

# Exhibit **1** : Version 2.7

**Texas Department of Information Resources**

Data Center Services Program

**Technology Solution Services (TSS)**

Statement of Work

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Attachment 4: Exceptions

Attachment 5: Voluntary Product Accessibility Template (VPAT)

Attachment 6: Vendor Accessibility Development Services Information Request (VADSIR)

Attachment 7: Respondent Release of Liability

### **Master Services Agreement (MSA)**

Attachment 1: Form of Nondisclosure

Attachment 2: Insurance and Risk of Loss

Attachment 3: Form of Source Code Escrow (if applicable)

Attachment 4: Form of Parent Guaranty

### **Exhibit 1 Technology Solution Services Statement of Work (Exhibit 1 SOW) (this document)**

#### **Attachments**

Attachment 1.1: Deliverables

Attachment 1.2: Service Level Matrix

Attachment 1.3: Service Level Definitions and Performance Analytics

Attachment 1.4: SMM Content and Organization

Attachment 1.5: Key Personnel

### **Appendices**

Appendix A – Reports

### **Exhibit 2 Technology Solution Services Financial Provisions and Pricing (Exhibit 2 Pricing)**

Attachment 2.1: Pricing and Volumes

Attachment 2.2: Financial Responsibility Matrix

Attachment 2.3: TSS Skill Set Descriptions

Term	Definition
Acceptance or Accepted	The determination, in the Department of Information Resources (DIR) or, if applicable, DCS Customers' reasonable discretion and in accordance with the relevant provisions of Article <a href="#">10 Contract Management</a> , confirmed in writing by DIR or the applicable DCS Customer, that Software, Equipment, Systems, and/or other Deliverables are in Compliance, in accordance with <b>Master Services Agreement (MSA), Section 8.4.3 Developed Materials Compliance</b> and the Services Management Manual (SMM) or other criteria agreed to in writing by the Parties.
Acceptance Criteria	The criteria that Successful Respondent must confirm have been met prior to submitting a Deliverable or Milestone for Acceptance by DIR or a DCS 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 Section <a href="#">10.6 Acceptance Review Period</a> , provided that any provisions of written notice alerting DIR that a Milestone or Deliverable is complete and ready for review that is submitted outside a Business Day shall be considered to be submitted, for the purposes of DIR internal review, on the next Business Day immediately following the day on which such notice was submitted.
ADC	Austin Data Center
ADDF	Application Development Decision Framework – High level information about the ADDF is available at this link: <a href="https://pubext.dir.texas.gov/portal/internal/resources/DocumentLibrary/Texas%20ADDF%20Pamphlet.pdf">https://pubext.dir.texas.gov/portal/internal/resources/DocumentLibrary/Texas%20ADDF%20Pamphlet.pdf</a>
Administration Services	The act of managing planning, directing, and coordinating supportive services for an activity and/or organization.
Affiliate	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 (also Master Services Agreement and MSA and Contract)	The final version of any contractually binding agreement between DIR and the Successful Respondent 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 Section or Article references shall be deemed references to the body of the Agreement.
AIMS	Asset Inventory and Management System.
Allocation of Pool Percentage	The portion of the respective Pool Percentage Available for Allocation that is specified for a Performance Category. The total of all Allocation of Pool Percentages shall not exceed the Pool Percentage Available for Allocation.
API	Application Programming Interface. A set of subroutine definitions, communication protocols, and tools for building software.
APM	Application Portfolio Management. APM is viewed as a shift from the practice of using a single integrated application for the support of business requirements to using a collection of applications, technologies and services to create a system that addresses the unique requirements of an organization and leverages best-of-breed opportunities.

Term	Definition
Appliances	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.
Applications	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 DCS 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 Successful Respondent. Applications include all such programs and programming in use or required to be used as of the Commencement Date. Applications also include all such programs and programming developed and/or introduced by or for DIR, any DCS Customer, or Successful Respondent during the Term. Applications do not include the tools, utilities, or Operating Software or Systems Software used to deliver Applications.
Architecture	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.
Assessment(s) or Assessed	Has the meaning given in Section <a href="#">9.9.11.6 Security Assessments</a> .
Assessment Notice Date	The date that DIR or the Security Assessment Company, as applicable, provides an Assessment report to Successful Respondent.
Asset Inventory and Management System (AIMS)	An automated, database-driven application used to store, query, and maintain asset inventory information for all assets used in association with the Services, whether the assets are located at DIR Facilities or Successful Respondent Facilities. The AIMS provides an inventory of the IT infrastructure managed by the Successful Respondent.
Assistance Event	(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 DCS Customer.
ASU	Angelo State University
At-Risk Amount	For any month during the Term, the percent (%) of the Service Level Invoice Amount, which is the maximum amount that the Successful Respondent will have at risk for Service Level Credits as set forth in <b>Attachment 1.2 Service Level Matrix</b> . Each Service Component will have its own At-Risk Amount tied to the corresponding portion of the Service Level Invoice Amount. See the formula in <b>Attachment 1.1. Deliverables, Section 6.5</b> .
Audit Period	Has the meaning given in <b>MSA Section 4.11.1 Contract Records</b> .
Authorized Users	Unless otherwise indicated, officers, directors, employees, contractors, agents, customers, and vendors of DIR or any DCS Customer and any other person(s) designated by DIR or any DCS Customer to receive or use the Systems or Services provided by Successful Respondent.
Availability or Available	The full functionality of a Service Component is ready and accessible for use by the Authorized Users and is not degraded in any material respect.
Bankruptcy Code	Has the meaning given in <b>MSA Section 13.5.2 DIR Rights in Event of Bankruptcy Rejection</b> .
Bankruptcy Rejection	Has the meaning given in <b>MSA Section 13.5.2 DIR Rights in Event of Bankruptcy Rejection</b> .
BAR	Business Analytics and Reporting
BC	Business Continuity.

Term	Definition
Business Continuity	The overall enterprise plans and specific activities of each DCS Customer and/or Service Component Provider (SCP) 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	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. For SLAs related to outbound mail Services, Business Day means each day from Monday through Friday, excluding US postal holidays, 7:00 a.m. to 5:00 p.m., Local Time. For SLA reporting purposes, the hours listed in <b>Attachment 1.3 Service Level Definitions and Performance Analytics</b> would override the 7:00 a.m. to 5:00 p.m.
Cabling	The physical connection between pieces of equipment that are generally loose, not necessarily permanent and attached to infrastructure (e.g. within racks and cabinets).
Call	A contact (including by telephone, voicemail, electronic mail, fax, automated tool or web request) to Successful Respondent 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 Successful Respondent.
CAP Failure Credit	Has the meaning given in Section <a href="#">6.1.3 Corrective Action Plan</a> .
CCTV	Closed circuit television.
CDC	Consolidated Data Center (inclusive of both ADC and SDC).
Change Control Procedures	Has the meaning given in <b>MSA Section 4.9 Change Control</b> .
Change Management or Change Management Process	The processes relating to planning and performing all changes in DCS 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>Exhibit 2 Financial Provisions and Pricing</b> .
Chargeback System	The system for Chargeback as described in <b>Exhibit 2 Pricing, Section 2.3</b> .
Charges	The Monthly Base Charge, Additional Resource Charges and any other amounts payable by DIR to Successful Respondent pursuant to the express terms of the Agreement.
Chronic Incident	A significant disruption of Service or Service performance to the DCS Customer.
CI	Configuration Items, any component part of Services that is (or is to be) under the control of Configuration Management and therefore subject to formal Change Control.
CJIS	Criminal Justice Information Services
Cloud	Shared pools of configurable computer system resources and higher-level services that can be rapidly provisioned with minimal management effort, often over the Internet. Cloud computing relies on sharing of resources to achieve coherence and economies of scale, similar to a public utility.
CMDB	Configuration Management Database is a database used by an organization to store information about hardware and software assets. This database acts as a data warehouse for the organization and also stores information regarding the relationship between its assets.
CMS	Configuration Management System. A system engineering process for establishing and maintaining consistency of a product's performance, functional, and physical attributes with its requirements, design, and operational information throughout its life.
Commencement Date	September 1, 2020, or the date the Parties agree upon, in writing, as the date on which Successful Respondent begins providing the Services to the first DCS Customer.

Term	Definition
Commercial Off-The-Shelf (COTS)	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	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	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>MSA, Section 6.1.1 Confidential Information</b>
Configuration Management Database (CMDB)	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	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 Successful Respondent to provide Services (including the ADC and SDC).
Contract Changes	Has the meaning given in Section <a href="#">10.1 Contract Changes</a> .
Contract Records	Has the meaning given in <b>MSA, Section 4.11.1. Contract Records</b>
Contract Year	Means each twelve (12) month period commencing each September 1 and ending each August 31 during the Term
Contract	See "Agreement".
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. For purposes of this Agreement, a Change in Control under <b>MSA Section 13.3</b> occurs if the ultimate parent entity no longer Controls (as described above) Successful Respondent.
Core Security Services	Baselined security controls and settings on systems to meet TAC202 requirements, including: anti-virus and malware scanning and removal; logging of all security events; Connectivity to the Security Operations Services SCP's Security Event Information Management (SEIM) system; storage of logs; identity and access management, including integration with the proposed software from the Security Operations Services SCP; background checks; patch, risk, and vulnerability management; intrusion detection and prevention services; certificate management; and physical security of the DCS environments.
Corrective Action Plan or CAP	Has the meaning given in Section <a href="#">6.7.1 Additions</a> .
CPU	Central Processing Unit
CRAC	Computer Room Air Conditioner
Critical Deliverable	Deliverables that have associated Deliverable Credits payable to DIR in the event Successful Respondent fails to successfully and timely complete such Deliverables as identified in the Agreement. For further clarity, successfulness is measured by whether the Deliverables meet the associated Acceptance Criteria.



Term	Definition
Critical Milestone(s)	The event(s) that evidence that progress has been made and that specific action(s) has taken place in the advancement of work. Usually viewed as a significant achievement or attainment of a specific goal or sub-goal.
Critical Service Level	Any Service Level designated as "critical" by DIR, and with respect to which DIR may become entitled to receive Service Level Credits as a result of Successful Respondent's failure to satisfy the associated Service Level standards.
Cross-Functional Services	Those Services performed in connection with performing, and in support of, each of the Services, including those Services described in Article <a href="#">9 Cross-Functional Services</a> .
CSP	Cloud Service Provider
Customer Technical Architect	A role responsible for assisting Customers in request qualification and for conceptual design with ROM pricing, demands and to act as an advocate for technology requests.
Data Quality Management (DQM)	The business processes that ensure the integrity of an organization's data during collection, application (including aggregation), warehousing, and analysis.
DCS	Data Center Services
DCS Customer(s), DCS Customer(s) and Eligible Customer(s)	Collectively, any of the following Entities that are designated by DIR to receive Services under the Agreement, whether directly from any DCS Service Component Provider or from DIR through an Interagency, Interlocal, or other agreement: (a) DIR in its capacity as a recipient of Services; (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; (c) any Texas local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code; (d) any other state or governmental Entity of another state, as authorized by Section 2054.0565, Texas Government Code; (e) any other Entity permitted under Law to purchase Services from or through DIR; and (f) other Entities to which the Parties agree. The Parties acknowledge and agree that the definition of eligible DCS Customers is subject to modification by the State Legislature, and that the then-current definition of DCS Customers shall control for all purposes.
DCS Governance	Has the meaning given in Article <a href="#">8 DCS Governance Model</a> .
DCS Network or Managed DCS Network Services	The DCS Service Component providing Network support and services. It is a DCS Shared Technology Service (STS) that will be provided by an SCP. One (1) of several Service Components comprising the DCS Program.
DCS Prospects	Potential Data Center Services clients.
DCS Security Operations Services (SOS)	The DCS Service Component for Security. It is a DCS STS that will be provided by an SCP. One (1) of several Service Components comprising the DCS Program.
DCS Service Component Provider(s)	Collectively, all Service Component Providers and the MSI.
Deliverable	In accordance with Section <a href="#">10.2 Deliverables</a> , a vendor-provided tangible item or outcome that DIR reviews and approves at a specified date/frequency during the term of the contract, excluding reports that are managed/monitored through other defined processes. Deliverables may have certain attributes that impact the review and acceptance. The term includes Recurring and One-Time Deliverables.
Deliverable Credits	Has the meaning given in Section <a href="#">10.10 Deliverables Credits</a> .
Derivative Work	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.

Term	Definition
Designated DIR Representative	Has the meaning given in <b>MSA, Section 5.1.1 Designated DIR Representative</b> .
Developed Material(s)	Any Materials or any modifications, enhancements, improvements, Upgrades or Derivative Works of such Materials that are developed pursuant to the Agreement and paid for by DIR or any DCS Customer under the Agreement. Developed Materials does not include any underlying Successful Respondent or Third Party Owned Materials.
Development or Development Environment	The Systems environment in which Software and databases are initially designed and created. DCS Customers may have more than one Development Environment.
DevOps	A set of software development practices that combine software development (Dev) and information technology operations (Ops) to shorten the systems development life cycle while delivering features, fixes, and updates frequently in close alignment with business objectives.
DIR	Department of Information Resources
DIR Auditors	Has the meaning given in <b>MSA, Section 4.11.2 Operational Audits</b> .
DIR Business Days	Means weekdays (Monday through Friday) excluding State of Texas and Federal holidays. The term does not include weekends.
DIR Contractor(s)	Has the meaning as the term is used in <b>MSA, Article 4 Services</b> .
DIR Data	<p>Any data or information of or regarding DIR or any DCS Customer that is provided to or obtained by Successful Respondent in connection with the negotiation and execution of the Agreement or the performance of Successful Respondent'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 DCS Customer. DIR Data also means any data or information:</p> <ol style="list-style-type: none"> <li>1. created, generated, collected or processed by Successful Respondent 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;</li> <li>2. that resides in or is accessed through Software, Equipment or Systems provided, operated, supported, or used by Successful Respondent 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 with in connection with DIR's rights related to Benchmarking, Subcontractors, auditing, Reports, or Termination Assistance Services: financial/accounting information (including costs, expenditures, billings collections, revenues and finances) of Successful Respondent, its Affiliates or Subcontractors;</li> <li>3. information created by Successful Respondent 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;</li> <li>4. human resources and personnel information of Successful Respondent, its Affiliates or Subcontractors; and</li> <li>5. information with respect to Third Party Contracts or licenses of Successful Respondent, its Affiliates or Subcontractors and used in the performance of the Services.</li> </ol> <p>Data or information constituting DIR Data shall not constitute Successful Respondent Confidential Information.</p>

Term	Definition
DIR Facilities or DIR Facility	The facilities that are provided by DIR or a DCS Customer for use by Successful Respondent to the extent necessary to provide the Services as well as those DIR, DCS Customer and DIR Contractor locations at or to which Successful Respondent 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>MSA, Section 8.11.4 Notice of Laws</b> .
DIR Owned Materials	Has the meaning given in <b>MSA, Section 7.1 DIR Owned and Licensed Materials</b> .
DIR Personal Data	That portion of DIR Data that is subject to any Privacy Laws and includes, but is not limited to, information which any DCS 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.
DIR Project Manager	The person or the person's designee identified by DIR as the responsible individual from DIR to manage the project.
DIR Rules	Has the meaning given in <b>MSA, Section 4.3 DIR Rules/Employee Safety</b> .
DIR Standards or Standards	Has the meaning given in <b>MSA, Section 4.9 Change Control</b> .
DIR-Initiated Financial Dispute	Has the meaning given in <b>Exhibit 2 Financial Provisions and Pricing, Section 2.2.4.3</b> .
Disaster	(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	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)	The plan to execute Disaster Recovery Services.
Downtime	The time that a particular System, Application, Software, Equipment, Network or any other part of the Services is not Available during the Measurement Window.
DR	Disaster Recovery
DRP	Disaster Recovery Plan
Earnback	The methodology used to determine the potential return of a Service Level Credit as described in Section <a href="#">6.6 Earnback</a> .
Effective Date	Has the meaning given in the "Authority to Execute" Section of the Agreement (immediately after <b>MSA, Section 14.26</b> ), which is understood to be the day the final party signs the Agreement.
Electronic PHI or ePHI	Has the meaning given in <b>MSA, Section 6.3 DIR Personal Data</b> .
Eligible Customer(s)	See DCS Customers.
Entity or Entities	A governmental body, agency, unit or division (including those categories described in the definition of DCS Customer), corporation, partnership, joint venture, trust, limited liability company, limited liability partnership, association, or other organization or entity.

Term	Definition
Equipment	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 provided by Successful Respondent. Equipment includes all such computer, telecommunications, and facility-related hardware, equipment, and peripherals in use or required to be used as of the Commencement Date, including those set forth in the Agreement; those as to which the lease, maintenance, or support costs are included in the Financial Base Case; and those as to which Successful Respondent received reasonable notice and/or access prior to the Commencement Date. Equipment also includes all such computer, telecommunications, and facility-related hardware, equipment, and peripherals purchased or leased by or for DIR, any DCS Customer, or Successful Respondent during the Term.
Equipment Leases	All leasing arrangements whereby DIR, DCS Customers, or any DIR Contractor leases Equipment as of the Commencement Date which shall be used by Successful Respondent to perform the Services after the Commencement Date. Equipment Leases include those leases identified in <b>Attachment 2.2 Financial Responsibility Matrix</b> , those as to which the costs are included in the Financial Base Case, and those as to which Successful Respondent received reasonable notice and/or reasonable access prior to the Commencement Date. Equipment Leases also include all such leasing arrangements entered into by or for DIR, DCS Customers, any DIR Contractor, or Service Component Provider (SCP) during the Term.
Escrow Agreement	Has the meaning given in <b>MSA, Attachment 3 Form of Source Code Escrow</b> .
Event of Loss	Has the meaning given in <b>MSA, Attachment 2 Insurance and Risk of Loss</b> .
Expected Service Level	Means the desired level of performance for a Critical Service Level or Key Measurement, as set forth in <b>Attachment 1.3 Service Level Definitions and Performance Analytics</b> .
Expiration Date	Means the ending date of the Term as used in <b>MSA, Section 3.2 Extension</b> .
Extraordinary Event	A circumstance in which an event or discrete set of events has occurred or is planned with respect to the operations of DIR or the DCS Customers that results or shall result in a change in the scope, nature or volume of the Services that DIR or the DCS Customers shall require from Successful Respondent. Examples of the kinds of events that might cause such substantial increases or decreases include the following: (1) changes in locations where the DCS Customers operate; (2) changes in constituencies served by, or activities or operations of, the DCS Customers; (3) privatizations, dispositions, or reorganizations of the DCS Customers; (4) changes in the method of service delivery; (5) changes in the applicable regulatory environment or applicable Laws; and, (6) changes in DIR's or a DCS Customer's policy, technology or processes.
FAQ(s)	Frequently Asked Question(s). A frequently asked question or list of such questions.
Federal Tax Information (FTI)	Any Federal tax information, including without limitation, and tax return-derived information received from the IRS.
FERPA	Family Educational Rights and Privacy Act.
FRA	Fast Recovery Area.
FTE	Full Time Equivalent.
FTI	Federal Tax Information.
Full Time Equivalent (FTE)	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 (1) person working full time for one (1) year. Unless otherwise agreed, one (1) FTE is assumed to be 1,920 productive hours per year. Without DIR's prior written approval, one (1) dedicated individual's total work effort cannot amount to more than one (1) FTE.

