

**STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES**

CONTRACT FOR SERVICES

SISTEMA TECHNOLOGIES, INC.

1. Introduction

A. Parties

This Contract for Services ("Contract") is entered into between the State of Texas ("State"), acting by and through the Department of Information Resources ("DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Sistema Technologies, Inc. ("Vendor"), with its principal place of business at 7550 IH-10W, Suite 940, San Antonio, TX 78229.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts' Electronic State Business Daily, Request for Offer (RFO) DIR-TSO-TMP-242, on March 29, 2016, for Information Technology Staffing Augmentation Contracts. Upon execution of this Contract, a notice of award for RFO DIR-TSO-TMP-242 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

This Contract; Appendix A, Standard Terms and Conditions For Information Technology Staff Augmentation Contracts (ITSAC); Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Services and Pricing Index; Exhibit 1, Vendor's Response to RFO DIR-TSO-TMP-242, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-242, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Exhibit 1 and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be two (2) years commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR may extend this Contract, by amendment, for up to two (2) optional one-year terms. If there are no sales at the end of the initial term, this Contract will not be extended. Protracted contract negotiations may, in DIR's sole discretion, result in fewer optional renewal terms.

3. Service Offerings

Services available under this contract are limited to information technology staff augmentation services as specified in Appendix C, Services and Pricing Index.

4. Pricing

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 7, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index and shall include the DIR Administrative Fee.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is one percent (1.00 %). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000.00 shall be \$1,000.00.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated by Vendor in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Shannon Kelley, CTPM, CTCM
Manager, Enterprise Contract Management
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 463-7666
Facsimile: (512) 475-4759
Email: Shannon.Kelley@dir.texas.gov

If sent to the Vendor:

Joe Vallejo
Sistema Technologies, Inc.
1027 E. Riverside Dr.
Austin, TX 78704
Phone: (210) 863-9777
Facsimile: (210) 340-2191
Email: joe@sistematechnologies.com

7. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Information Technology Staff Augmentation Services (ITSAC).

No exceptions have been agreed to by DIR and Vendor.

Vendor Contract No. _____

This Contract is executed to be effective as of the date of last signature.

SISTEMA TECHNOLOGIES, INC.

Authorized By: signature on file

Name: Joe Vallejo

Title: President

Date: 7/25/2016

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

Authorized By: signature on file

Name: Hershel Becker

Title: Chief Procurement Officer

Date: 8/2/2016

Office of General Counsel: 8/1/2016