

**STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES**

CONTRACT FOR SERVICES

HUGHES NETWORK SYSTEMS, LLC

1. Introduction

A. Parties

This Contract for services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and HUGHES NETWORK SYSTEMS, LLC (hereinafter "Vendor"), with its principal place of business at 11717 Exploration Lane, Germantown, MD 20876.

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-262, on February 15, 2017, for Managed Services for Telecommunications. Upon execution of this Contract, a notice of award for RFO DIR-TSO-TMP-262 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

This Contract; Appendix A, Standard Terms and Conditions for Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Sample Statement of Work; Exhibit 1, Vendor's Response to RFO DIR-TSO-TMP-262, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-262, 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substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.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 and Vendor may extend this Contract, upon mutual agreement, for up to two (2) optional one-year terms. Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Service Offerings

Services available under this Contract are limited to the designated telecommunications managed services as specified below. Vendor may incorporate changes to their services offerings; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above. The designated services are offered only as components of comprehensive suites of telecommunications managed services. One or more of the designated service offerings (i) may require contracting for service components of a comprehensive suite of telecommunications managed services or (ii) may be unavailable as service components, at the discretion of the Vendor.

Management of telecommunications services as set forth below:

A. Management Services is the management of customer owned equipment or vendor provided equipment in support of the following technology services:

1. Management of call processing architecture
2. Call Center or Contact Center Services
3. IVR/Auto-Attendant
4. Phone Systems Management (PBX, key system, etc.) or Integration
5. Management of Voice and/or Data Networks
6. Network Optimization

B. The following services can be included to provide a total managed service solution:

1. Hosted Solutions are offered to customers on a subscription basis and includes the IT infrastructure (hardware and software) and support services necessary to deliver the solution. Hosted services include technology services listed here:
 - a. Call Center or Contact Center Services
 - b. IVR/Auto-Attendant
2. Requirements Development
3. Integration Services
4. SLA's and Performance Metrics
5. Reporting
6. Asset Management
7. Project management
8. Operations
9. Support Services
 - a. Move, Add, Changes (MACs)
 - b. Solution Design
 - c. Solution Software and Licenses
 - d. Network Readiness Assessment and Optimization
 - e. Transition and Termination Services
 - f. Break/Fix and Maintenance
 - g. Help/Support Desk Services
 - h. Training

C. Excluded Telecommunications Service Offerings

Any service awarded under the TEX-AN Next Generation Procurement, RFO number DIR-TEX-AN-NG-001. The following services were awarded under the TEX-AN Next Generation Procurement:

1. Long Distance Services
2. Internet Services (including SOHO)
3. Voice over Internet Protocol (VoIP)
4. Local Voice Service
5. Fixed Satellite
6. Access and Transport

4. Pricing

A. Customer Price

Customers purchasing services under this Contract shall negotiate pricing directly with the Vendor in accordance with the Customer's Statement of Work.

B. DIR Cost Recovery Fee

The cost recovery fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

5. DIR Cost Recovery Fee

A. The Cost Recovery Fee (CRF) to be paid by the Vendor to DIR for telecommunications Products and Services based on the dollar value of all sales to Customers pursuant to this Contract is zero-point seventy-five percent (0.75%). Payment will be calculated for all telecommunications sales, net of returns and credits. For example, the CRF fee for sales totaling \$100,000 shall be \$750.

B. All prices quoted to Customers shall include the applicable CRF fee. DIR reserves the right to change this fees upwards or downwards during the term of this Contract, upon written notice to Vendor. Changes in the CRF fees shall be incorporated into the price to the Customers on the date designated by DIR.

6. Notification

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

If sent to the State:

Dana L. Collins, CTPM, CTCM
Director, Enterprise Contract Management
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4000
Facsimile: (512) 475-4759
Email: dana.collins@dir.texas.gov

If sent to the Vendor:

Matthew Brown Corporate Counsel 11717 Exploration Lane Germantown, MD 20876 Phone: (301) 428-2707 matthew.brown@hughes.com	John Fanelli 11717 Exploration Lane Germantown, MD 20876 Phone: (301) 601-2691 john.fanelli@hughes.com
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7. Managed Services Requirements