Term	Definition
Fully Managed Services	Fully Managed Services mean that DIR and its vendor partners work together to provide all the hardware, software, tools, and staff to fully support IT infrastructure.
Governance Model	Has the meaning given in Article <a href="#">8 DCS Governance Model</a> .
Hardware Service Charge (HSC)	Has the meaning given in <b>Exhibit 2 Pricing, Section 2.3</b> .
HCI	Hyper Converged Infrastructure. A software-defined IT infrastructure that virtualizes all of the elements of conventional "hardware-defined" systems.
Help Desk	The facilities, associated technologies, and fully trained DCS Customer staff who respond to calls, coordinate all problem and request management activities, and act as a single point of contact for end users.
HIPAA	Health Insurance Portability and Accountability Act
Historically Underutilized Business(es)	The meaning given to such term by the Texas Comptroller of Public Accounts.
HSC	See Hardware Services Charge.
HUB	Historically Underutilized Business
I/P/C	Incident, Problem, and Change
IaaS	Infrastructure as a Service
IIRIRA	Has the meaning given in <b>MSA, Section 8.7 Certifications</b> .
Incident	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 DCS Customer productivity.
Income Tax	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.
Incumbent Personnel	Employees of the Incumbent SCP(s) or their subcontractors providing Services to DIR pursuant to the terms of an MSA by and between DIR and the Incumbent SCP(s).
Incumbent Service Component Provider(s)	The vendor or their subcontractors providing Services to DIR pursuant to the terms of the MSA by and between DIR and the vendor. Generally speaking, the Incumbent Service Component Provider for DCS is Atos.
Information Technology Infrastructure Library (ITIL)	A world-wide recognized best-practice framework for the management and delivery of IT services throughout their full lifecycle. 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	The entire portfolio of Equipment, System Software, and Network components required for the integrated provision and operation of DIR and DCS Customer's IT Systems and Applications.
In-Scope	Those Services or resources that are the subject of Successful Respondent's obligations under the Agreement.
IRS	Internal Revenue Service. A division of the U.S. Treasury Department responsible for collecting taxes.
ITIL	See Information Technology Infrastructure Library
ITSCM	IT Service Continuity Management. Aims to manage risks that could impact IT services.
ITSM	Information Technology Service Management. Describes a strategic approach to design, deliver, manage, and improve the use of IT.
Key Personnel	Has the meaning given in Article <a href="#">7 Successful Respondent Personnel Requirements</a> .

Term	Definition
KSL	Key Service Level
Laws	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 Modernization Guide	The guide created by DIR to provide guidelines, principles, best practices and references for developing a plan to modernize a legacy environment. At the time of the Effective Date, the guide is located at this location: <a href="https://pubext.dir.texas.gov/portal/internal/resources/DocumentLibrary/Legacy%20Modernization%20Guide.pdf">https://pubext.dir.texas.gov/portal/internal/resources/DocumentLibrary/Legacy%20Modernization%20Guide.pdf</a>
Level 1 Support	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	Support that serves as a consolidation point for inquiries and problems. For example, Level 2 Support might exist in a computer operation 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 personnel or a Third Party for resolution.
Local Time	Central Standard Time or daylight savings time, as is then prevailing, in Austin, Texas.
Logical Security	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.
Losses	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.
Mainframe Service Component Provider	The DCS SCP who has entered into a contract with DIR for the Mainframe Statement of Work. One (1) of eight (8) Service Components comprising the DCS Program within STS.
Major Enhancement	New application development or enhancement initiative that requires more than eighty (80) hours of effort {or defined in terms of story points} and will be approved through the Request for Solution (RFS) process. Application development includes the services described in Section <a href="#">5.2 Application Development Services</a> herein. Major Enhancements typically result in change to functionality (add, change, remove) and include, but are not limited to, refresh and upgrades, modifications to reports, and enhancement release management. Major Enhancement activities exclude the services described in Section <a href="#">5.4 Application Operations and Maintenance</a> herein.
Major Incident	The highest category of impact for an Incident. A Major Incident results in significant disruption to business operations.
Malicious Code	(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.



Term	Definition
Management Tools	All items used by Successful Respondent to deliver and manage the Services, including but not limited to software products and tools, code, scripts, bots, automation, and any and all methods, processes, inventions, machines, compositions, know-how, and show-how related thereto (and all modifications, replacements, Upgrades, improvements, enhancements, documentation, materials and media related thereto). Management Tools shall include all such products and tools in use or required to be used as of the Commencement Date, including those set forth in <b>Attachment 1.3 Service Level Definitions and Performance Analytics</b> , those as to which the license, maintenance, or support costs are included in the Financial Base Case, and those as to which Successful Respondent 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 DCS Customer or Successful Respondent during the Term.
Marketplace	A type of e-commerce site where product or service information is provided by multiple third parties, whereas transactions are processed by the marketplace operator.
Materials	All tangible and intangible items and property, including but not limited to code; tools; scripts; bots; automation; formulae; algorithms; processes; process improvements; procedures; designs; concepts; inventions; machines; articles of manufacture; compositions; improvements; methodologies; trade secrets; technology; Software (in both object and source code form); configurations; databases; specifications; any all methods, process, inventions, machines, compositions, know-how, and show-how related thereto; and all records thereof, including documentation, design documents and analyses, interface documentation, studies, tools, plans, models, flow charts, reports and drawings.
MDS	Master Data Services. A Master Data Management product from Microsoft that ships as a part of the Microsoft SQL Server relational database management system. Master Data Services is the SQL Server solution for master data management.
MDSS or SDS or MSDS	Material Data Safety Sheet, or a Safety Data Sheet, or a Material Safety Data Sheet. A document that lists information relating to occupational safety and health for the use of various substances and products.
Measurement Window	The time during, or frequency by, which a Service Level shall be measured. The Measurement Window will exclude approved scheduled maintenance.
Middleware	Software that facilitates interactions and integration between and among two (2) or more separate Software programs, Systems, or platforms.
MIM	Major Incident Management. The management of a Major Incident which demands a response beyond the routine incident management process.
Minimum Service Level	The minimum level of performance set forth in <b>Exhibit 1 SOW, Attachment 1.2 Service Level Matrix</b> with respect to each Service Level.
Minor Enhancement	New application development or enhancement initiative that requires eighty (80) hours or less of effort {or defined in terms of story points}.
Monthly Charges	The total Charges invoiced by Successful Respondent in any calendar month for Services (excluding Pass-Through Expenses, Out-of-Pocket Expenses and Service Taxes). See <b>Exhibit 2 Financial Provisions and Pricing, Section 3.2</b> .
Monthly Invoice	Has the meaning given in <b>Exhibit 2 Financial Provisions and Pricing, Section 2.2.1.1</b> .
Monthly Productive Hours Worked	With respect to any month and any Successful Respondent Personnel, the number of productive hours worked by such Successful Respondent 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).

Term	Definition
Multi-sourcing Services Integrator (MSI)	The Service Component Provider who has entered into a contract with DIR for Multi-sourcing Services Integrator services.
MSI Portal	A type of content management web site, password protected to allow secured access to and input of content as required in the Agreement.
Multi-Supplier Environment	Has the meaning given in Section <a href="#">9.2 Multi-sourcing Services Integration and Cooperation</a>
N/N-1	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 (1) release prior to the above-described designated or approved Software version.
NAS	Network Attached Storage.
Network Topology	The arrangement in which the nodes or interfaces to the Network are connected.
New Services	Services requested by DIR, DCS Customers, or required by applicable Laws (without limiting the obligation of the Parties under <b>MSA Section 8.11 Compliance with Laws</b> ) (i) that are materially different from the Services, (ii) that require materially different levels of effort or resources from Successful Respondent to provide the Services, and (iii) which are not required for Successful Respondent 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.
NIST	National Institute of Standards and Technology.
Noncompliance	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 SMM or other criteria agreed by the Parties, to the extent applicable).
Non-consolidated Compute	Includes service locations outside of the DIR CDCs as well as remote sites where break-fix services will also be performed.
Notice of Election	Has the meaning given in <b>MSA Section 10.3.1 Notice</b> .
OEM	Original Equipment Manufacturer
One-Time Charges	Any Charges that are specified by the Successful Respondent and which are non-recurring and are typically associated with start-up and implementation costs.
One-Time Deliverables	Those Deliverables that are non-recurring that have associated Deliverable Credits payable to DIR in the event Successful Respondent fails to successfully and timely complete such Deliverables.
Operating Level Agreements (OLA)	Has the meaning given in <b>MSA Section 4.1 Overview</b> .
OS	Operating System
Outage	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.
Out-of-Pocket Expenses	Reasonable, demonstrable and actual expenses due and payable to a Third Party by Successful Respondent that are approved in advance by DIR and for which Successful Respondent is entitled to be reimbursed by DIR under the Agreement. Out-of-Pocket Expenses shall not include Successful Respondent's overhead costs (or allocations thereof), general and/or administrative expenses or other markups. Out-of-Pocket Expenses shall be calculated at Successful Respondent's actual incremental expense and shall be net of all rebates and allowances.
Party(ies)	Has the meaning given in the recitals to the Agreement.
Pass-Through Expense(s)	The Successful Respondent expenses identified in <b>Exhibit 2 Pricing, Section 3.7</b> which DIR has agreed to pay directly or reimburse to Successful Respondent on an Out-of-Pocket Expenses basis.



Term	Definition
Payment Deliverables	Those Deliverables that have associated payments due to the Successful Respondent after DIR approval of such Deliverables. Payment will be provided in accordance with the Agreement.
PCI DSS	Payment Card Industry Data Security Standard has the meaning given in <b>MSA, Section 6.5.4 Cardholder Data</b> .
PDU	Power Distribution Unit.
Penetration Tests	A type of Assessment that tests the vulnerability of Systems to unauthorized external interventions or improper uses.
Performance Category	A grouping of Critical Service Levels or Key Measurements. Critical Deliverables do not constitute a Performance Category.
PII	Personally Identifiable Information. Any data that could potentially identify a specific individual.
Plan	Has the meaning given in <b>MSA, Section 6.3. DIR Personal Data</b>
Portal	The online Internet site providing access and links to Services and other applications.
PPM	Project and Program Management.
Print-Mail Component Provider	The DCS SCP who has entered into a contract with DIR for the Print-Mail Statement of Work.
Privacy Laws	Laws relating to data privacy or data protection.
Privileged Access	Any accounts that have escalated or administrative privileges. The ability to make back end, network, or OS configuration changes. Example account types: Root, DBA, Administrator.
Problem	An underlying cause of one (1) 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	The process of tracking and managing all problems arising in DIR and DCS Customer's IT environment, and resolving those problems arising from or related to the Services.
Production or Production Environment	The system environment in which an organization's data processing is accomplished. This environment contains DCS Customers' business data and has the highest level of security and availability of all environments (includes training and other Production-like environments).
Project Manager (Successful Respondent's)	The person or the person's designee identified by the Successful Respondent as the responsible individual from the Successful Respondent's organization to manage the project.
Project(s)	Means discrete units of work approved by DIR, undertaken to create a unique product or result.
Proposal	Has the meaning given in the preamble to the Agreement.
Protected Health Information (PHI)	Has the meaning given in <b>MSA Section 6.3 DIR Personal Data</b> .
Public Cloud	Computing services offered by third-party providers where scalable and elastic capabilities are provided as a service to customers using Internet technologies.
Public Information Act	Has the meaning given in <b>MSA Section 6.1.2 Disclosure of Confidential Information</b> .
QAT	Quality Assurance Team has the meaning set forth in <a href="#">Section 9.9.16 Project Management</a> .
Quality Assurance (QA)	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.
RAS	Remote Access Server
Recovery Point Objective (RPO)	Recovery Point Objectives, as designated in <a href="#">Section 9.9.13 IT Service Continuity Management Requirements</a> , expressed as the acceptable amount of data loss measured in time prior to an event that has been declared as a disaster.

Term	Definition
Recovery Time Objective (RTO)	Recovery Time Objectives, as designated in Section <a href="#">9.9.13 IT Service Continuity Management Requirements</a> , expressed as the duration of time within which an Application, including all technology components included in the DCS Customer DR Plan must be recovered, restored and operational starting from the time of declaration of a disaster.
Recurring Deliverables	Those Deliverables to be provided on a scheduled and recurring basis that have associated Deliverable Credits payable to DIR in the event Successful Respondent fails to successfully and timely complete such Deliverables.
Refresh	The upgrading and/or replacing of Equipment and Software during the Term.
Reports	Has the meaning given in Section <a href="#">6.4.1 Reports</a> .
Request Management	The process of tracking and managing all requests from Authorized Users arising in DIR's and DCS Customers' IT environment, and resolving those requests arising from or related to the Services.
Required Consent(s)	<p>The consents (if any) required to be obtained:</p> <ol style="list-style-type: none"> <li>1. to assign or transfer to Successful Respondent DIR licensed Third Party Materials, Third Party Contracts, Equipment Leases or Acquired Assets (including related warranties).</li> <li>2. to grant Successful Respondent 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.</li> <li>3. to grant DIR, the DCS Customers and/or their designee(s) the right to use and/or access the Successful Respondent Owned Materials, Third Party Materials and Equipment acquired, operated, supported, used, or required to be used by Successful Respondent in connection with providing the Services.</li> <li>4. to assign or transfer to DIR, the DCS Customers and/or their designee(s) any Developed Materials to the extent provided in the Agreement.</li> <li>5. to assign or transfer to DIR, the DCS Customers and/or their designee(s) Successful Respondent Owned Materials, Third Party Materials, Third Party Contracts, Equipment leases or other rights following the Term to the extent provided in the Agreement.</li> <li>6. all other consents required from third parties in connection with Successful Respondent's provision of, and DIR's and the DCS Customers' receipt and use of, the Services and Successful Respondent's performance of its obligations hereunder.</li> </ol>
Resolution Time	The amount of time between the Start Time for an Incident and the time such Incident is Resolved.
Resolve or Resolution	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.
Resource Unit (RU)	A measurable device, unit of consumption, or other unit or resource utilization associated with the Services, as described in <b>Exhibit 2 Financial Provisions and Pricing</b> , that is used for purposes of calculating Charges.
Resource Unit Category	A category of Resource Units which are measured and with respect to which charging rates or other charging mechanisms apply.
Respondent	A firm, company, entity or individual that responds to the solicitation. Unless the Contract clearly indicates otherwise, all terms and conditions of the Contract that refer to Respondent apply with equal force to Successful Respondent.

Term	Definition
Response	Has the meaning given in the recitals of the Agreement.
Response Time	The elapsed time between the time one (1) event occurs such as when a call is placed or received and the time Successful Respondent responds to the event.
Retained Expense(s)	The expense types or amounts retained by DCS Customers as set out in <b>Exhibit 2 Financial Provisions and Pricing, Section 2.1.1.6.</b>
Retained Systems and Processes	Those systems and processes of DIR or a DCS Customer for which Successful Respondent has not assumed responsibility under the Agreement (including those provided, managed, operated, supported and/or used on their behalf by DIR Contractors). Retained Systems and Processes include equipment and software associated with such systems and processes.
RFO	Request for Offer
RMAN	Recovery Manager
ROM	Rough Order of Magnitude
Root Cause Analysis (RCA)	The formal process, specified in the SMM, to be used by Successful Respondent to diagnose the underlying cause of problems at the lowest reasonable level so that effective corrective action can be taken.
RPO	See Recovery Point Objective.
RTO	See Recovery Time Objective.
SAN	Storage Area Network
SCP	Service Component Provider
SDC	San Angelo Data Center
Security	Means of safeguarding and controlling access to information, software, and data by utilizing policies, procedures and actions, including operating software parameters and applications-level security controls. Security includes logical separation of processors and disk and segregation of reusable storage media.
Security Assessment Company	Has the meaning given in Section <a href="#">9.9.11.6 Security Assessments</a> .
Security Plan	Has the meaning given in Section <a href="#">9.9.11 Information Security Management Requirements</a> .
Security Program	Has the meaning given in Section <a href="#">9.9.11.6 Security Assessments</a> .
Security Software	Has the meaning given in <b>Exhibit 2 Pricing, Attachment 2.2 Financial Responsibility Matrix, Network Tab</b> .
Server	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, keyboard, pointing device, tape drives, and external disk arrays) and is identified by a unique manufacturer's serial number.
Service and Services	Has the meaning given in <b>MSA, Article 4 Services</b> .
Service Component	A single area which is represented with a Statement of Work (SOW) (i.e., Texas Private Cloud, Managed DCS Network, Security Operations Services, etc.).
Service Component Providers (SCPs)	Means, collectively, all Service Component Providers, excluding the MSI, who have entered into an agreement with DIR to provide the services required by one (1) or more Service Component Statement(s) of Work.

