise experienced IT managers with expertise in those areas. The IT Leadership Committee decides strategic technical decisions, resolves escalated issues and comprises IT directors of Customers and the DIR Statewide Technology Center Operations Division Director. The Business Executive Leadership Committee addresses strategic business decisions regarding Statewide Technology services such as Data Center Services (DCS), Geographic Information System (GIS) services and Managed Security Services and also monitors the business relationship, and resolves issues escalated by the IT Leadership Committee. The Business Executive Committee comprises Deputy Executive Director-level business executives representing partner groups and the DIR Executive Director and Deputy Executive Director.

DIR's role includes interpreting the contract from the State's perspective, executing contract oversight, sustaining governance processes and promoting effective communication. DIR participates as a chair or co-chair on all governance committees with responsibility to coordinate topics spanning multiple groups and to facilitate execution of decisions.

STC Service Providers participate in governance as required by governance group charters to identify technical options for solving issues, participate in collaborative solution development, and provide their technical and business perspective.

## 2.2.1 Representational Decision-Making

To effectively involve Customers in enterprise decision making, the committees use a representational approach. Customers are organized into five partner groups (*Figure 1: Agency Partner Groups*) and each governance committee has one representative from each partner group. Managed Security Services may include additional representative customers than those listed below. Each committee also has a DIR participant. Service Provider representatives may be asked to participate in these meetings as required to provide information and communicate its perspective. The MSI is the primary Service Provider interface in these meetings and will coordinate Service Component Provider participation as appropriate. Service Provider representatives are empowered to speak for their organizations and make commitments as inputs to committee decision making.

All Customers have the opportunity to provide input to decisions and participate in governance matters through:

- a. Review of pre-meeting materials, agendas, and analysis papers.
- b. Submission of written comments prior to committee meetings.
- c. Conversation with the partner group representative prior to meetings.
- d. Access to broadcast conference Telephone Bridge to meetings.

The figure below shows the current composition of the partner groups receiving Statewide Technology services:

<b>Agency Partner Groups</b>	
<b>Group 1</b>	<ul style="list-style-type: none"> <li>• Texas Alcoholic Beverage Commission</li> <li>• Texas Department of Criminal Justice</li> <li>• Texas Department of Licensing and Regulation</li> <li>• Texas Juvenile Justice Department</li> <li>• Office of Attorney General</li> </ul>
<b>Group 2</b>	<ul style="list-style-type: none"> <li>• Health and Human Services Commission</li> <li>• Texas Department of Aging and Disability Services</li> <li>• Texas Department of Assistive and Rehabilitative Services</li> <li>• Texas Department of Family and Protective Services</li> <li>• Texas Department of State and Health Services</li> </ul>
<b>Group 3</b>	<ul style="list-style-type: none"> <li>• Texas Commission on Environmental Quality</li> <li>• Texas Department of Insurance</li> <li>• Public Utility Commission</li> <li>• Texas Railroad Commission</li> <li>• Texas Workforce Commission</li> </ul>
<b>Group 4</b>	<ul style="list-style-type: none"> <li>• Texas Department of Transportation</li> <li>• Texas Water Development Board</li> <li>• Texas Parks and Wildlife Department</li> <li>• Texas Department of Motor Vehicles</li> </ul>

	<ul style="list-style-type: none"> <li>• Texas Department of Information Resources</li> <li>• Health Professions Council</li> </ul>
<b>Group 5</b>	<ul style="list-style-type: none"> <li>• Angelo State University</li> <li>• Secretary of State</li> <li>• Tarleton State University</li> <li>• Texas Education Agency</li> <li>• Texas Facilities Commission</li> <li>• Texas Higher Education Coordinating Board</li> <li>• Texas State Library and Archives Commission</li> <li>• Texas Veterans Commission</li> </ul>

Figure 1: Agency Partner Groups

### 2.2.2 Committee Structure

The figure below presents the six (6) governance committees and their relationship.