- A.** The centralized telecommunications system for the state of Texas is known as TEX-AN. The current technological platform of TEX-AN is known as TEX-AN NG. The TEX-AN NG architecture provides a solid statewide communications infrastructure that is adaptable to changing requirements and can incorporate new and emerging technologies. The TEX-AN NG platform provides unified, scalable, redundant, flexible, and extremely cost-effective networking solutions. TEX-AN NG provides voice and data services and features:

Voice Services:

- Toll-Free Service
- Long Distance Service
- Directory Assistance
- Dedicated circuit access

Data Services:

- Frame Relay/Asynchronous Transfer Mode (ATM)
- MPLS (Multiprotocol Label Switching)
- Access Services
- Internet Access
- Point-to-Point circuits
- DSL
- SOHO
- Fixed Satellite

Vendors must utilize the TEX-AN Network for any transport services included in their managed service solution. These services and associated fees should be included by the vendor in a managed service solution proposal as required for a Customer. Any transport services required for the managed service solution will be ordered by the customer from DIR. The Customer is required, as the eligible purchasing entity, to utilize the current TEX-AN or Co-op Contracts and procedures to directly purchase the services from DIR.

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In addition to its primary services, DIR offers Co-op and Telecom contracts for communications services. These contracts are awarded on behalf of the state according to state competitive bidding requirements, and are designed to satisfy user requirements for easy-to-use communications services contracts. The comprehensive suite of products and services offered by these contracts includes:

- Interpreter Services
- Local Telephone Services
- Wireless/Cellular Services
- Pagers and Paging Services
- Technology Based Conferencing

These services and associated fees should be included by the vendor in a managed service solution proposal as required for a customer. The customer is required, as the eligible purchasing entity, to utilizing the current TEX-AN NG, Co-op Contracts and Telecom procedures to directly purchase the services from DIR.

- B.** Vendor shall prepare and provide each customer with a managed service solution proposal. The proposal shall include all services proposed by Vendor which are included in this contract, as well as all Excluded Service Offerings and associated fees as required for a Customer to contract for a complete solution.
- C.** Vendor shall make every effort to provide value to DIR Customers through well-defined requirements and project scheduling that meet the stated objectives and business goals for managed service customers. Vendors must create Statements of Work (SOW) under this Contract to document customer expectations; requirements; milestones for deliverables and activities; and payment schedules.
- D.** Vendor shall provide a copy of Customers proposed SOW and solution design documents to a designated contact at DIR no less than fifteen (15) days prior to presenting the final managed services solution proposal to the customer. The plan for the TEX-AN NG network connectivity in the solution design must be approved by DIR. The approval shall occur as soon as practicable based on the date of submission.
- E.** Vendor will work with DIR to facilitate the communication and management of the contract provisions outlined in this document for reviews, reporting, purchasing and approvals.
- F.** Vendor shall employ performance-based managed services for highly reliable customer solutions that meet or exceed customer expectations and performance metrics. Performance metrics and SLA's will meet, as a baseline, or exceed industry standards.
- G.** Vendor shall adhere to the DIR Security Policies included in 1 TAC Chapter 202, Information Security Standards and be consistent with the best practices as outlined in the State Enterprise Security Plan. Vendor must convey the established security standards to the customer, as well as any additional vendor provided security services.

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The State Enterprise Security Plan and other guiding security policies are located on the DIR web site.

H. Vendor will execute a direct contract with the customer that accurately reflects the resources required for the total project and contains the resources and prices for services the customer is required to purchase directly from DIR for the successful implementation of the proposed solution (“Supplemental Agreements”). DIR will bill the customer directly for the services purchased from TEX-AN NG. Vendor is responsible for preparing and properly billing the customer for its services according to milestones or other scheduled triggering events.

8. Statement of Work

Services provided under this Contract shall be based on the Sample Statement of Work as set forth in Appendix C of this Contract. Customers may negotiate the terms and conditions of a SOW to suit their business needs, so long as the SOW terms and conditions do not conflict with this Contract.

9. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts.

No exceptions have been agreed to by DIR and Vendor.

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

HUGHES NETWORK SYSTEMS, LLC

Authorized By: _____ /signature on file/

Name: _____ Phil O'Brien _____

Title: _____ Vice President _____

Date: _____ 9/25/2017 | 12:31 PM CDT _____

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

Authorized By: _____ /signature on file/

Name: _____ Wayne Egeler _____

Title: _____ CTS Director _____

Date: _____ 9/26/2017 | 1:14 PM CDT _____

Office of General Counsel: _____ /signature on file/