Service Delivery Failure	<p>Has the meaning given in Section <a href="#">6.8 Service Delivery Failure</a>: Corrective Action Plan</p> <p>(a) If three (3) Service Level Defaults for the same Critical Service Level occur in any six (6) month period, then upon such third occurrence, this shall be deemed a "Service Delivery Failure." Within thirty (30) calendar days of a Service Delivery Failure, the Successful Respondent will provide DIR with a written plan (the "Service Delivery Corrective Action Plan (CAP)") for improving the Successful Respondent's performance to address the Service Delivery Failure, which shall include a specific implementation timetable and measurable success criteria. Within thirty (30) calendar days of plan submission, or such other timeframe agreed to by DIR, the Successful Respondent will implement the Service Delivery Corrective Action Plan (CAP), which will include making timely and appropriate investments in people, processes and technology. In addition, the Successful Respondent will demonstrate to DIR's reasonable satisfaction that the changes implemented by it have been made in normal operational processes to sustain compliant performance results in the future.</p> <p>(b) The Successful Respondent will be liable for a Service Level Credit in an amount equal to one percent (1 %) of the then-current Service Level Invoice Amount (the "CAP Failure Credit") upon the occurrence of:</p> <ul style="list-style-type: none"> <li>(i) a Service Delivery Failure, or</li> <li>(ii) if the Successful Respondent fails to implement the Service Delivery Corrective Action Plan in the specified timetable, or</li> <li>(iii) if after the implementation of the Service Delivery Corrective Action Plan performance has not consistently improved,</li> </ul> <p>(c) The CAP Failure Credit will be applied to the monthly invoice until the Successful Respondent has demonstrated effective Service delivery, as evidenced by either:</p> <ul style="list-style-type: none"> <li>(i) no reoccurrence of the Service Level Defaults which triggered the applicable Service Delivery Failure for a rolling three (3) months, or</li> <li>(ii) in DIR's judgment, the Successful Respondent has remedied the failure which caused such Service Delivery Failure.</li> </ul> <p>(d) The CAP Failure Credit will not be subject to Earnback. The Successful Respondent acknowledges and agrees that the CAP Failure Credit shall not be deemed or construed to be liquidated damages or a sole and exclusive remedy or in derogation of any other rights and remedies DIR has hereunder or under the Agreement. For purposes of clarity, the CAP Failure Credit is separate from and therefore additive to any other Service Level Credits due in a given month, even if the Service Level Credits are for Service Level Defaults related to the Service Delivery Failure. In no event shall the sum of the CAP Failure Credit and any Service Level Credits credited to DIR with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount.</p>
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Term	Definition
	Service Level Improvement Plans.
Service Desk	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 SCPs in regard to the Services.
Service Level Credit Allocation Percentage	The percentage of the Allocation of Pool Percentage allocated to a Critical Service Level within a Performance Category.
Service Level Credit Start Date	The period beginning ninety (90) days after the Commencement Date wherein Successful Respondent will be liable for Service Level Credit(s) or CAP Failure Credit(s).
Service Level Credits	The monetary amounts that the Successful Respondent shall be obligated to pay to DIR (or apply against Monthly Charges) in the event of Service Level Defaults.
Service Level Default	Occurs when a Minimum Service Level has not been met.
Service Level Invoice Amount	Charges due and owing for the preceding month, including the Monthly Base Charge and any additional Charges, including, to the extent applicable, any other amounts payable by DIR to Successful Respondent pursuant to the express terms of the Agreement (excluding payments for Transition Milestones Transformation Milestones, and HSC/SSC Charges).
Service Level(s)	Individually and collectively, the quantitative performance standards for the Services set forth in <b>Attachment 1.2 Service Level Matrix</b> and in <b>Attachment 1.3 Service Level Definitions</b> of the Agreement.
Service Management Manual (SMM)	The management procedures manual for the Services as described in <b>Exhibit 1 SOW, Attachment 1.4 SMM Content and Organization</b> .
Service Request (or Request for Service)	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	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 DCS Customers from SCPs, excluding Income Taxes.
Severity Level	The categorization of a problem associated with the Services based on the potential impact of the problem to DIR and any DCS Customer, as further defined in <b>Exhibit 1 SOW, Attachment 1.3 Service Level Definitions and Performance Analytics, Section 1.1</b> .
SLAs	Service Level Agreements
SMM	Service Management Manual
Software	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 Service Charge (SSC)	Has the meaning given in <b>Exhibit 2 Financial Provisions and Pricing, Section 2.3</b> .
Solution Request or Request for Solution	A Service Request that requires development of a proposal for DCS Customer approval to fulfill the request.
SOW	Statement of Work
Specialized Services	Has the meaning given in <b>MSA Section 4.10 Access to Specialized Successful Respondent Skills and Resources</b> .

Term	Definition
Specifications	Means, with respect to processes, Software, Equipment, Systems or other contract deliverables to be designed, developed, delivered, integrated, installed, and/or tested by Successful Respondent, 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.
SQL	Structure Query Language
SRT	Schedules, Retentions, and Targets document
SSA	Social Security Administration
SSC	Software Service Charge.
SSMS	SQL Server Management Studio
Staffing Plan	Has the meaning given in Section <a href="#">7.4.1 Staffing Matrix/Model</a> .
Standard of Due Care	Then-current accepted industry best practices for network and data security that are employed by members of the Peer Group.
Start Time	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 (1) ticket is created for the same root cause, the Start Time shall be based on the earliest of the ticket creation times.
State Data Center(s)	The State data center in San Angelo, Texas, or Austin, Texas.
State Legislature	The governmental legislative body of the State.
State or State of Texas	The State of Texas, unless expressly stated otherwise.
Statement(s) of Work (SOW)	Means this document, <b>Exhibit 1 SOW</b> , and its attachments and appendices.
Strategic Plans	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.
Subcontract	An agreement between the Successful Respondent and their Subcontractor(s).
Subcontractor(s)	Subcontractors (of any tier) of Successful Respondent, including Affiliates of Successful Respondent performing Services under the Agreement pursuant to <b>MSA, Section 4.12 Subcontractors</b> .
Successful Respondent	The Party to this Agreement.
Successful Respondent Personnel	Those employees, representatives, contractors, subcontractors, and agents of Successful Respondent and its Subcontractors.
System(s)	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 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 DCS Customers or Successful Respondent during the Term.



Term	Definition
Technology Evolution	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 Successful Respondent to perform the Services more efficiently and effectively as well as enable DIR and the DCS Customers to meet and support their operational requirements and strategies.
Technology Plan	Has the meaning given in Section <a href="#">3.1.1 Technology Planning</a> .
Technology Solution Services	The Services detailed in this Agreement.
Term	The Initial Term and the Renewal Terms, if any, including any period during which Termination Assistance Services are provided by Successful Respondent under the Agreement.
Termination Assistance Services	(i) The Services (including the terminated, insourced, resourced or expired Services, the Services described in <b>MSA Section 7.6</b> and throughout Article <a href="#">11 Contract Conclusion Requirements</a> and, in each case, any replacements thereof or supplements thereto), to the extent DIR requests such Services during a Termination Assistance Services period; (ii) Successful Respondent's cooperation with DIR, DCS Customers and their designee(s) in the orderly transfer of the Services (or replacement or supplemental services) to DIR, the DCS 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 DCS Customers and/or their designee(s).
Termination Charge	The termination charges payable by DIR as set forth in <b>MSA Section 13.10.2 Termination Charges</b> . 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.
Texas Data Centers Services (or Data Center Services, DCS)	A program administered by DIR providing Compute and Print/Mail services to eligible DCS Customers.
Third Party Contract(s)	All agreements between Third Parties and DIR, any DCS Customer, or Successful Respondent that have been or shall be used to provide the Services.
Third Party Materials	Materials that are owned by Third Parties and provided under license or lease to Successful Respondent, DIR or any DCS 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 Successful Respondent) and used in the performance of the Services.
Third Party Vendor(s)	<b>see Third Party(ies).</b>
Third Party(ies)	A legal entity, company, or person(s) that is not a Party to the Agreement and is not an Affiliate of a Party. <b>A Third Party includes vendors that provide 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 Parties do not include Subcontractors.</b>
Time-critical (regarding Deliverables)	Deliverables with an expedited review period of five (5) Business Days, designated with a "T". This is further detailed in Sections <a href="#">10.2 Deliverables</a> , <a href="#">10.6 Acceptance Review Period</a> , and <a href="#">10.7 Noncompliance</a> .
TQM	Total Quality Management

Term	Definition
TR&R	Technology Refresh and Replenishment
Transformation Services	The consolidation activities, functions and deliverables, and the implementation of the technology and other process changes, described in the transformation plan.
Transition	Includes all transition activities and deliverables to be completed and provided by Successful Respondent in connection with the migration to Successful Respondent's Services, and the dates by which each is to be completed by Successful Respondent as further defined in Section <a href="#">2 Solution Services</a> .
Transition and Transformation Charges	Has the meaning given in <b>Exhibit 2 Pricing, Attachment 2.1 Pricing and Volumes</b> .
Transition Milestones	Has the meaning given in <b>Exhibit 2 Pricing, Section 3.5.2</b> .
Transition Plan (also Transition Project Plan)	The plan set forth in Section <a href="#">2.5 Transition Project Plan</a> and developed and updated pursuant to Section <a href="#">2.5.2 Transition Project Plan Critical Deliverable</a> , which identifies all material transition activities and deliverables to be completed and provided by Successful Respondent in connection with the migration to Successful Respondent of the Services, and the dates by which each is to be completed by Successful Respondent.
Transition Services	The transition activities, functions and deliverables described in the Transition Plan and such other tasks as are necessary to enable Successful Respondent to provide the Services.
Transport	A commercial service providing the carriage or transmission of voice, video, or data electronic impulses over a distance.
TRG	Technical Recovery Guide.
TSG	Technology Solutions Group.
TSLAC	Texas State Library and Archives Commission.
TSM	Tivoli Service Manager.
TSS	Technology Solution Services.
Type R Service Levels	Type R Service Levels are related measures shared between the MSI and the SCP(s) as defined in Section <a href="#">6.3 Shared and Related Service Levels and Types</a> .
Type U Service Levels	Type U Service Levels are intended to measure Services that are specific to one (1) DCS SCP's performance, and therefore are not shared between DCS SCPs as defined in Section <a href="#">6.3 Shared and Related Service Levels and Types</a> .
Unanticipated Change	A material change in the technologies and/or processes available to provide all or any portion of the Services which is outside the normal evolution of technology experienced by the Services, that was not generally available as of the Effective Date and that would materially reduce Successful Respondent's cost of providing the Services.
Upgrade(s)	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.
UPS	Uninterruptable Power Supply
Use	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; provided however that with respect to Third Party Materials that are Software, unless otherwise permitted under the applicable license agreement, the term "Use" shall not include the right to modify or create Derivative Works.
VESDA	Very Early Smoke Detection Apparatus



Term	Definition
Virtual Data Center (VDC)	Means a logical environment representing a dedicated networking and security configuration for a specific DCS Customer.
VLANs	Virtual Local Area Networks
VM	Virtual Machine
VMDK	Virtual Machine Disk
VOC	Volatile Organic Compound
VOIP	Voice Over IP
VPN	Virtual Private Network
WBS	Work Breakdown Structure
Wide Area Network (WAN)	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, 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	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	(i) All reports and manuals, including Transition Plans, Transformation 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 literary works and other works of authorship created under the Agreement that express, embody or execute or perform a function, method or process created by Successful Respondent for delivery to DIR that is specific to the business of DIR or DCS Customers. Work Product includes customized reports, manuals and forms, but not the original unmodified versions used by Successful Respondent as a starting point for creating the customized version.

Definitions in this table are applicable to all Exhibits and Attachments making up the Technology Solution Services Request for Offer (RFO) and subsequent Contract. Pricing-specific definitions are found in **Exhibit 2 Pricing** documents.

## 1. Business Background and Objectives

### 1.1. Background and Introduction

- (a) The Department of Information Resources (DIR) has established the owner-operator governance model for DIR's current Shared Technology Services (STS) programs, which currently include:
  - (i) Data Center Services (DCS);
  - (ii) Managed Application Services (MAS);
  - (iii) Open Data Portal;
  - (iv) Managed Security Services (MSS); and
  - (v) Texas.gov.
- (b) The DCS and MAS programs will be restructured to include the following service programs:
  - (i) Texas Private Cloud (TPC);
  - (ii) Public Cloud Manager (PCM);
  - (iii) DCS Security Operations Services;
  - (iv) DCS Network Services;
  - (v) Mainframe;
  - (vi) Print, Mail, and Digitization; and
  - (vii) Technology Solution Services (TSS).
- (c) These components will collectively make up the Next Generation DCS program.

### 1.2. Multi-sourcing Services Integrator (MSI)

- (a) DIR leverages an MSI whose role is to integrate and manage the services of the Service Component Providers (SCPs) for the DCS program, as well as other DIR STS offerings. At a high level, functions provided by the MSI include, but, are not limited to:
  - (i) Service Level Management;
  - (ii) Service Desk Support;
  - (iii) Program Management;
  - (iv) Performance Management
  - (v) Disaster Recovery Testing and Planning;
  - (vi) Financial Management; and
  - (vii) Data Quality and Operational Intelligence.
- (b) The Successful Respondent will actively work with the MSI to provide Services to DIR and its Customers through the Contract term. Cross-functional and integration requirements applicable to the Successful Respondent's delivery of Services are outlined in [Section 9 Cross Functional Services](#).

### 1.3. TSS Scope and Eligible Customers

#### 1.3.1. Application Development, Maintenance and Staff Augmentation

Today, there are two (2) different SCPs providing MAS program services. MAS services include: Application Development, Maintenance, and Staff Augmentation Services (Rate Card Services). These are optional services available only to DCS Customers or potential Customers building a new application in the data center. TSS will assume these services upon Contract Commencement.

### 1.3.2. Solution Services

Solution services are currently delivered through a combination of MSI, various SCPs, as well as DCS Customer resources. Service outputs and deliverables may vary across SCPs, as will tooling and standards used in development of deliverables. The expanded capability of Solution Services (outlined in Section [3 Solution Services](#)) will provide newly enhanced services to the DCS Program. The Successful Respondent will be responsible for working with DIR and MSI in establishing future state Services, leveraging MSI provided tooling and processes within STS and establishing communication and awareness building capabilities for current and potential Customers. Generally, the TSS organization does not have day to day Operational Responsibilities in Service Delivery. However, as on an as needed basis may be requested by DIR to engage in escalated events.

### 1.3.3. Business Analytics and Reporting

- (a) DIR has determined that there is sufficient need to provide a new enterprise Business Analytics and Reporting (BAR) platform, via DCS, for the use of DCS Customers and Eligible Customers. **This service does not currently exist in the program and no incumbents are providing the BAR Services contained in this RFO.**
- (b) The State maintains more than 4,000 business applications which span and address the needs of health and human services, business and industry, administration and finance, public safety and criminal justice, infrastructure, and the environment. These business applications enable State Agencies to deliver services to the citizens and businesses of the State and serve as vital links between the public and the State. They allow the public to seek help and assistance, start and grow businesses, obtain services, and work and live in Texas. The use of State data assets to increase the well-being of Texans, their health, their property, security, livelihood and prosperity is essential.
- (c) The challenge to the State is how best to organize this data into information, identify meaningful social applications and develop policies and programs to focus the State on what is most important to our citizens. In realizing this challenge, there are several opportunities that present themselves that will require coordination, consideration, and resolve to design and orchestrate a program that delivers results for our citizens. Better use of Texas' vast data, analytical resources, and talent pool in our university systems and across the country must be applied to pressing problems and opportunities to enhance the way the State of Texas serves the public.
- (d) In consideration of these State systems and the data they maintain, there is an opportunity in performing sharing, unification, and analysis of the underlying data sets by placing them under the lens of advanced analytical tools, data scientists, State program experts, and policymakers.

### 1.3.4. Eligible Customers

All DCS Customers are eligible to purchase DCS Services, however, TSS Services may only be provided for applications on DCS program infrastructure (either Texas Private Cloud or Public Cloud Manager). For further clarity, Solution Services may only be provided for applications that have or will have (as a result of the solution) infrastructure hosted in the DCS program. Modernization consulting may only be provided for Customers with applications on DCS program infrastructure or for Customers who intend to modernize their applications while migrating to DCS program infrastructure. Application Development may only be provided for applications that will be hosted on DCS program infrastructure. Application Maintenance may only be provided for applications that are hosted on DCS program infrastructure. Application Staff Augmentation services may only be provided to work on applications that are hosted on DCS program infrastructure.