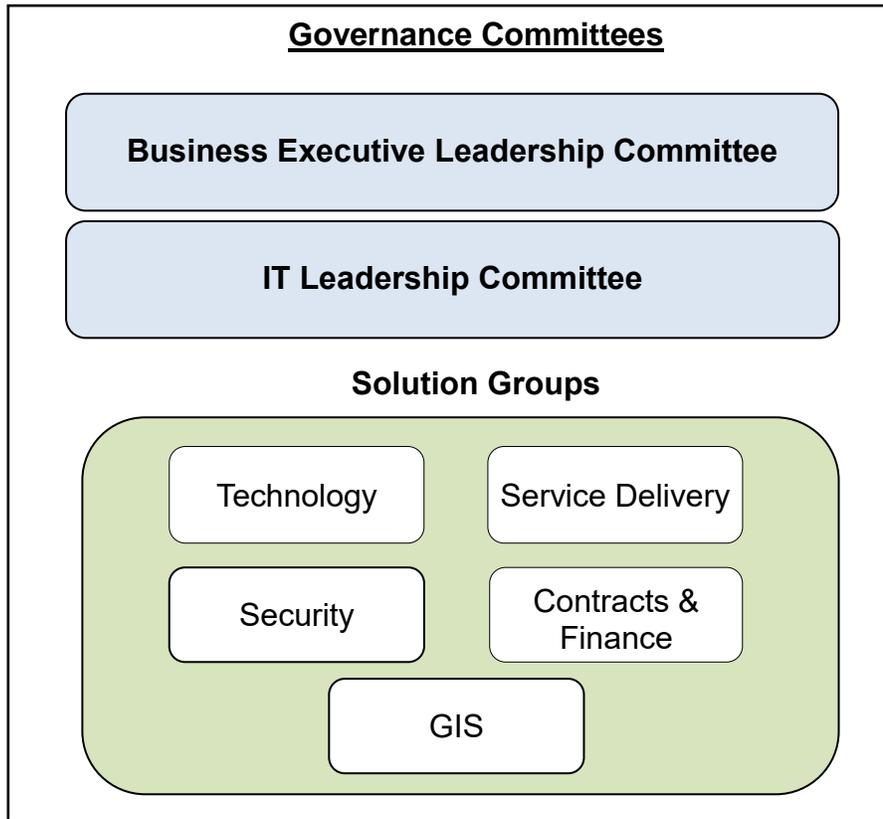


Figure 2: Governance Committee Structure

Each committee has responsibility for certain decisions, based on their role and responsibilities. Additionally, the IT Leadership Committee serves as the escalation point for unresolved issues from the

solution groups and the Business Executive Leadership Committee serves as the escalation point for unresolved issues from the IT Leadership Committee. Committee responsibilities are below.

## **2.2.3 Solution Group and Committee Responsibilities**

### **2.2.3.1 Business Executive Leadership Committee**

The Business Executive Leadership Committee is the highest governance committee with overall responsibility for Statewide Technology services governance and strategy. The committee's responsibilities include:

- a. Define the strategic business direction of the services
- b. Resolve business critical issues escalated from other committees
- c. Monitor implications of results for business performance
- d. Approve global business decisions governing outsourcing relationships

### **2.2.3.2 IT Leadership Committee**

The IT Leadership Committee defines enterprise technology strategic goals and promotes their achievement. The committee resolves enterprise IT issues escalated from the solution group level and makes critical enterprise IT decisions. The responsibilities of the IT Leadership Committee include:

- a. Ensure strategic IT goals are achieved
- b. Approve changes to governance decision making framework
- c. Approve the addition or deletion of Services
- d. Approve changes to the service delivery model
- e. Monitor strategic enterprise service delivery and performance
- f. Provide joint resolution for escalated enterprise issues
- g. Approve critical IT-related decisions
- h. Approve and prioritize enterprise projects
- i. Resolve issues with broad enterprise financial implications and appeals from solution group decisions

### **2.2.3.3 Technology Solution Group**

The responsibilities of the Technology Solution Group include:

- a. Approve technology standards (architecture/platform)
- b. Oversees the technology roadmap
- c. Resolve enterprise technology issues
- d. Review and recommend enhancements to the Technology Plan
- e. Identify, evaluate and recommend new and emerging technologies
- f. Respond to requests from the IT Leadership or Business Executive Leadership Committees for perspectives, advice or recommendations regarding specific technology matters or questions
- g. Coordinate with other Solution Groups as needed to complete Committee responsibilities
- h. Communicate with partner agencies to build an understanding of their perspectives, share information, and strengthen their partner group network

### **2.2.3.4 Security Solution Group**

The responsibilities of the Security Solution Group include:

- a. Monitor security program plans, milestones, and accomplishments in the DCS and Managed Security Services Programs
- b. Monitor effectiveness of enterprise security policies and processes as well as managed security services, and recommend improvements for both service providers and Customers
- c. Address and resolve escalated enterprise managed security services issues
- d. Comment on proposed enterprise security technology enhancements or products
- e. Drive collaboration with other governance groups and between all parties on security topics

#### **2.2.3.5 Service Delivery Solution Group**

The responsibilities of the Service Delivery Solution Group include:

- a. Monitor trends in performance and problem management
- b. Oversee Requests for new Solutions (RFS) and triage refresh project prioritization methodology and process
- c. Consult on analysis of Customer Satisfaction Survey results and action plans
- d. Address and approve resolution of service delivery issues assigned to the solution group and address trends in service delivery issues
- e. Monitor Minimum Service Level Defaults and related Root Cause Analysis (RCA) and corrective actions.
- f. Recommend service delivery and performance improvements
- g. Review and recommend changes to enterprise Service Levels, Services, and performance reporting to align with business requirements
- h. Communicate with partner agencies to build an understanding of their perspectives, share information, and strengthen their partner group network

#### **2.2.3.6 Contracts and Finance Solution Group**

The responsibilities of the Contracts and Finance Solution Group include:

- a. Review and solicit Customer perspective on vendor contractual or financial matters
- b. Review and solicit Customer perspective on proposed contract amendments
- c. Review and solicit Customer perspective on proposed changes to Interagency Contracts (IACs) with state agencies and Inter-local Contracts (ILCs) with local government entities
- d. Review financial trends
- e. Review financial impacts associated with ongoing contract deliverables
- f. Review financial results realized from activities
- g. Approve changes to enterprise financial report templates

#### **2.2.3.7 Geographic Information Systems Solution Group**

The responsibilities of the Geographic Information Systems Solution Group include:

- a. Promote GIS data sharing across the enterprise
- b. Monitor enterprise service delivery and performance
- c. Approve critical GIS technology related decisions
- d. Recommend GIS solutions to the IT Leadership Committee
- e. Approve and prioritize enterprise GIS technology needs and projects

## **2.2.4 Governance Roles and Responsibilities**

The following describes the roles and responsibilities for the different parties involved in governance. These responsibilities describe the current intent of the governance model and will be reviewed and potentially revised on an ongoing basis as may be necessary.

## **2.2.5 Shared Responsibilities**

The State has invested in the owner-operator governance model as a best practice to promote proactive problem solving and effectively engage DIR, Customers, and Service Providers in a collaborative decision-making model. To enable this model to succeed, the shared responsibilities for DIR, Customers and Service Providers include:

- a. Foster an environment of open and honest communications
- b. Actively participate in governance processes, including providing input to issue discussions
- c. Proactively support communications distributed by DIR to enable effective issue resolution
- d. Collaborate proactively to identify, report, document, and resolve at the lowest possible level:
  - Service delivery and performance issues;
  - Security services program issues;
  - Contract and financial issues;
  - Invoice disputes; and
  - Customer relationship and communications issues.
- e. Document escalated issues with an appropriate level of detail to support resolution
- f. Support the development of and compliance with governance process improvement
- g. Actively participate in training provided by DIR and others regarding the contract, services, performance, and stakeholder responsibilities