## 1.4. Service Objectives and Scope Overview

- (a) TSS Services are available to all Eligible Customers. Eligible Customers may elect to use one (1) or more of the TSS Services, TSS Services include the following:
  - (i) Solution Services

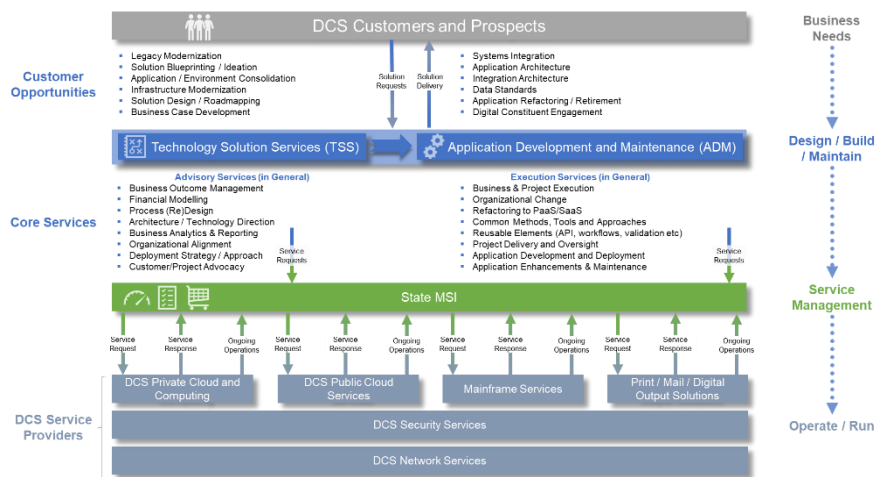
- (ii) Strategy Management
    - A. Technology Planning
    - B. Refresh and Technical Currency Planning
    - C. Customer Technical Architecture
    - D. Reference Architecture and Standard Products
  - (iii) Solution Request and Delivery, including Project Management of accepted solutions
  - (iv) Modernization Consulting
  - (v) Application Development and Maintenance Services
  - (vi) Application Development, Configuration, Testing and deliverables-based Implementation
  - (vii) Application Operations and Maintenance
  - (viii) Application Staff Augmentation Services
  - (ix) Business Analytics and Reporting (BAR)
- (b) As part of Solution Services, described in Section [3](#) below, the Successful Respondent will deliver single- or cross-SCP solution designs with accompanying solution proposals with corresponding business cases. Along with these fundamental scope elements, Successful Respondent will also be responsible for Engineering lifecycle artifacts such as proofs of concept, service and platform designs, enterprise level roadmaps, Refresh and technical currency plans along with Cloud Assessment and business cases. Solution proposal and business case will be delivered with varying degrees of detail as called for within the lifecycles of the request (e.g., Rough order of Magnitude (ROM) based activity early moving towards high level and then detailed designs and increasing accuracy of business case development). Furthermore, the Successful Respondent will be responsible for delivering optional services such as modernization consulting in which the Successful Respondent will deliver application and platform modernization roadmaps, execute upon qualified Solution Requests, and advocate for DCS Customers in execution of projects and application standardization.
- (c) As part of Application Development, Maintenance, and Application Staff Augmentation Services, described in Section [5](#) below, the Successful Respondent will utilize consistent methodologies through the development lifecycle. Services shall include project management as needed, Change procedures, development, testing, deployment, documentation, and release control, as well as training and end user education. Staff augmentation specific work may be delivered only to Customers with infrastructure in the DCS program (either Texas Private Cloud or Public Cloud, or hybrid cloud) and on applications that currently reside on DCS infrastructure. For application development and maintenance services, the Successful Respondent will take over operational responsibility on Commencement. However, the Successful Respondent shall conduct a structured transition of all agreed to maintenance services provided by the existing MAS SCP. Transition requirements are contained in Section [2 Transition Services](#)
- (d) BAR services do not exist as a defined offering today, and as such, DIR looks to successfully deploy one (1) or more initiatives to validate benefits of service design, mitigate business risk, as well as develop and test operational readiness procedures. As part of any programs, the Successful Respondent shall document all lessons learned, perform after action learning exercises with key stakeholders, and identify and document analytics, technology and document business value. The BAR platform will be required to allow for a variety of tools, handle very large data sets, provide for a tiered security model, and be easy to provision as well as highly scalable.

#### 1.4.1. Technology Innovation

- (a) One (1) of the key objectives for TSS is to provide information technology innovation for the DCS program as Customers address critical pressures. Technology innovation is needed to allow governments to modernize aging applications, meet constituent demands for services, and manage taxpayer funds efficiently. DIR expects TSS to provide Customers with innovative, cost effective solutions, and guide these Customers through the project delivery to ensure the solution delivered meets the intent of the business need.

- (b) The Customer and the Successful Respondent will agree to a defined statement of work (SOW) for those project development-related activities as specified by the Customer. The Successful Respondent will staff this portion of the work as agreed, with the skill and experience levels it deems appropriate to perform the work within the Customer-specified objectives and requirements. Projects are envisioned to utilize modern delivery methodologies that deliver immediate results in an iterative fashion focusing on continuous integration and continuous development, employing Agile, iterative prototyping, and DevOps practices implementing Infrastructure as Code (IaC) best practices, as described in Section 5.2.5.3 below, to minimize human errors and hasten deployment cycles and helping Customers develop template libraries to promote re-use and sharing of customized code.
- (c) DIR requires the Successful Respondent to provide expert level assistance for the aforementioned TSS objectives with respect to driving enterprise DCS awareness, interest, adoption, service implementations, security postures and optimizations that comprise the respective roadmaps and evolutions of DCS services and capabilities. This solicitation is not for a systems integrator, but for a DIR implementation business partner, with an advocacy and oversight function to drive DCS Customers projects from conception to conclusion and who is responsible for supporting the MSI, DCS SCPs, solution partners, and software and cloud providers to meaningful and successful outcomes. In doing this, it is expected that TSS will leverage its deep understanding of modern technology and practices to advise from both an enterprise perspective, but also on a project by project perspective, as requested. The image below depicts the desired services framework including DCS Customer opportunity enablement and engagement with the MSI and other DCS SCPs. DIR expects the TSS SCP to possess the knowledge and capability to leverage the services provided by the underlying DCS SCPs in formulating a solution to the TSS Customer.

Figure 1: Desired Service Framework



#### 1.4.2. Driving DCS Adoption Statewide

- (a) DIR has determined that expert level leadership is essential to conceptualize, organize, phase, specify, oversee, and refine/embellish projects that contribute to adoption of DCS statewide. This includes additional agencies, institutions of higher learning and interested large municipalities as part of expanding DCS, using DCS to drive innovative, safe and reliable IT solutions, as well as to drive volume synergies that could result in rate reductions for DCS participants.
- (b) The Successful Respondent will provide thought leadership and communications to current and prospective Customers in the formulation and execution of a DCS Customer-specific IT strategy. The IT strategy may be at an enterprise level or specific project level and must align with and utilize DCS standards, infrastructure, service components, and elements. The goals of this shift are to result in significant enhancements in Customer capabilities and improve agility as well as consistency of the overall State IT enterprise.

### 1.4.3. DIR Legacy Modernization Strategy and Support

- (a) The legacy modernization strategy provides a comprehensive legacy modernization package that DCS Customers can use to conduct, track, and support their LM initiatives. The package includes a series of common artifacts, a common process (LM Guide), and common toolsets, such as the ADDF and APM.
- (b) The Successful Respondent, while performing a project will leverage the LM strategy to enable a consistent design and a common process that can be acted on and shared across an agency and shared with other DCS Customers that are planning legacy modernizations. The Successful Respondent will ensure that:
  - (i) The LM strategy is used as the basis for DCS Customer engagement, visioning and solutioning efforts;
  - (ii) LM engagement workshops are supported and sponsored by the DCS Customer and include appropriate DIR involvement and if required (based on the context of projects) include DCS Successful Respondents as and when appropriate to the work; and
  - (iii) The LM Artifact Checklist is completed as applicable to the DCS Customer's project.
- (c) Additional details of the DIR LM Strategy can be found at: <http://www.dir.texas.gov/lm-guide>

### 1.4.4. Texas Application Portfolio Management (APM) and Application Development Decision Framework (ADDF)

- (a) In response to an analysis performed by DIR (see DIR Legacy Systems Study, Appendix B) the 84th Texas Legislature (2015) passed House Bill 1890, which charged DIR with developing a strategy to guide the state in legacy system modernization efforts. The strategy includes establishing a statewide application development framework which can be found at: <http://www.dir.texas.gov/addf-request>.
- (b) The Successful Respondent should leverage Texas APM information to form a basis of understanding of the DCS Customer's environment inclusive of applications, integrations, infrastructure and operating considerations.

## 2. Transition Services

### 2.1. Transition Take Over

- (a) The Successful Respondent is responsible for all operational support at Commencement. The Transition Plan must articulate the Successful Respondent's approach and schedule to assume current operations as of Commencement as well as any process and tooling changes proposed after Commencement.
- (b) At Commencement, the Successful Respondent shall take over operations from the incumbent provider as they exist at that time. Where service delivery requires an implementation or centralization of services that enables the transformed state, the Successful Respondent will be responsible for execution of transition planning immediately. For avoidance of doubt, where Services may not currently exist, the Successful Respondent will assume responsibilities and plan, prepare, and conduct the migration of services, tooling, and methods required to achieve the transformed state.
- (c) Service responsibility includes taking over from any existing suppliers and migrating the required supported applications, including software, configuration information, system components, documentation, and related operational and security support roles in transitioning from DIR's current MAS SCP to enable the Services to be provided as defined within this RFO. Transitioned activities include taking over in flight projects on Commencement. The Successful Respondent's responsibilities with respect to transition services include the tasks, activities and responsibilities listed below.
  - (i) **Application Development Projects in flight:** The Successful Respondent shall assume responsibility for MAS incumbent development projects in flight as of Commencement. The Transition Plan must define how all aspects of the application, development efforts, documentation, tools, and project will transition while maintaining the project schedule. The Transition Plan must also articulate how the Successful



Respondent intends to staff these projects and whether any incumbent staff re-badging or rehiring is assumed.

- (ii) **Application Maintenance:** The Successful Respondent shall assume responsibility for all MAS incumbent maintenance projects in effect as of Commencement. The Transition Plan must define how all aspects of the application and maintenance responsibilities will transition without impacting the Customer. The Transition Plan must also articulate how the Successful Respondent intends to staff these projects and whether any incumbent staff re-badging or rehiring is assumed.
- (iii) **Staff Augmentation:** The Successful Respondent shall assume responsibility for all staff augmentation commitments in effect with the MAS Rate Card incumbent as of Commencement. The Transition plan must also articulate how the Successful Respondent intends to staff these projects and whether any incumbent staff re-badging or rehiring is assumed.
- (iv) **Solution Services for Application Development, Maintenance and Staff Augmentation:** The Successful Respondent shall assume responsibility for solutioning Application Development, Maintenance, and Staff Augmentation two (2) months prior to Commencement so that the state does not have a freeze period where the incumbent is no longer providing solution proposals and the Successful Respondent has not yet begun. The Respondent's Transition Plan must articulate how these service transitions will be scheduled and managed.
- (v) **Solution Services for Private Cloud, Public Cloud, Mainframe, Security, and Print/Mail:** All other Solution Services shall transition at Commencement. These Solution Services include the remaining Solution Services defined in Section [3 Solution Services](#), such as cross-SCP Solution Requests and project management, technology planning, Refresh and technical currency, and modernization consulting. The Successful Respondent's Transition Plan must articulate how these service transitions will be scheduled and managed.

## 2.2. General Transition Requirements

- (a) The Successful Respondent will be responsible for the migration of any required supported applications, projects, and staff augmentation resources, and all related operational and security support roles in transitioning from the current Contracts. The Successful Respondent's transition requirements include the tasks and activities described below.
- (b) The Successful Respondent shall perform the Transition Services in accordance with the timetable set forth in the Transition Project Plan. Successful Respondent shall assist DIR in connection with DIR's and/or the DCS Customers' evaluation or testing of the deliverables set forth in the Transition Project Plan. Except as otherwise expressly stipulated in the Transition Project Plan, Successful Respondent shall perform the Transition Services in a manner that shall not:
  - (i) disrupt or have an unnecessary adverse impact on the activities or operations of DIR or the DCS Customers,
  - (ii) degrade the Services then being received by DIR or the DCS Customers, or
  - (iii) disrupt or interfere with the ability of DIR or the DCS Customers to obtain the full benefit of the Services.
- (c) Without limiting its obligations or responsibilities, prior to undertaking any transition activity, Successful Respondent shall discuss with DIR and the relevant DCS Customers all known DIR and DCS Customer-specific material risks and shall not proceed with such activity until DIR is satisfied with the plans with regard to such risks (provided that, neither Successful Respondent's disclosure of any such risks to DIR, nor DIR's acquiescence in Successful Respondent's plans, shall operate or be construed as limiting Successful Respondent's responsibility under this Agreement). Successful Respondent will actively participate in Transition meetings with the MSI and other DCS SCPs.

### 2.3. Knowledge Transfer

- (a) During the period following the Effective Date and prior to the Commencement Date, Successful Respondent will use its best efforts to acquire the practical skill, knowledge, and expertise from the personnel who are providing the Services prior to the Effective Date in relation to the delivery of the Services, including the knowledge necessary for the Successful Respondent to perform the Services. Successful Respondent will accomplish such knowledge transfer, as appropriate, by interviewing personnel currently performing the Services as well as reviewing information, records and documents related to the provision of the Services. The information to be reviewed to affect the obligations of such knowledge transfer includes:
  - (i) copies of procedures and operations manuals,
  - (ii) relevant system, software and/or hardware information,
  - (iii) a list of third-party suppliers of goods and services which are to be transferred to DIR or Successful Respondent,
  - (iv) Code reviews and development plans,
  - (v) key support contact details for third-party supplier employees, and
  - (vi) information regarding work in progress and associated unresolved faults in progress.
- (b) Successful Respondent shall promptly (within one (1) DIR Business Day) notify DIR of any lack of cooperation or assistance on the part of any DCS Customer, DIR Contractor, or any third-party that impedes or hinders Successful Respondent's efforts to comply with this obligation.
- (c) Transition work includes (at a high level):
  - (i) Conducting an orderly Transition;
  - (ii) Establishing all Service processes and responsibilities, including on-boarding of all Service Transition and Steady State Service personnel;
  - (iii) Implementing the entire Service inclusive of all DIR required processes, tools, data sharing, and reporting as required by DIR and within the MSI operating model;
  - (iv) Ensuring that the Service is performing to DIR requirements and the Successful Respondent is responsible for the Service in its totality with no requirements or obligations residing elsewhere; and
  - (v) Completing all required deliverables, milestones and quality standards.

### 2.4. Transition Management Requirements

- (a) During the Transition period, the Successful Respondent will plan, prepare for, and conduct the migration of service and operations.
- (b) The Successful Respondent shall:
  - (i) Coordinate with DIR to schedule the installation of any required secure connectivity; and
  - (ii) Implement processes and controls to prevent disruption of DCS Customers' business operations, including the interfaces between DCS Customers and various third parties;
  - (iii) Meet with DIR and provide updates as to the status of the work involved in Transition at a time and frequency as mutually agreed to in the Transition Project Plan and upon request by DIR.
  - (iv) Ensure adequate staff are committed to the Transition services across workstreams, including but not limited to dedicated Project Managers.
  - (v) Provide sufficient staff, tools and processes to ensure all Services successfully transition from the incumbent SCPs without service degradation to Customers.
  - (vi) Ensure other SCPs successfully transition to Successful Respondent's services by Commencement without service degradation to DCS Customers.



- (vii) Develop a detailed Transition Plan including the Successful Respondent's approach to transitioning Services from the Incumbent Provider. The Transition Plan should include, at a minimum, all systems, processes, data (e.g., Incumbent ITSM data) and reporting that is required to transition from the incumbent provider.
- (viii) Provide sufficient staffing to accomplish Transition requirements. These staff must be sufficiently trained on the Successful Respondent's contractual requirements and the Successful Respondent's proposed solution prior to commencing Transition activities.
- (ix) Be responsible for all knowledge transfer from the incumbent providers.
- (x) Provide project management over all Successful Respondent Service Transition and SCP integration Transition.
- (xi) Provide routine reports and communication on Transition status to DIR and SCPs, as directed by DIR.
- (xii) Meet with DIR and SCPs to report on Transition activities, status, issues and risks.
- (xiii) Resolve issues collaboratively with DIR and SCPs in order to meet Transition schedule.
- (xiv) Communicate the status of Transition, training, and changes to DIR.
- (xv) Identify all integration points of the Successful Respondent's solution that require existing SCPs to make changes and notifying each SCP of the required changes.
- (xvi) Train SCPs as applicable on the Successful Respondent's Services, Systems, and SMM processes, focusing on the changes from the incumbent provider.
- (xvii) Create a schedule for all SCPs to complete integration changes and ensure the accuracy of those changes.
- (xviii) Manage the integration of transition tasks and schedule.
- (xix) Test the accuracy of all integration points prior to Commencement.
- (xx) Collaborate with SCPs to resolve any identified issues.

(c) DIR, other DCS SCPs, and/or the MSI will:

- (i) Obtain and provide current information, data, and documentation related to the Transition (e.g., Third Party suppliers, Successful Respondent information, in-flight projects, inventory data, existing operational processes and procedures, systems documentation and data, configuration documentation and data), decisions and approvals, within the agreed time periods to the extent it is available and non-proprietary; Establish secure network connections as necessary;
- (ii) Assist the Successful Respondent in identifying, addressing, and resolving deviations from the Transition Plan and any business and technical issues that may impact the Transition; and
- (iii) Develop the Transition meeting schedule (i.e., planning, review, and status) with the Successful Respondent and applicable SCPs, including the frequency and location, and attend such meetings in accordance with the established schedule.

## 2.5. Transition Project Plan

After Contract execution, the Successful Respondent will deliver an updated Transition Project Plan as a Critical Deliverable.

### 2.5.1. Transition Project Plan Proposal Requirements

- (a) Respondents must demonstrate a thorough understanding of the nature of the work and Successful Respondent responsibilities. To this end, the Respondent must submit a Transition Project Plan (as part of their proposal) that the Successful Respondent will use to create a consistent and coherent Transition management plan.
- (b) The Transition Project Plan should include sufficient detail to give DIR an understanding of how the Respondent's knowledge and approach will:

- (i) Manage the Project;
- (ii) Guide Project execution;
- (iii) Document planning assumptions and decisions;
- (iv) Work with MSI to integrate into MSI's systems as appropriate;
- (v) Facilitate communication among stakeholders;
- (vi) Define key management review as to content, scope, and schedule; and
- (vii) Provide a baseline for progress measurement and Project control.