## **2.2.6 Committee Member Responsibilities**

Customer governance committee members are selected by their peers to represent their partner or customer group. In this role, they have additional communication and preparation responsibilities in order to enable good decision-making meetings. DIR governance committee members have responsibilities to coordinate within DIR to promote effective problem resolution. These responsibilities include:

- a. Review all meeting materials in detail, especially partner agency comments, prior to committee meetings
- b. Leverage technical resources from DIR or Customer organization to build solutions
- c. Facilitate effective communication and problem solving to promote resolutions
- d. Communicate with partner groups as needed to prepare to represent their perspectives in discussions (Customer committee members)
- e. Strive to effectively communicate positions of each Customer (Customer committee members)

## **2.2.7 Partner Group Responsibilities**

Customers who are not on committees have responsibilities to support the process and communicate with their representative. These responsibilities include:

- a. Resolve operational issues at the lowest possible level through local interfaces with Service Providers

- b. Actively participate in review of governance issues in order to be informed and serve as a substitute at a committee meeting if necessary
- c. Engage with partner group representatives to support effective representation, issue resolution, and solution development
- d. Establish and maintain strong working relationships with partner group members

## **2.2.8 DIR Responsibilities**

DIR provides overall leadership and coordination for governance. In this role, DIR's additional responsibilities include:

- a. Facilitate governance committee meetings and activities, including providing organizational, logistical and communication support to all committees
- b. Facilitate the issue management process, including developing an issue-tracking system giving all Customers visibility into all issues
- c. Triage issues, attempt immediate resolution if possible, and route unresolved enterprise issues to appropriate governance committees for resolution
- d. Interpret the Agreement from the State's perspective
- e. Manage financial interactions, processes, and relationships with Service Providers
- f. Manage communications
- g. Coordinate ongoing training related to Agreement changes, process changes, and New Services
- h. Perform Agreement management and compliance functions including development and execution of Agreement amendments

## **2.2.9 Service Providers Responsibilities**

To support the governance model, the Service Providers have an important role as subject matter experts on technology, solutions, and feasibility. This includes the following responsibilities:

- a. Engage directly with Customers to resolve their specific operational issues at the local level
- b. Assign empowered subject-matter experts to participate as requested in governance committees to resolve enterprise issues
- c. Research, as necessary, and document Service Provider perspective for issue resolution papers
- d. Provide timely and accurate data, information, and responses to promote prompt resolution of issues
- e. Enable and facilitate use of the issue management process

In addition to the responsibilities above, the MSI has additional governance responsibilities:

- a. Aligning organizational structure to support the owner/operator governance model
- b. Attempting to resolve operational issues that were not solved between the Customer and Service Component Providers
- c. Coordinating issue escalation when multiple Service Component Providers are involved
- d. Coordinating Service Component Providers participation in governance meetings
- e. Offering process improvement solutions to reduce the number of escalated issues
- f. Streamlining the issue escalation processes between Service Component Providers
- g. Coordinating implementation of decisions and solutions that are approved by the governance committees

## **2.3 Issue Management**

Governance committees address two types of decisions:

- a. Issue resolution
- b. Strategic decisions as per the roles and responsibilities

Issues may be escalated Customer issues or enterprise issues identified by DIR, Customers, or Service Providers. Issues are escalated following the escalation process described below. Strategic decisions may be identified by DIR, Customers, or Service Providers.