(c) At a minimum, the Respondent's Project Plan must include the following:

- (i) Work breakdown structure;
- (ii) High-level Project schedule for all Project Deliverables and milestones;
- (iii) Who is assigned responsibility for each Deliverable within the work breakdown structure to the level at which control will be exercised;
- (iv) Performance measurement baselines for technical scope and schedule;
- (v) Major milestones and target date(s) for each milestone that are consistent with this RFO's dates;
- (vi) Description of the Respondent's proposed organization(s) and management structure responsible for fulfilling the Contract's requirements and delivering the Work, in terms of oversight and control;
- (vii) Definition of the review processes and reviewers (e.g., MSI, DIR, or DCS Customer as applicable) for each milestone and Deliverable (e.g., mandatory design review) and a description of how the parties will conduct communication and status review;
- (viii) Description of the Project issue resolution process including an escalation plan, where the escalation plan includes contact information for each person identified in the proposed problem reporting and escalation procedure and describes the amount of time elapsed before a problem is escalated within their organization;
- (ix) Description, plan, and schedule of how the Respondent plans to ensure consistent, regular communications with DIR regarding the status of the Transition activities;
- (x) Description of how Respondent plans to ensure Project Management best practices are to be utilized and followed for the Transition, across one or more assigned Project Managers and any additional Project Management Office support staff;

(d) If the Respondent chooses to use subcontractors, this part of the Respondent's Proposal must describe its approach to using and managing its subcontractors (should any be used) effectively.

(e) The Respondent's Transition Project Plan will be scored as part of the evaluation of offers.

### 2.5.2. Transition Project Plan Critical Deliverable

- (a) The Successful Respondent must submit and present to DIR a detailed Transition Project Plan for review, feedback, and approval on or before the date set forth in **Attachment 1.1 Deliverables**. The Transition Project Plan must include all phases of the transition for which the Successful Respondent has responsibility, including Deliverables and tasks as well as any tasks and dependencies that may be outside of the Successful Respondent's responsibility but may influence or relate to the Successful Respondent's work and ability to complete work as planned. In addition to maintaining steady-state operational capability, the Successful Respondent shall include any identified security concerns that will be addressed during Transition or any agreed upon Transformation Projects. If the Transition Project Plan submitted by the Successful Respondent is not acceptable to DIR, Successful Respondent shall address and resolve any questions or concerns DIR may have and promptly incorporate any modifications, additions, or deletions requested by DIR. The Successful Respondent shall revise and resubmit the Transition Project Plan until accepted in writing by DIR. Upon DIR's acceptance, the Transition Project Plan shall automatically be incorporated into this Agreement by reference and shall supersede and replace all prior Transition Project Plans.

- (b) The Transition Project Plan must include a detailed task/activity level for the planned Transition period, inclusive of activities and named resources engaged by the Successful Respondent and all roles with effort hours required for DIR and/or current SCP(s). The Transition Project Plan must also propose for DIR consideration, a proposed schedule of regular status meetings with DIR to ensure DIR remains informed on the status of all Transition activities. DIR may also request additional status updates outside of the regularly scheduled meetings at their discretion. The Transition Project Plan must be maintained by the Successful Respondent on an ongoing basis through Transition and made available on a DIR-provided document collaboration site to all DCS stakeholders associated with the Transition of the Service. Following acceptance of the Transition Project Plan deliverable, further changes to the plan shall be incorporated as mutually agreed to by the Parties.
- (c) The Transition Project Plan must include an updated Staffing Plan (for the Successful Respondent's resources and MSI, SCPs, and DIR resources that are required to participate in the work including Successful Respondent-related activities). The Staffing Plan must include the number of resources by role for the high-level tasks.
- (d) After submission of the Critical Deliverable referenced in Attachment 1.1, the Successful Respondent must update the Detailed Transition Plan monthly, ensuring that the level of specificity of the plan for a rolling six (6) month period is defined to the task and named resource level. Given the anticipated multi-month, multi-phase nature of this project, ensure that time periods beyond this six (6) month period are accurately portrayed and forecast based on the actual project performance to date and anticipated (or realized) downstream impacts to subsequent phases and activities (if applicable). As an example, the initial project plan will include details for the first six (6) months and activity/milestone level (sufficient to track the overall progress of the program) for the anticipated remainder of the transition based on the current understanding of project scope and phasing.
- (e) DIR will:
  - (i) Cooperate with the Successful Respondent to assist and support with the completion of the Transition as DIR finds necessary;
  - (ii) Assist the Successful Respondent in managing SCP facing efforts and cooperation with agreed Successful Respondent created roles, responsibilities, plans and requirements; and
  - (iii) Approve or reject the completion of each phase of the Transition Plan in accordance with the acceptance criteria after written notice from the Successful Respondent that it considers such phase complete.
  - (iv) DIR will work with the Successful Respondent during negotiations to document and define the acceptance criteria and appropriate number of business days necessary for such reviews. Should DIR reject the Plan or associated Deliverables in part or in full, the Successful Respondent must, at no additional cost, correct all deficiencies and resubmit for DIR's review until DIR accepts the Deliverable. Should the Successful Respondent determine DIR's review of Deliverables or work products will impact the Successful Respondent's ability to execute the Transition in accordance with the agreed and established Project Plan, the Successful Respondent must notify DIR promptly with a request for expedited review of Deliverables or work products. In no case must an expedited review be requested under circumstances that are within the Successful Respondent's direct control or as they relate to Deliverables deemed deficient by DIR.

### 2.5.3. Kickoff

The Successful Respondent, in conjunction with DIR staff, the MSI, and other impacted DCS SCPs, must plan and conduct a Project kickoff meeting presentation to the sponsors, key stakeholders, and core project team after the mobilization effort. At a minimum, the presentation must include a high-level overview of the following:

- (i) Project scope and schedule;
- (ii) Goals of the Project;

- (iii) Communications and regular meetings;
- (iv) Methodology, approach, and tools to achieve the goals;
- (v) Roles, responsibilities, and team expectations;
- (vi) Tasks, Deliverables and significant work products; and
- (vii) Risk, issue, resolution and milestone reporting.

#### 2.5.4. Meeting Attendance and Reporting Requirements

- (a) The Successful Respondent's project management approach must align with the established Project Management processes documented in the SMM and adhere to the following meeting and reporting requirements, unless otherwise agreed to by DIR:
- (i) Immediate Reporting - The Project Manager or a designee must immediately report any Project staffing changes to DIR's Project Manager in accordance with Article [7 Successful Respondent Personnel Requirements](#).
  - (ii) Attend Weekly Status Meetings - The Successful Respondent's Project Manager and applicable Project team members must attend weekly status meetings with DIR's Project Manager and applicable members of the DIR Project team as necessary to discuss Project issues. These weekly meetings must follow an agreed upon agenda which is distributed by the Successful Respondent no later than forty-eight (48) hours before the meeting and allow the Successful Respondent and DIR to discuss any issues that concern them.
  - (iii) Provide Weekly Status Reports - The Successful Respondent must provide written status reports to DIR's Project Manager at least one (1) full Business Day before each weekly status meeting.
  - (iv) At a minimum, weekly status reports must contain the items identified below:
- (b) Updated Transition Project Plan files on electronic media acceptable to DIR;
- (i) Status of currently planned tasks - specifically, identifying tasks not on schedule and a resolution plan to return to the planned schedule;
  - (ii) Issues encountered, proposed resolutions and actual resolutions;
  - (iii) The results of any tests;
  - (iv) A Problem Tracking Report must be attached;
  - (v) Anticipated tasks to be completed in the next week;
  - (vi) Task and Deliverable status, with percentage of completion and time ahead or behind schedule for tasks and milestones;
  - (vii) Proposed changes to the Project work breakdown structure and Project schedule, if any;
  - (viii) Identification of Successful Respondent staff assigned to specific activities;
  - (ix) Planned absence of Successful Respondent staff and the expected return date;
  - (x) Modification of any known staffing changes; and
  - (xi) System integration/interface activities.
- (c) Prepare and Lead Monthly Status Reports – During the Project, the Successful Respondent must submit a written monthly status report to DIR's Project Manager by the fifth (5th) Business Day following the end of each month. At a minimum, monthly status reports must contain the following:
- (i) A description of the overall completion status of the Project in terms of the approved Transition Project Plan (schedule and cost, if applicable);
  - (ii) Updated Project work breakdown structure and Project schedule;
  - (iii) The plans for activities scheduled for the next month;
  - (iv) The status of all Deliverables, with percentage of completion;

- (v) Time ahead or behind schedule for applicable tasks;
- (vi) A risk analysis of actual and perceived problems, including recommended remediations and a red, yellow green status indicator;
- (vii) Testing status and test results; and
- (viii) Strategic changes to the Transition Project Plan, if any.

(d) The Successful Respondent's proposed format and level of detail for the status report is subject to DIR's approval.

#### 2.5.5. Transition Documentation and Collaboration

The Successful Respondent must use the MSI Portal for document management and team collaboration. This hosted document management and team collaboration capability provides access through internal state networks and secure external connections to all project team members, approved project stakeholders, and participants. In conjunction with the utilization of this tool, the Successful Respondent must:

- (i) Structure the document management and collaboration pages and data structures in such a manner as to deliver on the overall requirements of the Project; and
- (ii) Load all Service-related documentation, deliverables, reference material and/or configuration documentation onto the MSI's document collaboration tool. The Successful Respondent must confirm with the MSI that all documentation has been provided and is readily available.

#### 2.5.6. Determination of Responsibility (Successful Respondent and Other State Vendors)

The Successful Respondent shall be responsible for:

- (i) Failures that are exclusively in the Successful Respondent's area of responsibility, or that are exclusively staffed or performed by Successful Respondent-provided personnel;
- (ii) Failures where DCS personnel (MSI, SCP, or DIR) are following established Successful Respondent processes where, as a result of issues, defects, omissions, or inconsistencies in these designed and provided processes are shown to be the primary source of the failure;
- (iii) Failures where DCS Services personnel (MSI, SCP, or DIR) are not provided processes that are the Successful Respondent's responsibility to design, develop, implement, or document;
- (iv) Failures where Successful Respondent Services personnel has an exclusive role or responsibility and is not dependent on DIR resources to complete the tasks associated with the failure;
- (v) Failures arising where DCS Services Personnel (MSI, SCP, or DIR) are following the direction of a Successful Respondent resource where that direction is inconsistent with established policies and procedures;
- (vi) Failures arising where a DCS resource is performing a role, responsibility, or task that is outside of the established DCS providers' responsibility but within the Successful Respondent's responsibility area on an ad hoc or temporary basis in lieu of a Successful Respondent resource at the request of the Successful Respondent;
- (vii) Any failure arising from Successful Respondent personnel not following established State security, privacy or other IT policies;
- (viii) Any failure resulting from a subcontractor working for, or at the direction of the Successful Respondent; and,
- (ix) Failures arising from Successful Respondent-owned equipment or computing devices coincident with providing the in-scope services.

### 2.5.7. Organizational Change Management

- (a) During Transition, the Successful Respondent will be required to document all functions and technologies of the organization.
- (b) The Successful Respondent will be responsible for implementing and training all stakeholders on the following, which should be documented in the Service Management Manual (SMM):
- (i) Service Operational Processes and Procedures;
  - (ii) DIR Operations Service Team Change Management and Training; and
  - (iii) DCS Customer-, MSI-, or DCS SCP- facing equipment, tools, and processes required to satisfy the business, functional, and technical requirements.

### 2.5.8. Operational Readiness

The Successful Respondent will assess its readiness to assume operations and maintain the functionality deployed under this Exhibit. The Successful Respondent will recommend strategies as required to ensure DIR, DCS Customers and DCS SCPs are prepared to support any new system functionality. The Successful Respondent will design the Service as to ensure that the following required MSI reports, data requirements, and integrations are developed and completed as necessary to operate the Service in the DIR environment:

- (i) Confirmation of integration with MSI and other SCPs as required;
- (ii) Confirmation of alignment with MSI processes/procedures in the SMMs and identification of any critical gaps in documentation or processes;
- (iii) Updated Key Personnel contact information and staff employment status;
- (iv) Documented operational processes/procedures needed to deliver Services and status of publication on the MSI portal;
- (v) Status of Software license transfers;
- (vi) Status of hardware transfers;
- (vii) Status of lease transfers;
- (viii) Billing process including detail for invoices;
- (ix) Status of operating agreements between the Successful Respondent and the MSI and Service Component Providers (SCPs); and
- (x) Knowledge transfer programs.

### 2.5.9. Staffing Plan and Time Commitment

- (a) The Successful Respondent shall provide a summary of full time equivalent (FTE) personnel needed for transition of the Services along with Service design and implementation. Additionally, any requirements of DIR, DCS Customers, MSI, or of the SCP(s) performing the current service, as well as delivery and space planning considerations, will be outlined in the following table:

Table 1: Full Time Equivalent (FTE) Personnel

Successful Respondent Proposed Role(s)	% of FTE Time Spent at DIR ADC Work Location	% of FTE Time Spent at DIR SDC Work Location	% of FTE Time Spent at Respondent Work Location	Engagement Period
Respondent Transition Team and Roles				
Enterprise Architecture – OS, Storage & Backup	60%	20%	20%	Transition Period XX/2019 – YY/2019



Successful Respondent Proposed Role(s)	% of FTE Time Spent at DIR ADC Work Location	% of FTE Time Spent at DIR SDC Work Location	% of FTE Time Spent at Respondent Work Location	Engagement Period
Enterprise Architecture – Middleware & DBMS	100%			Transition Period XX/2019 – YY/2019
Enterprise Architecture – Security	100%			Transition Period XX/2019 – YY/2019
Solutions Management	100%			Transition Period XX/2019 – YY/2019
Customer Technical Architecture Lead	80%	20%		Transition Period XX/2019 – YY/2019
Application Development Lead	100%			Transition Period XX/2019 – YY/2019
Application Maintenance Lead	50%		50%	Transition Period XX/2019 – YY/2019
Application Testing Lead	70%		30%	Transition Period XX/2019 – YY/2019
Project Management Lead	40%	40%	20%	Transition Period XX/2019 – YY/2019
Public Cloud Portfolio & Integration Lead	50%	20%	30%	Transition Period XX/2019 – YY/2019
Level 2 Administrator (4) – Onsite	100%			Transition Period XX/2019 – YY/2019
Level 3 Administrator (3) – Remote			50%	Transition Period XX/2019 – YY/2019
Process Re-engineering Lead	25%		75%	Transition Period XX/2019 – YY/2019
<i>add/modify rows as required</i>				
TRANSITION ROLES Requested from DIR or Incumbent Service Component Provider (SCP)				
Transition Executive	100%		-	XX/2019 – YY/2019
Transition Managers (Server, Security) (3)	100%		-	XX/2019 – YY/2019
Functional SME (10)	80%		20%	XX/2019 – YY/2019
MSI Service Management SME				XX/2019 – YY/2019
Finance/Admin SME				XX/2019 – YY/2019
<i>add/modify rows as required</i>				

**NOTE:** The values in this **sample table** are for illustration purposes only. Respondents should remove these illustrative artifacts and populate the table based on their proposed team and work locations. Respondent may add additional rows as necessary.

- (b) FTE time shall represent those hours in direct support of the Service. In some cases, this number may be less than 100%.

### 2.5.10. Remedies for Transition Failure

- (a) In the event that Successful Respondent fails to identify and resolve any problems that DIR determines may impede or delay the timely completion of each task in the Transition Plan, without prejudice to DIR's other rights and remedies under the Agreement or at law or equity,

- (i) Successful Respondent will provide, at its sole cost and expense, all such additional resources as are necessary to identify and resolve any problems that may impede or delay the timely completion of each task in the Transition Plan, and
  - (ii) DIR may equitably reduce the Charges set forth in **Exhibit 2 Financial Provisions and Pricing** in an amount estimated by DIR to account for the Services that DIR and/or the DCS Customers are not receiving or did not receive, and
  - (iii) DIR may suspend or delay the performance of the Transition Services and/or the transition of all or any part of the Services, including the Commencement Date.
- (b) Successful Respondent represents and warrants to DIR that, as of the Commencement Date, it is ready to commence performing the Services in accordance with the terms of this Agreement, including with respect to pricing, applicable Service Levels and other performance obligations. In the event that such representation and warranty is not true and correct, Successful Respondent will reimburse DIR for any costs or expenses incurred by DIR as a result of the failure of such representation and warranty to be true and correct. In the event that Successful Respondent is required to perform any Transition activities following the Effective Date, Successful Respondent will complete such activities at its own cost and expense and in such a manner so as to not materially disrupt or cause any material adverse impact on DIR's operations or activities unless otherwise agreed to with DIR.

### 3. Solution Services

Solution Services includes:

- (i) **Strategy Management:** The development of the annual DCS Technology Plan and Refresh Plan and expertise to support DIR with DCS enterprise architecture and standards. Development and management of technology plans includes product roadmaps and maintaining the technical currency of installed devices, services and products within the environment. As part of Refresh planning, close attention should always be paid to where and how workload is refreshed and identify opportunities improve business value through centralization, consolidation, and purpose fit platforming. Strategy management also includes responsibilities for developing and maintaining an understanding of the Customer environment and business practices and to act as a technical interface between Customer agencies and SCP in delivery of services.
- (ii) **Modernization Consulting:** Customer optional services to advise and support customers through the modernization lifecycle. This includes application standardization, Disaster Recovery enhancements, and detailed cloud assessment requests. Consulting services must include recommendations on hosting options offered through the DCS program.
- (iii) **Solution Design and Project Delivery:** Solution management services for complex requests that require solutions involving multiple SCPs. This includes the implementation of a centralized Solution Management function that supports a standards-based approach to solution design and project delivery. The lifecycle of Demand activities should be provided including development of process, tooling and automation to create consistent and measurable results. Services also include Project management and delivery of the SCP's implementation of proposed solutions in order to ensure customers achieve the objectives of the TSS solution.

#### 3.1. DCS Strategy Management

- (a) Strategy Management links the DCS business demand with the supporting IT strategies and services along with service enhancement initiatives including a long-term strategy roadmap with timelines, and shorter-term technology plans which guide the annual improvement and budgeting process. Within this capability, DIR provides the leadership and coordination for the long-term strategy efforts, including but not limited to a long-term strategy roadmap while the MSI provides overall program management support. The Successful Respondent, in close coordination with DIR and the MSI,



will lead the development of the annual technology plan, ongoing technology refresh planning, coordinate the approval and communication of Standard Products, and coordinate the effective use and disposal of Equipment and Software.

- (b) DIR's objective is to drive higher levels of consolidation, virtualization and standardization across the DCS program in order to reduce the complexity of managing monitoring, vulnerability and patching processes as to minimize manual labor and risk.

### 3.1.1. Technology Planning

- (a) Using the MSI-provided project management tool (currently ServiceNow) and established project management methodology and processes, the Successful Respondent must submit and present to DIR a detailed Technology Plan for review, feedback, and approval on or before the date set forth in **Attachment 1.1 Deliverables**. The Technology Plan must incorporate input from DIR, DCS Customers, MSI and SCPs and aligns with the MSI program management and governance processes. The Successful Respondent shall be responsible for setting the technology direction and objectives, with approval from DIR, and directing the SCPs to develop initiatives that align with the approved technology direction.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Develop and update the long-range, comprehensive plan for DIR's and DCS Customers IT systems, processes, technical architecture, high-level costs, and standards (the "Technology Plan"), based on DIR's strategic direction and guidance.
    - A. DIR shall approve the plan, with feedback from IT governance.
    - B. The Technology Plan will cover the breadth of DIR Shared Technology Services.
    - C. The Technology Plan will be iteratively developed consisting of quarterly reviews with DIR and will include a rolling three (3) year projection of anticipated changes as provided by DIR (subject to DIR business and planning requirements). Coordinate the aggregation of technical planning information from DIR, DCS Customers, Successful Respondent, SCPs, MSI and CSPs as directed by DIR.
    - D. Provide an implementation roadmap at the enterprise level, consistent with DIR's business roadmap with estimated timing, in alignment with the Technology Plan, for DIR and DCS Customers. Program manage the implementation of the roadmap.
    - E. Manage the lifecycle of STS Products and Technology.
    - F. Develop & maintain supporting product artifacts.
    - G. Update Solution consulting processes as necessary to align solutions with Policy and technology Standards
    - H. Link technology currency requirements with technology refresh plans (e.g., software version migrations).
  - (ii) Meet with DIR to understand, develop, and confirm the future business and IT requirements of DIR and DCS Customers.
  - (iii) Project future volume, technology, and geographic changes that could impact DIR's and DCS Customers' systems and technical architectures.
  - (iv) Seek input from DIR to identify candidates and requirements for the deployment of new technology or the automation of tasks associated with the Services and/or DIR's and DCS Customers' business processes.
  - (v) Proactively submit recommendations regarding new technology and automation to DIR for its review and approval.
  - (vi) Provide capacity to automate manual tasks associated with the Services including leading in the implementation of automation opportunities across the MSI and SCPs to increase automation and efficiencies.

- (vii) Assist DIR and DCS Customers by organizing the proposal and presentation of changes in technology product and service offerings.
- (viii) Organize active cross-functional, cross-group, and cross-location meetings, information gathering and communication related to technology changes and automation.
- (ix) Proactively identify strategies and approaches for future IT delivery that Successful Respondent believes will provide DIR and DCS Customers that may result in increased efficiency, performance, or cost savings.
- (x) As part of each annual planning cycle, provide specific, short-term steps and schedules for projects or changes expected to occur within the first twelve (12) months of each plan.
- (xi) Advise DIR on Equipment and Software architecture and standards and integrate these standards into all MSI functions in order to continuously keep DIR's and DCS Customers' technical architectures current.
- (xii) Facilitate appropriate access to specialists within Successful Respondent's other organizations, as needed, to assist DIR and DCS Customers in developing and updating the plans.
- (xiii) Identify industry and technological trends that may impact DIR's and DCS Customers' plans.
- (xiv) Identify and track regulatory issues/changes that may impact DIR's plan.
- (xv) Gather and incorporate the data and lessons learned from the operating environment that may impact DIR's and DCS Customers' plans.
- (xvi) Perform trend analysis from the resource consumption data to project future demand that may impact DIR's and DCS Customers' plans.
- (xvii) Evaluate market technology advances for Successful Respondent's tools and technologies that may provide DIR and DCS Customers greater capabilities or performance improvements.
- (xviii) Research and implement automated tools to improve Service Levels and/or performance of the computing environment. Tool selection will be in accordance with DIR and DCS Customers' standards and technical architectures.
- (xix) Apply practices to assess, apply and measure the impact of automation, consolidation, and shared services on the efficiency of IT operations
- (xx) Identify and propose technology evolutions that are likely to:
  - A. improve the efficiency and effectiveness of the Services (including cost savings) and DIR Shared Services;
  - B. improve the efficiency and effectiveness of the processes, services and related functions performed by or for DIR and the DCS Customers;
  - C. result in cost savings or revenue increases to DIR and the DCS Customers in areas of their operations outside the DIR Shared Services; and
  - D. enhance the ability of DIR and the DCS Customers to conduct their operations and serve their constituencies and customers faster and/or more efficiently than the then-current strategies.
  - E. Include market-relevant and government specific technology points of view.
  - F. Result in cost savings or revenue increases to DIR and its Customers.
- (xxi) Publish and promote technology plans with DCS Customers to ensure DCS Customer understanding, adoption, and business alignment.
- (xxii) Monitor all software deployed in the DCS program for currency, security and licensure. Identify opportunities by customer to address noncompliance.
- (xxiii) Develop technology plans that drive DCS Customers to utilize Standard Products.
- (xxiv) Publish and promote technology plans with DCS Customers to ensure DCS Customer understanding, adoption, and business alignment.
- (xxv) Ensure business agility for DCS Customers and DIR through a thorough understanding of current state environment, overall strategy, operating model, financial and regulatory limitations incorporated into future state design, enterprise roadmaps and technology plans.

- (xxvi) Develop and maintain relationships with key vendors to ensure a full understanding of key products and roadmaps are maintained and incorporated into planning and education of DCS Customers.

### 3.1.2. Refresh and Technical Currency

- (a) The Successful Respondent will use the MSI's refresh process to set the strategy for the DCS Refresh Program. The Successful Respondent will evaluate the DCS Customer environment and recommend Refresh strategies that align with the Technology Plan as well as hardware and software refresh cycle requirements in line with approved Reference Architecture standards. The Successful Respondent will develop narrative plans, presentations or other artifacts to communicate the Refresh Program to DCS Customers, SCPs and DIR's Governance. The Refresh strategy must align to the Technology Plan and receive appropriate DIR Governance feedback and approval.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Assist in the MSI led Refresh Program that accomplishes the Refresh goals and coordinates the activities of DIR, DCS Customers, MSI and SCPs, at the direction of the DIR.
  - (ii) Advise DIR on shared enterprise infrastructure refresh strategy.
  - (iii) Coordinate, evaluate, and advise DIR on effectiveness of the SCP and MSI managed execution of Refresh Responsibilities. The Project management of Refresh activities will be the responsibility of the SCP completing the refresh activity.
  - (iv) Accommodate the timeframes and other requirements associated with Refresh, as well as the financial responsibility for the underlying assets, as required in each SCP's agreement.
  - (v) Modify the Refresh timeframes and requirements during the Term, as directed by DIR, based on its business requirements, subject to the Change Control procedures.

#### 3.1.2.1. Customer Refresh Planning

- (a) The Successful Respondent shall, at a minimum:
  - (i) In coordination with DIR, DCS Customers, MSI and SCPs, develop and manage a continual plan for Refresh, as defined in Exhibit 1.1, Critical Deliverables, including:
    - A. Within one-hundred and twenty (120) days prior to DIR's annual planning process meetings, review the MSI's report that lists the assets that are due to be refreshed in the upcoming plan year.
    - B. Coordinate planning activities with DIR, DCS Customers, MSI and SCPs.
    - C. The Successful Respondent and DIR will consider the usability of the assets and review alternatives to replace, release, consolidate, or retain the assets. Based on the results of this review, the Successful Respondent shall deliver the initial recommendations regarding such assets to DIR within thirty (30) days after the review.
    - D. For Successful Respondent-owned assets, Successful Respondent and DIR will mutually determine whether the Successful Respondent will replace an asset and the appropriate replacement date.
      - 1. If Software Changes are required due to replacement of assets, Successful Respondent, in consultation with the DIR, will review alternatives for making changes to such Software.
      - 2. Such replacement of the assets and Software will be at Successful Respondent's expense if the replacement is required to facilitate achievement of the agreed upon Service Levels or because the asset is obsolete (i.e., replacement parts cannot be acquired or the asset has become unserviceable).
    - E. For assets owned by SCPs or the MSI, work with the DCS Customer to develop Refresh strategies and implementation schedules.

- (b) Upon Customer request, perform a detailed cloud assessment of Business Applications running on environments that require hardware or software refresh to promote a refresh strategy that maximizes the public cloud. Where public cloud cannot meet the Customer's application requirements, provide a consolidated, private cloud solution. This Demand request will be considered a non-billable Demand. The solution should include proposed assessment methodology, duration and costs for Customer approval.
  - (i) Ensure that the cloud assessments support the recommended components of the [Legacy Modernization Guide](#) (refer to the Legacy Modernization Artifact Checklist) and assume a Level 0-1 degree of detail in general, with greater levels of detail as the Respondent deems necessary.
  - (ii) The schedule for each assessment shall be primarily guided by the refresh timelines of the supporting hardware and software.
  - (iii) As part of refresh planning process, identify opportunities for centralization and consolidation of infrastructure and applications.
  - (iv) Clearly identify approach to handling and storage of Customer data, including data retention and destruction consistent with DIR defined policies.
  - (v) Updates of APM and other approved asset repositories
- (c) Upon Customer request, the Successful Respondent shall provide a workload hosting location assessment with supporting criteria. This will be considered a ROM request.
- (d) For assets residing at a DCS Customer's legacy data center or remote business office, where possible develop a technology solution that consolidates the asset to either the DCS public or private cloud.
- (e) Using the MSI's tools, advise, and provide oversight on the completion progress of asset Refresh.
- (f) Identify high risk exceptions to DIR based upon Refresh process and as part of MSI generated exception reporting. This includes, but is not limited to, reporting of hardware and software end of life or end of support and consult on and advise on exception handling.
- (g) For the avoidance of doubt, refresh and technical currency planning efforts shall not be considered a Solution Request and should be considered to be included within base services unless requested out of cycle by Customer.
- (h) The Successful Respondent will support MSI in ensuring APM is fully populated with costs associated with Applications.
- (i) The Successful Respondent will advise the Customer and promote the value of onboarding of Application details into APM.

### 3.1.3. Customer Technical Architecture

The Successful Respondent will be required to staff a Customer facing organization which maintains overall responsibility for projects and demands and to act as an interface for all technology requests. This function is undertaken with the SCP application & technology leads while interfacing with solution and engineering services on behalf of Customer agencies. This role will be a crucial function to ensure the overall technology needs of Customers are met and done so in a manner consistent with the strategy direction of the DCS program while bringing value to the Customer. The Successful Respondent shall, at a minimum:

- (i) Develop and maintain a detailed understanding of assigned Customer business, technology and lifecycle management requirements.
- (ii) Provide adequate coverage and cross training of skills and documentation of Customer specific knowledge to ensure coverage for Customer requests is provided regardless of availability of specifically assigned resource.
- (iii) Acts as an extension of the DCS program by ensuring necessary transparency into lifecycle of enterprise products and initiatives at the Customer level to ensure the technical capabilities of the program are maximized by the Customer.
- (iv) Implement a formalized Customer engagement practice to foster conversation and collaboration with DCS Customers
- (v) Provide a lead Customer Technical Architect to coordinate and synchronize efforts across Architects engaged with Customers to achieve focus on DIR's shared services and technical goals.
- (vi) Advise Customers in requirements gathering process.
- (vii) Produce high level conceptual designs, including high level logical architecture with ROM pricing.
- (viii) Develop and maintain a detailed understanding of DCS program standards and available service offerings from SCP within DCS program.
- (ix) Maintain an understanding of DCS service components and ensure these are consistently applied cost effectively to business requirements.
- (x) Maintain knowledge of SCP relationships and the material effect on solution development.
- (xi) Advise the Customer on software development best practices regarding development, testing and maintenance.
- (xii) Assist Customer software development teams to ensure product and technology selection is in line with enterprise roadmaps and where applicable, consult on and advise on exception handling.
- (xiii) Adhere to solution delivery SLAs.
- (xiv) Act as a trusted advisor and consultant for the Customer regarding technology questions and issues.
- (xv) Interface into TSS Enterprise Architecture and Solution organizations to ensure timely and accurate Consulting information is provided to satisfy Customer inquiries and requests. This includes understanding who within the organization is best suited to include in Customer conversations and engage the appropriate resources as needed to meet customer needs.
- (xvi) Maintain an understanding of Customer business and technology needs to be used in development of future state designs.
- (xvii) Support Customer in Biennium planning through customer interactions, advising on program services, providing ROMs, etc.
- (xviii) Assist Customer and DIR in biannual forecasting of expected TSS projects and services.
- (xix) Delivery of High-Level Assessments and ROM Proposals and achieve the required SLA as defined in the below table, **Attachment 1.2, Service Level Matrix** and **Attachment 1.3, Service Level Definitions and Performance Analytics**, maintaining status and communications with the DCS Customer, the Successful Respondent, and SCPs.

Table 2: HLA and ROM SLAs

Complexity	Service Level (business days)
Simple	5
Medium	5
High	5
Custom	5

### 3.1.4. Reference Architecture Standards and Standard Products

- (a) The objective of setting Reference Architecture and Standard Products is to evolve over time to a single set of operating systems (e.g., Windows, Linux, and no long-term use of Unix) and fewer versions (N,N-1, or stable version as applicable) to significantly simplify the patch management (O/S) and vulnerability profile.
- (b) The Successful Respondent shall, at a minimum:
- (i) Coordinate, compile, recommend, and regularly (at least every ninety (90) days) update the Equipment and Software reference architecture standards describing shared infrastructure standards supporting delivery of services.
  - (ii) Coordinate, compile, recommend, and regularly (at least every ninety (90) days) update DIR Recommended Standard Products as determined using the Governance process (i.e., Operating System, Database, Middleware, job scheduling, etc.) describing equipment and software which align to program criteria recommended for use within the DIR Shared Services.
  - (iii) Identify, track, and report through the Operational Intelligence System (as part of ITSM tooling) on DCS Customer use and non-use of Recommended Standard Products within the environment.
  - (iv) Using the MSI's tools, evaluate all manufacturer end of life/out of support dates for deployed Equipment and Software in the environment.
  - (v) Refresh the reference standards to continue to address DIR and Customer needs.
  - (vi) Work closely with the CTA team to gather additional perspective from Customers as well as help Customers understand how to best leverage the reference architecture.
  - (vii) Ensure the reference architecture and standard products easily understood and available on both the public facing portal and internal portal.
  - (viii) Report and facilitate Reference Architecture Standards and Recommended Standard Product decisions using DIR's DCS Governance processes.
  - (ix) For approved Reference Architecture Standards and Recommended Standard Product changes, publish the description of Recommended Standard Products to Authorized Users as requested by DIR
  - (x) In coordination with the MSI, develop a Customer technology exception process when Customer requests do not align with the Recommended Standard Product list, Reference Architecture standards, DIR's strategic direction, or refresh strategy.
  - (xi) Provide mechanisms and processes and procedures to capture feedback and business needs from DCS Customers as to changes in Recommended Standard Products and Reference Architecture standards.
  - (xii) Maintain the Recommended Standard Products list, containing links and integration with the MSI's Asset Inventory and Management System.

#### 3.1.4.1. Reference Architecture and Standard Product Descriptions

The Successful Respondent shall, at a minimum:



- (i) Focus on broad, minimum requirements rather than on specific models or configurations (e.g., minimum processor type, minimum release level of Software, etc.).
- (ii) Emphasize standards descriptions that are easily understood by Authorized Users. All Equipment and/or Software in use, which is within the refresh cycle approved by DIR and which may be changed from time to time based on technological change and/or business requirements, is considered Reference Architecture Standards and Recommended Standard Products.
- (iii) Adopt as of the Commencement Date the then-current Reference Architecture Standards and Recommended Standard Products.
- (iv) Present changes to Recommended Standard Products to DIR and process through the appropriate governance structure for adoption.

#### 3.1.4.2. Reference Architecture and Standard Products Monitoring

The Successful Respondent shall, at a minimum:

- (i) Routinely educate DCS Customers on Reference Architectures and Recommended Standard Products, including bulletins about upgrade requirements, modification of product support, compatibility issues, known problems with nonstandard products, etc.
- (ii) Leveraging MSI tooling, evaluate and advise DIR on use of nonstandard reference architectures and products within DIR.
- (iii) Where an Authorized User is not utilizing Reference Architecture, take proactive steps to inform the Authorized User and include steps the Authorized User should take to obtain Reference Architecture.
- (iv) Use the MSI's Asset Inventory and Management System to determine the potential use of nonstandard Equipment and/or Software by an Authorized User.
- (v) Provide information to Authorized Users who could be affected by Governance decisions associated to Reference Architecture standards or Recommended Standard Products.

#### 3.1.4.3. Backup/Restore and Data Protection

- (a) The Successful Respondent will design and support capabilities that ensure the DCS Customers have assurances that State assets (data, computing platforms, and networks) are protected to the greatest extent possible.
- (b) The Successful Respondent will design and support DCS Customers to a Service capability that drives all DCS servers/storage – regardless of legacy, consolidated or public cloud under a single strategy with a verifiable outcome (preferably with a single toolset or target) with regard to protection of State data maintained in DCS storage and database assets. This will require working directly with and supporting DIR, MSI and SCP.
- (c) As part of refresh planning process, identify opportunities for centralization and consolidation of infrastructure and applications. This includes identifying and communicating opportunities to improve operations and reduce risk through centralization of services such as storage and backup.