Both decision types are treated the same by the committees

- a. All Customers have an opportunity to see the issue
- b. DIR performs triage and routes unresolved issues to appropriate committees
- c. All Customers have an opportunity to document their perspective
- d. Agency committee members will review positions/perspectives in order to represent their partner agencies in the meeting
- e. All decision-making agenda items will be broadcast in advance of the meeting
- f. After the meeting, decisions will be documented with the issue

### **2.3.1 Escalation Process**

As noted above, the governance model strives to resolve the vast majority of issues at the operational level. However, not all issues will be resolved at this level, so the governance model includes an escalation process designed to promptly and efficiently route the issue to the appropriate committee for resolution. Most operational issues will be routed to a solution group; however, the IT Leadership Committee is the first resolver for high profile business, technology, and financial issues.

After the Customer and Service Provider determine an issue cannot be resolved at the local operational level, the issue is escalated to DIR. The DIR triages and makes a further attempt to resolve. If resolution is not reached quickly, then DIR determines the appropriate committee for resolution and coordinates with the Customer Committee chair or co-chair to determine when the issue can be placed on the agenda. DIR also coordinates with the Customer and Service Providers involved in the issue to complete the required documentation for Customer input on the process as follows:

- a. DIR assigns an issue number
- b. DIR develops and confirms the issue description, a statement of the facts in the situation
- c. DIR, Customer and Service Provider develop an issue resolution paper
  - o DIR provides details on cost implications and additional factual background, contract references, and previous solutions attempted, if applicable
  - o Customer completes the Customer section, including relevant facts, artifacts, and documentation from their perspective
  - o Service Provider completes the Service Provider section, including relevant facts, artifacts, and documentation from their perspective
  - o DIR compiles all information into a single document

DIR and the committee chair or co-chair coordinate the distribution of the issue material with the meeting agenda. Meeting agendas and associated material are distributed to Customer IT Directors in advance of the meeting, with approximately 5-7 Business Days for Customers to review and provide input to their committee representative and approximately 2 days for DIR to compile the comments received for distribution to all. DIR has developed a tracking system that will be integrated with the Portal to facilitate document input, review, and distribution.

### **2.3.2 Strategic Decision Process**

Strategic program decisions may be required by the Agreement (e.g. Technology Plan) and, thus, follow a prescribed timing cycle or they may arise from a technical constraint, opportunity or business need.

Regardless of the source, strategic decisions follow a similar process:

- a. DIR coordinates the development of background materials to explain the decision, implications for the enterprise, and any technical considerations that are relevant. This coordination may include the engagement of Customer or Service Provider subject matter experts to create materials and complete technical analysis.
- b. DIR develops a format for Customer input appropriate for the decision.

DIR and the committee chair or co-chair coordinate the distribution of the issue material with the meeting agenda. Meeting agendas and associated material are distributed to Customer IT Directors in advance of the meeting, with approximately 5-7 Business Days for Customers to review and provide input to their committee representative and approximately 2 days for DIR to compile the comments received for distribution to all.

### **2.3.3 Decision Documentation**

After the committee meeting, DIR documents decisions made and any follow up tasks such as updates to associated artifacts (e.g. Agreement, Service Management Manual). Decisions are posted to the Portal for visibility by all Authorized Users.

### 3.0 SERVICE MANAGEMENT MANUAL

This Section sets out the requirements for the Service Management Manual and the process by which the Service Management Manual will be finalized.

**Attachment 6-B**, Service Management Manual, contains the general content and high-level description of the Service Management Manual. It is provided to indicate the proposed content and organization of the Service Management Manual.

The requirements related to the Service Management Manual are as follows:

1. DIR, Customers and Service Providers will develop and follow specific procedures during the Term, which are to be set out in a Service Management Manual.
2. The Service Management Manual will not contradict the provisions of the Agreement. If there is any discrepancy between the Service Management Manual and the Agreement, the terms in the Agreement will prevail.
3. The Service Provider, DIR, and Customers will jointly use the Service Management Manual to enable close cooperation and communication.
4. The Service Management Manual will address checkpoint reviews, testing, acceptance, and other procedures for DIR to assure the quality of the Service Provider's performance.
5. The Service Provider will comply with the general content and organization of the Service Management Manual as described in **Attachment 6-B**, Service Management Manual.