#### 3.1.5. Processes, Procedures, Architecture, Standards, and Planning

- (a) As requested by DIR, Successful Respondent, without limiting the obligation of the Parties under **MSA Section 8.11 Compliance with Laws**, shall assist DIR and the appropriate governance committee (as specified in Section 8 DCS Governance Model on an on-going basis in defining:
  - (i) the standards, policies, practices, processes, procedures and controls to be adhered to and enforced by Successful Respondent in the performance of the Services, including those identified herein, and

- (ii) the associated IT technologies architectures, standards, products and systems to be provided, operated, managed, supported and/or used by Successful Respondent in connection therewith (collectively, the "DIR Standards").
- (b) The Parties acknowledge and agree that, as of the Commencement Date, Successful Respondent is fully informed as to the DIR Standards that have been communicated to it in a manner consistent with **MSA Section 4.3 DIR Rules/Employee Safety**.
- (c) Successful Respondent also shall assist DIR on an annual basis in preparing Technology Plans that include both long-term strategic and short-term implementation plans. The assistance to be provided by Successful Respondent shall include:
  - (i) active participation with DIR and the appropriate governance committee (as specified in in Article [8 DCS Governance Model](#)), addressing such issues;
  - (ii) assessments of the then-current DIR Standards at a level of detail sufficient to permit DIR to make informed business decisions;
  - (iii) analyses of the appropriate direction for such DIR Standards;
  - (iv) the provision of information to DIR regarding Successful Respondent's technology strategies for its own business;
  - (v) recommendations regarding standards, processes, procedures and controls and associated technology architectures, standards, products and systems; and
  - (vi) the provision of current, historical, and forecasted system capacity, performance and utilization metrics at reasonable requested levels of detail.
- (d) With respect to each recommendation, Successful Respondent shall provide the following at a level of detail sufficient to permit DIR to make an informed business decision:
  - (i) the projected cost to DIR and the DCS Customers and cost/benefit analyses;
  - (ii) the changes, if any, in the personnel and other resources Successful Respondent, DIR and/or the DCS Customers shall require to operate and support the changed environment;
  - (iii) the resulting impact on the total costs of DIR and the DCS Customers;
  - (iv) the expected performance, quality, responsiveness, efficiency, reliability, security risks and other service levels; and
  - (v) general plans and projected time schedules for development and implementation. Any assistance provided by Successful Respondent under this section shall be at no additional fee or charge beyond the Charges specified in **Exhibit 2 Financial Provisions and Pricing** for the Services, unless an additional Charge has been approved by DIR.
- (e) DIR shall have final authority to promulgate DIR Standards and Strategic Plans and to modify or grant waivers from such DIR Standards and Strategic Plans. Successful Respondent shall:
  - (i) comply with and implement the DIR Standards and Strategic Plans in providing the Services,
  - (ii) work with DIR to enforce the DIR Standards and Strategic Plans,
  - (iii) modify the Services as and to the extent necessary and on a schedule to conform to such DIR Standards and Strategic Plans, and
  - (iv) obtain DIR's prior written approval for any deviations from such DIR Standards and Strategic Plans.

### 3.2. Solution Request Management and Delivery

- (a) Requests for Solution (RFS) are those types of DCS Customer requests where requirements are captured in the MSI's Request Management system and SCP's develop solutions and cost estimates for DCS Customer review and approval.

The SCP builds and implements the solution. The Successful Respondent will be responsible for providing Solutions when Customers request technology that requires more than one SCP to implement in order to coordinate a cohesive solution or when a Customer requests a solution to be evaluated for either/both public and private cloud.

- (b) The Successful Respondent shall lead and manage the solution development using the MSI Shared Services Systems and processes. The Successful Respondent shall effectively execute the RFS processes and appropriate mechanisms for the fulfillment of requests requiring a solution (e.g., requirements, design, solution, price, proposal) and project delivery (e.g., project management); including appropriate communications to adequately set expectations and promote good customer service.

### 3.2.1. Multi-SCP Solution Management

- (a) TSS will be assigned Multi-SCP Requests to solution for situations such as:

- (i) Complex solutions requiring multiple SCPs to implement technology;
- (ii) Public cloud migration solutions;
- (iii) Upon Customer request.

- (b) The Successful Respondent's shall, at a minimum, solution the RFS, including:

- (i) Assist Customer in creation of fully qualified requests submitted to Demand Management process.
- (ii) Complete requirement clarification discussion with Customer and SCP.
- (iii) Coordinate all necessary subject matter experts in solution and requirement gathering sessions.
- (iv) Establish an SLA target according to the procedures defined in the SMM, by confirming or establishing the complexity disposition.
- (v) Provide a timeframe for delivering a solution proposal, including cost estimates, once requirements are complete.
- (vi) Coordinate across MSI and all SCPs and CSPs to solution the request. Develop an aggregated solution that may include the technical solution, effort, acceptance criteria, detailed solution design document, and pricing for the request.
- (vii) Ensure all requests are solutioned within the DIR-approved architecture and standards and pricing.
- (viii) Working with Private Cloud and Public Cloud SCPs, and DCS Customers to identify shared solutions, including those delivered as a service through the DCS Public Cloud Providers.
- (ix) Develop detailed designs for logical, physical, configuration and testing with Pricing.
- (x) Maintain a deep understanding of infrastructure, application components within the DCS program and across the Industry and how to cost effectively apply to business requirements.
- (xi) Provide infrastructure product-specific knowledge and lead the development of solution design collateral.
- (xii) Actively support DIR procurement services to ensure that solutions meet, not only the needs of the requestor, but also do so in a manner that provides DCS with the greatest business value.
- (xiii) Review SCP solution decisions to ensure the overall price to the customer is the most cost effective.
- (xiv) Ensure solution complies with software manufacturer licensing requirements.
- (xv) Ensure all requests are solutioned within the security policies, procedures, and guidelines of DIR.
- (xvi) Ensure all requests are solutioned within the bounds and guidelines of DIR Shared Technology Services (STS) technical guidelines.
- (xvii) Perform consolidation of business case and proposal deliverables for all in scope SCP.
- (xviii) Coordinate and facilitate solution reviews across all affected SCPs as required to review and gain DCS Customer approval for the solution and pricing.
- (xix) For those solutions that require integration between SCPs/CSPs, develop and maintain the solution proposal, cost-estimating template, and initial project plan, status, issues, and risks in the systems in compliance with the processes in the DIR-approved SMM.

- (xx) Track all Project Change Requests in accordance with established procedures.
- (xxi) Provide a single proposal to requesting DCS Customer, compile and coordinate solution elements and costs from other SCPs and other Third-Party Vendors as appropriate.
- (xxii) Iterate the solutioning process between the SCPs and DCS Customer as necessary. Ensure the SCP adjusts the solution and cost estimating template as required to adhere to the requesting DCS Customer's feedback and requirements.
- (xxiii) Conduct Solution Reviews with Customer as needed to gain necessary approvals.
- (xxiv) Document DCS Customer approvals in accordance with established processes as per the SMM.
- (xxv) Maintain accurate, timely status in the MSI's IT Service Management tool.
- (xxvi) Initiate Successful Respondent Project Management as appropriate upon proposal acceptance by Customer.
- (xxvii) Implemented solutions may require a higher level of involvement and focus during the first thirty (30) days of go-live. Solutions teams, led by Solution management, may be required to engage in assisting SCP in support of installed solutions.
- (xxviii) Delivery of Solution Proposals and achieve the required SLA as defined in the below table, **Attachment 1.2, Service Level Matrix** and **Attachment 1.3, Service Level Definitions and Performance Analytics**, maintaining status and communications with the DCS Customer, the Successful Respondent, and SCPs. Successful Respondent will also coordinate and develop appropriate Operating Level Agreements with required SCP in support of defined service levels.

Table 3: Service Proposal SLAs

Complexity	Service Level (business days)
Simple	10
Medium	15
High	23
Custom	35

- (xxix) Solution Complexity will be governed as defined in the following table and further defined within the approved SMM. Disposition of classification of requests will be performed by Successful Respondent.

Table 4: Solution Complexity

Description	Low Complexity	Medium Complexity	High Complexity	Custom Complexity
Technology Alignment (OS, DB, Middleware, etc)	Core	Core, Emerging, Declining	Emerging, Declining, Specialized	Specialized, Non-Standard Reference Architecture
Server Type	Virtual	Virtual	Physical	Physical
OS Instance Count	<5	>5 <=10	>10	>10
Install Location	ADC/SDC, Public Cloud	Non-Cons DC, Remote, Public Cloud	Non-Cons DC, Remote, Public Cloud, Hybrid	Hybrid
Multi-Application	No	No	Yes	Yes
DR Classification	5, 4	3	2, 1	1
Network Functions	Firewall – Int	Firewall – DMZ, Firewall - DMZ & Int	Firewall – EXT, DMZ & Int	Firewall – EXT, DMZ & Int

Description	Low Complexity	Medium Complexity	High Complexity	Custom Complexity
Project Type	Refresh of previous Demand, simple Public Cloud migrations	Application Rehosting, Refresh of previous Demand, medium complexity Public Cloud migrations	Application Replatform, Application Modernization, Cloud Assessment, Public Cloud Migration	Application Modernization, Facility Move, Public Cloud Migration

### 3.2.2. Single-SCP Solution Management

It is expected that Successful Respondent provide Solution Management support for Single-SCP Demand requests and shall at a minimum:

- (i) Notify Customers when Demand requirements are not complete.
- (ii) Supports the SCP in clarifying business and technical requirement questions and design decisions with the Customer.
- (iii) Conduct reviews of solution proposals prior to being submitted to Customer to ensure comprehensiveness of meeting objectives and completeness of solution, pricing, implementation planning and risk mitigation.

### 3.2.3. Project Management

- (a) For the solutions developed by TSS and approved by the Customer, the Successful Respondent shall provide project management for the implementation of the projects. The objective for TSS to provide the resulting project management is to ensure the Customer receives the solution as TSS architected with all the resulting benefits. The TSS Project Management interfaces with the DCS Customer on behalf of the DCS program and coordinates the efforts of all SCPs involved. The TSS project manager provides additional assurance the DCS Customer is guided through new technology implementation, acting as a technical advisor and engaging the Enterprise Architect for training, problem solving and implementation guidance.
- (b) TSS shall project manage the DCS Customer-approved RFS through to implementation, including:
  - (i) Integrate project plans from appropriate Service Providers to develop and maintain a single, cohesive project plan, status, issues and risks in the systems in compliance with the processes in the SMM.
  - (ii) Coordinate and communicate the schedule for delivery and cutover with the DCS Customer and SCPs.
  - (iii) Prepare and communicate all project communications to the DCS Customer (e.g., project plans, project dashboards, etc.).
  - (iv) Setup and facilitate DCS Customer meetings as required.
  - (v) Project manage the RFS project across the Successful Respondent and all SCPs and achieve the required SLA, as defined in **Attachment 1.2, Service Level Matrix** and **Attachment 1.3, Service Level Definitions and Performance Analytics**, maintaining status and communications with the DCS Customer, the Successful Respondent, and SCPs.
  - (vi) Execute all required Service Management processes (e.g., Change Management, Request Management, Asset Management, Configuration Management) to ensure proper process adherence and recording of services during the project.
  - (vii) Support applicable methodology to follow for the project –Agile, Waterfall, or Hybrid approaches, while encouraging the adoption of Agile methodology with Customers and assist SCPs in the use of Agile delivery techniques.

### 3.3. Obligation to Evolve

- (a) Successful Respondent shall identify and propose the implementation of Technology Evolutions that are likely to: (i) improve the efficiency and effectiveness of the Services (including cost savings); (ii) improve the efficiency and effectiveness of the processes, services and related functions performed by or for DIR and the DCS Customers; (iii) result in cost savings or revenue increases to DIR and the DCS Customers in areas of their operations outside the Services; and (iv) enhance the ability of DIR and the DCS Customers to conduct their operations and serve their constituencies and customers faster and/or more efficiently than the then-current strategies. Successful Respondent will cause the Services, Software and other assets used to deliver the Services, as approved by DIR, to evolve and to be modified, enhanced, supplemented and replaced as necessary for the Services, Software, and other assets used to deliver the Services to keep current with industry best practices and a level of technology that is:
- (i) compliant with all Laws applicable to the provision and receipt of the Services;
  - (ii) used by Successful Respondent and other top-tier IT providers in providing services similar to the Services to other customers; and
  - (iii) in general use within the IT industry.
- (b) Any changes to the Services, Software, and other assets used to deliver the Services implemented in accordance with this Section will be deemed to be included within the scope of the Services to the same extent and in the same manner as if expressly described in this Agreement, at no additional charge to DIR.

### 3.3.1. Flexibility

The technologies and process strategies Successful Respondent employs to provide the Services shall meet industry standards and shall be flexible enough to allow integration with new technologies or processes, or significant changes in DIR's or a DCS Customer's objectives and strategies. For example, Equipment must have sufficient scalability and be sufficiently modular to allow integration of new technologies without the need to replace whole, or significant parts of, systems or processes (e.g. made to be a one-to-many model) to enable DIR's and/or the DCS Customers' operations to become more scalable and flexible.

### 3.3.2. Obligation to Identify Best Practices

Throughout the Term, Successful Respondent shall (1) identify and apply best practice techniques, methods and technologies in the performance of the Services; (2) train Successful Respondent Personnel in the use of new techniques, methods, and technologies that are in general use within Successful Respondent's organization and the IT and business consulting industries; and (3) make necessary investments to keep and maintain the Software and other assets used to deliver the Services at the level of currency defined in this Section.

### 3.3.3. Successful Respondent Briefings

Successful Respondent will meet with DIR at least once during every 180-day period throughout the Term to inform DIR of: (1) any investments, modifications, enhancements, and improvements that Successful Respondent is required or proposes to make to the Services, Software, and other assets used to deliver the Services pursuant to this Section; (2) new information processing technology or business processes Successful Respondent is developing; (3) any pending or actual changes in Law that could reasonably be expected to affect the provision or receipt of the Services; and (4) technology or process trends and directions of which Successful Respondent is otherwise aware that could reasonably be expected to have an impact on DIR's IT operations or business.



### 3.4. Operating Agreements with Other SCPs and MSI

- (a) DIR holds other contracts for additional or related work for the DCS SCPs, platforms and customer specific projects and services. The Successful Respondent must fully cooperate with the MSI and all other DCS SCPs as may be required for the smooth and efficient operation of all related or additional work arising from this Exhibit. The Successful Respondent may not act in any way that may unreasonably interfere with the work of any other DCS participant or DIR or DCS Customers' employees. Additionally, the Successful Respondent must enforce the obligations of this provision in all its contracts with its subcontractors that work on any Project or Service arising from this Exhibit.
- (b) DIR believes that mutually supportive relationships among DCS SCP, in addition to relationships with DIR and the MSI, are required to deliver a seamless and well managed service to DCS Customers.
- (c) The Successful Respondent is required to enter into Operating Agreements (OAs) with the MSI and other DCS and STS SCPs including but not limited to Texas private cloud, mainframe, print/mail, public cloud, network, and security, and future SCPs should DIR identify them to the Successful Respondent. The Successful Respondent will contribute to the design of these OAs, and will be responsible for implementing, following and responding to these agreements once developed. At a minimum, these OAs will include SCP to SCP agreements that address processes, protocols and communications for:
  - (i) Joint operation, issue resolution, and governance of the delivery of Services;
  - (ii) Customer support functions for multi-service provider solution requests;
  - (iii) Incidents resolution and project management for multi-service provider escalations;
  - (iv) Operations management;
  - (v) Security matters including active or persistent threats and multi-party response/remediation functions;
  - (vi) The Successful Respondent and the MSI and SCPs will acknowledge and agree in the OA that the Successful Respondent will assist and coordinate the delivery of Services to DIR and DCS Customers. In addition, the Successful Respondent, MSI and SCPs shall each promptly disclose to the other any material difficulties or delays that either experiences in connection with the delivery or operation of the Services;
  - (vii) Ensuring consistent levels of quality in the DCS environment while providing transparency across all levels of the DCS service provider organization, to DCS Customers, the MSI and DIR;
  - (viii) Defined and agreed standards of accountability for all involved;
  - (ix) Documented interdependencies among SCPs for service delivery, including timing, quality and communications standards as to ensure that handoffs or support requirements between the parties are understood, documented, and followed by all parties;
  - (x) Service terms, conditions, operating hours, response times and escalations; and
  - (xi) Periodic review and optimization of the OAs based on better practices, lessons learned and DCS Customer feedback. The project team leaders from the Successful Respondent, MSI, and SCPs shall meet regularly, but no less frequently than monthly, during the term of this Agreement, to prioritize tasks, discuss changes and scheduling,

identify problems and resolutions, and otherwise coordinate and cooperate in connection with the development and implementation of the Services.

- (d) Further, the Successful Respondent will establish Operating Agreements (OA) with both other DCS Service Component Providers and the MSI that the Successful Respondent provides services to, or consumes services from in the overall context of the DCS program as to:
  - (i) Provide a holistic Service to DCS Customers inclusive of all work, process, communication, and data/report sharing requirements contained herein;
  - (ii) Minimize, and to the greatest extent possible, eliminate process and communication gaps or overlaps in Service Request management, ITIL processes and Service Delivery processes as to drive a cohesive and well-run Service to DCS customers and DIR; and
  - (iii) Ensure participation and success of multi-service provider projects, initiatives, incident and problem resolution within the DCS program where such elements require multi-party participation to deliver a project, resolve an issue or problem, or provide a superior delivery/resolution outcome to DCS customer(s) and/or DIR as required.
- (e) The Successful Respondent will cooperate with DIR in its attempts at transferring, replacing or augmenting the services responsibilities to another provider in a manner in keeping with not adversely affecting the provision of ongoing services and other projects being performed concurrent with this Service.
- (f) Due to the nature of the Shared Technology Services program and the integration of SCPs therein, DIR expects that there may be occasions where an SCP's responsibilities may need to be revised to support the overall success of the program and ensure service continuity. DIR therefore retains the sole right to remove and/or reassign a portion of a SCP's scope as necessary. There may also be an occasion where DIR may ask that a SCP absorb work related to their scope of Services in an effort to provide continuity of service to the program where a gap may be discovered or a change for the betterment of the program may be needed. Should either of these actions be needed, the Successful Provider will work with DIR in good faith to execute those changes through the appropriate contract change request process. It is DIR's intent that the Successful Respondent will perform Services within the Shared Technology Services Program such that all actions support success of the program and prevent negative outcomes for Customers as may be anticipated and prevented by the Successful Respondent.

### 3.5. Successful Respondent Cooperation

- (a) Successful Respondent shall perform the Services in a manner that shall not:
  - (i) disrupt or have an unnecessary adverse impact on the activities or operations of DIR, the DCS Customers, or a DIR Contractor,
  - (ii) degrade the Services then being received by DIR or the DCS Customers, or
  - (iii) disrupt or interfere with the ability of DIR or the DCS Customers to obtain the full benefit of the Services.

- (b) Successful Respondent acknowledges that its provision of the Services shall require significant cooperation with third parties, and Successful Respondent shall fully cooperate and work in good faith with third parties as described in this Agreement and to the extent otherwise requested by DIR. DIR and DCS Customer personnel and DIR Contractors shall comply with Successful Respondent's reasonable security and confidentiality requirements and shall, to the extent performing work on Software, Equipment or Systems for which Successful Respondent has operational responsibility, comply with Successful Respondent's reasonable standards, methodologies, and procedures as communicated in writing to such third parties by Successful Respondent.

### 3.6. Onboarding New Customers

The Successful Respondent will work with the MSI and Texas Private Cloud, Public Cloud, and/or Mainframe SCPs to support their new customer onboarding efforts. Upon request from New Customers who obtain DCS compute services (i.e., Texas Private Cloud, Public Cloud, Mainframe), the Successful Respondent will perform an assessment in alignment with Sections 1.3, and 3.1.1 of this Statement of Work.

### 3.7. Performance Guarantee

The continuous operation of the Service and systems provided by TSS is vital to DCS Customers. For failures affecting critical components causing an interruption of service experienced by any in-scope system (outage), the Successful Respondent must agree to utilize any and all resources to immediately correct the cause of such outage at no additional expense to any impacted DCS Customer(s).

### 3.8. Modernization Consulting

- (a) The following services may be requested by DCS Customers. These requests would be received via the Demand Management process following MSI defined processes. If requested, the Successful Respondent will adhere to the following general methodology to ensure Customer objectives are understood and adhered to and seek opportunities to transform the Customer's environment to maximize the value of leveraging DCS Services.
- (b) The digital MSI platform includes an Application Portfolio Management (APM) capability for DCS customers with infrastructure in a DCS environment. The TSS SCP will employ the APM, along with the state's published Legacy Modernization Guide and Application Development Decision Framework (ADDF) to create a consistent modern development methodology in order to transform an Eligible Customer's existing legacy application stack leveraging the full stack of technologies expected with the Next Generation DCS program. In addition to working closely with the Customer to develop a modernization roadmap of its existing stack, the TSS SCP will work with Customers to develop the support and methodology for individual projects born of the roadmap. Once prioritization is established, the TSS SCP may, should an Eligible Customer choose, assist the Customer on a project by project basis to implement the prioritized roadmap.
- (c) The Successful Respondent will provide expert level leadership in architecture, technology, cloud enablement and change management. The Successful Respondent will develop an overall roadmap as requested by the Customer to:
- (i) Provide thought leadership to the Customer in the formulation of an overall strategy for their specific environment that results in a step change in capabilities as follows:
    - A. Drive positive outcomes for the Customer in the context of their business objectives and requirements identified during initial project formation phases;
    - B. Maximize leverage of DCS Services;
    - C. Identify project requirements as they relate to the MSI, Customer, and DCS SCPs;
    - D. Develop best solution based on Customer needs and DCS capabilities; and

- E. Provide an execution strategy to achieve outcomes as a project and supportable under DCS operating conventions and standards.
  - F. Identification of approaches to reduce migration risk through proven methodologies and tools designed to minimize disruption to the Customer's operations.
  - G. Assess and identify steps required to elevate identified business applications to a higher DR Class, if appropriate.
- (ii) Develop a change strategy and detailed customer centric roadmap that results in the following outcomes:
- A. DCS Customers view DCS as an enabler of legacy modernization and as a promoter of new business models through innovative application of DCS infrastructure solutions to Customer problems;
  - B. The existing Customer business is not at risk due to migration to DCS;
  - C. Customer adoption of the evolved support capabilities through DCS Services;
  - D. Customers make informed application investment decisions and infrastructure architectural foundations;
  - E. Solution options that factor cost, risk, and strategic goals of the Customer; and
  - F. Technical approach and migration plan.
  - G. Updates of APM and other approved asset repositories.
- (d) The Successful Respondent shall include in the roadmap, at a minimum, the following:
- (i) **Business Outcomes** including capturing and achieving business outcomes through better identification of stakeholders and imperatives, developing business capability models and establishing governance.
  - (ii) **Recommended Development Approach** including the most appropriate development process, project management style, and staffing model for the project characteristics as to optimize productivity and contain enhancements.
  - (iii) **Financial Model** inclusive of the Request for Solution and cost model associated with procuring solutions through the various DCS program offerings and definition of the long-term support and refresh model as well as determination of the impact of the development approach on cost, responsiveness and risk.
  - (iv) **Technology Direction** to include new integration and service architecture patterns, cloud deployment, mobile access, programming languages and security while incorporating best practices into the development process.
  - (v) **Process Improvement** to manage and rationalize application portfolios, improve requirements solicitation, and optimize the application user experience and drive improvements in security and data protection.
  - (vi) **Organizational Culture and Change** to define the roles of IT, business, leadership, and oversight in the agency and support leadership styles and facilitated governance to improve business and IT collaboration and drive efficiency.

### 3.9. DIR Requested Projects

#### 3.9.1. Procedures and Performance

Successful Respondent will perform Projects as directed by DIR, in accordance with the terms of this Agreement and the process described in this Section. From time to time and at DIR's sole discretion, DIR may request Successful Respondent to perform Projects. DIR may initiate a request for a new Project by providing such request in writing (each such request, a "Project Request") to Successful Respondent. Successful Respondent shall justify to DIR when it has insufficient resources to perform such work, including through reprioritization or rescheduling of Project activities of Successful Respondent Personnel. The Designated DIR Representative will request, define and set the priority for Projects. Successful Respondent shall maintain appropriate continuity of personnel assigned to perform Projects.

### 3.9.2. Project Work Order

- (a) Successful Respondent shall, within the time frame specified in such Project Request (and in no event more than five (5) DIR Business Days from receipt of such request unless another time frame is approved by DIR), at no charge to DIR, prepare and deliver to DIR a proposed Project Work Order (each, a "Project Work Order"), as described below. Each proposed Project Work Order prepared by Successful Respondent will contain the following information:
- (i) a detailed description of the scope of work to be performed by Successful Respondent to complete and implement the Project, including any required Deliverables;
  - (ii) any specific performance standards that will apply to the completion and implementation of such Project, including Successful Respondent's agreement to meet applicable Service Levels;
  - (iii) an anticipated schedule for completing and implementing the Project and any related Deliverables, including Milestones and credits for failing to achieve Acceptance of Milestones and Deliverables;
  - (iv) a description of the Successful Respondent positions that will be assigned to each activity specified in the Project Work Order, including the location of Successful Respondent Personnel assigned to such positions (i.e., onsite, offsite, onshore and sufficient detail to allow DIR to audit the assignment and billings related to such Successful Respondent Personnel;
  - (v) a description of the Acceptance Criteria and Acceptance Testing procedures to be used by DIR in connection with any Acceptance Testing of such Project and any related Deliverables and Milestones;
  - (vi) the estimated number of personnel hours needed to complete the Project;
  - (vii) one (1) or more fee quotes, based on the following pricing mechanisms:
    - A. the applicable hourly rate, in accordance with the Rate Card,
    - B. if the Project consists of multiple units of work for which there are pre-defined one-time Charges, the number of pre-defined work units multiplied by the applicable pre-defined one-time Charge, or
    - C. if requested by DIR, a fixed fee or other pricing mechanism.
  - (viii) DIR may, at its option, choose which pricing mechanism will apply to the Project.
- (b) Successful Respondent will not commence performing any services in connection with a Project, and DIR will not be responsible for any Charges applicable to such Project, until the Parties have executed the applicable Project Work Order. Any change to a Project Work Order will be made pursuant to the Change Control Procedure.

### 3.9.3. Approval of Projects; DIR and DCS Customer Requests

The Designated DIR Representative may accept or reject Project proposals in his or her sole discretion. Successful Respondent shall not agree to provide Projects to DIR or any DCS Customers without the prior approval of Designated DIR Representative. DIR shall not be obligated to pay for any Projects not properly authorized by the Designated DIR Representative. Without limiting DIR's other rights under this Agreement or applicable Law, if Successful Respondent fails to comply strictly with this Section, it shall receive no compensation for any services rendered to DIR or any DCS Customer in violation of this Section.

### 3.9.4. Reprioritization, Termination, and Suspension

Successful Respondent acknowledges and agrees that DIR will have the right based on valid business reasons to reprioritize, terminate, or suspend any Project at any time upon informing the Successful Respondent Contract Manager. DIR will not be obligated to pay Successful Respondent any additional compensation associated with such action unless the corresponding Project Work Order expressly provides otherwise. If DIR decides to terminate a Project Work Order, Successful Respondent will stop performing the Project work in an orderly manner as of the date specified by DIR, and Successful Respondent will only be entitled to charge DIR for actual performance provided by Successful Respondent for chargeable Project work up to the date specified in DIR's notice.

### 3.9.5. Additional Work or Reprioritization.

DIR may identify new or additional work activities to be performed by Successful Respondent's Personnel (including work activities that would otherwise be treated as New Services) or reprioritize or reset the schedule for existing Projects and other Services to be performed by Successful Respondent Personnel. Unless otherwise agreed, DIR shall incur no additional charges to the extent such work activities can be performed by Personnel then assigned to DIR. The Successful Respondent shall use commercially reasonable efforts to perform such work activities without impacting the established schedule for other tasks or the performance of the Services in accordance with the Service Levels. If it is not possible to avoid such an impact, Successful Respondent shall notify DIR in advance of the anticipated impact and obtain DIR's consent, in writing, prior to proceeding with such work activities. DIR, in its sole discretion, may forego or delay such work activities or temporarily adjust the work to be performed by Successful Respondent, the schedules associated therewith or the Service Levels to permit the performance by the Successful Respondent of such work activities.

### 3.10. Procurement Management

#### 3.10.1. Software Purchases on Behalf of Customer

- (a) The Successful Respondent is responsible for purchasing certain software requested by the DCS Customer through the Request Management process defined by the MSI and documented in the SMM. As part of purchasing products, the Successful Respondent shall also ensure the most cost-effective decisions are made to provide business value for DCS Customers, which includes engaging with SCP and TSS to verify purchasing decisions made offer the highest business value for DCS Customers. These purchases are invoiced to Customers as Software Service Charges (SSC) or Hardware Service Charges (HSC) as defined in Exhibit 2 Pricing. These requests include:
  - (i) Software Purchases – Customer requests to purchase software that are outside of the Successful Respondent's financial responsibility, which typically include database and middleware. These software purchases shall be made in the name of the Customer and are invoiced to the Customer at the Successful Respondent's purchase price.
  - (ii) Renewals – Renewals for software licenses maintenance that are not the Successful Respondent's financial responsibility are invoiced to the Customer at the Successful Respondent's purchase price as SSC. Renewals include the following: software license and, software maintenance.
- (b) Successful Respondent shall adhere to the applicable product and services standards specified by DIR or set forth in the SMM and shall not deviate from such standards without DIR's prior approval. To the extent an authorized DIR representative specifies the third-party vendor, pricing and/or other terms and conditions for procuring products or services on behalf of DIR or any DCS Customer, Successful Respondent shall not deviate from such instructions without DIR's prior approval. Successful Respondent shall also engage DCS customers as required prior to and during any negotiations of terms and conditions.
- (c) The Successful Respondent shall procure products and services on DIR's or a DCS Customer's behalf by:
  - (i) purchasing the products and services on behalf of DIR;
    - (i) leasing, or arranging for a third party to lease, such products to DIR; or
    - (ii) licensing, or arrange for a third party to license, such products to DIR.
- (d) In connection with the foregoing, Sections 3.10.1.1 through 3.10.1.2 shall apply:

#### 3.10.1.1. Purchases under DIR Master Agreements

- (a) Successful Respondent shall use master agreements between DIR and third party vendors to procure SSC products and services unless Successful Respondent can procure such products or services at lower cost than such products or services can be procured through such master agreements. Successful Respondent shall provide reasonable



documentation respecting the foregoing as may be requested by DIR. Purchasing process details are maintained in the SMM.

### 3.10.1.2. 3.5.1.2. Successful Respondent Agreements

- (a) In accordance with the MSA, Successful Respondent may use agreements between Successful Respondent and subcontractors and third-party vendors if permitted by such agreements to procure products and services on DIR's or a DCS Customer's behalf. Successful Respondent's use of such agreements shall be conditioned on and subject to the following:
  - (i) Successful Respondent complying with the relevant MSA requirements;
  - (ii) Successful Respondent complying with the terms and conditions of such agreements and accepting responsibility for meeting any minimum volumes;
  - (iii) Where permitted by such agreements and consistent with DIR's approval, Successful Respondent passing through to DIR any refunds, credits, discounts or other rebates to the extent such amounts are directly allocable to DIR;
  - (iv) Successful Respondent retaining responsibility for curing any breaches of such agreements and indemnifying, under and in accordance with MSA, Section 10.3 Indemnification Procedures, DIR and the DCS Customers for any Losses in connection with such breaches;
  - (v) Such agreements offering more favorable pricing and equivalent or better terms and conditions for the requested product or service than the master agreements between DIR and third party vendors;
  - (vi) Giving DIR and the DCS Customers price quotations and other benefits consistent with Successful Respondent's favorable third party vendor arrangements where permitted by such vendors;
  - (vii) To the extent reasonably practicable, using the aggregate volume of Successful Respondent's procurements on behalf of itself, DIR, the DCS Customers and other customers to obtain more favorable pricing and equivalent or better terms and conditions for the requested product or service; and
  - (viii) After evaluation of DIR co-operative contracts and verification that such contracts do not offer greater business value for DCS Customers.

## 4. Business Analytics and Reporting (BAR)

### 4.1. Business Analytics Platforms Objectives

- (a) The TSS SCP is responsible for designing the strategy for DCS to provide BAR for DCS Customers. As customers request BAR Services, TSS will architect the infrastructure platform to be hosted in either the DCS private cloud or the DCS public cloud. The DCS Private Cloud and DCS Public Cloud Manager will be responsible for implementing the BAR infrastructure. TSS will be responsible for project managing the implementation.
- (b) Via the Texas Private Cloud and Public Cloud Services RFOs, DIR is seeking offers to install, build, and configure an enterprise BAR as a platform for data analytics computing and storage.

### 4.2. BAR Ideation, Analytics and Support Responsibilities

The BAR required under this Statement of Work is to augment Customers' focus on services to the public via transactional systems and managerial performance metrics, integrating and analyzing far more information - leveraging huge amounts of historical data to identify and train systems to sort through and spot anomalies, determine correlations in past behavior, using them to predict future events or existing opportunities, so that the State can respond with a tailored approach.

#### 4.2.1. Key Responsibilities and Scope of Activities

- (a) As part of its response to the opportunities contained in the background section of this solicitation, the Successful Respondent will develop and execute initiatives across DCS Customers and based on the merits of these initiatives, seek

to create a Customer support capability to build “production grade” business analytics and reporting shared service solutions as well as to work with Customers to:

- (i) Define and describe future projects;
  - (ii) Identify, curate, and load DCS Customer data on private/public BAR platforms (as applicable to the data);
  - (iii) Ensure that data quality, metadata and statistical relevance parameters of the underlying data is understood; and
  - (iv) Provide Customers (if requested) expert data analytics to analyze DCS Customer data sets.
- (b) The required services can be organized into 1) Data Analytics Strategy, 2) Architecture, 3) Technical Support Services, and 4) Data Analytics Expertise. DIR seeks an expert firm with a proven record of success to help lead maturation and adoption of enterprise-wide data analytics and reporting. This Section describes DIR’s requirements across these four areas and contains support requirements in each section.

#### 4.2.2. DCS Customer Data Analytics Strategy Requirements

- (a) The State has a wealth of data, many technical tools and many established capabilities around business intelligence and data analytics. The State has a strategic direction regarding use of data as enterprise assets and a general, high-level approach of identifying and prioritizing high-value analytical opportunities for nearer-term and iterative analytical results.
- (b) In this context, DIR is seeking a strategic partner to assist Customers in refining their overall business analytics strategy, including but not limited to:
- (i) Privacy and data sharing;
  - (ii) Data staging and repositories;
  - (iii) Security;
  - (iv) Data governance;
  - (v) Data integration and normalization; and
  - (vi) Data discovery.
- (c) The State has policies and codified law regarding privacy and data sharing, established security standards, and emerging strategy around governance, integration, staging and warehousing, and other critical aspects of business analytics. This Section seeks an expert partner to assist the State in synthesizing these policies, laws, strategies, and objectives into concise and actionable strategies for Customers in the context of their business environment and data.
- (d) DIR requires a partner with a demonstrable record of leadership and vision in business data analytics. The ability to translate a technical strategy into an actionable plan in alignment with business objectives is key.

#### 4.2.3. BAR Architecture Requirements

- (a) The Successful Respondent will help DCS Customers define their use of the BAR platform(s) and architect the infrastructure through the DCS Private Cloud and DCS Public Cloud Manager. TSS is responsible for technical decisions around data storage, data movement, data security, integration and other architectural considerations.
- (b) In conjunction with emerging business analytics initiatives, DIR has outlined a high-level strategy utilizing an enterprise data lake and is seeking a commercial Hadoop distribution (details in the next section below) as the foundation for BAR activities. Hadoop is identified for purposes of establishing a common comparison across all Respondents. Additionally, DIR welcomes the Respondents’ inclusion of abilities to leverage contrasting environment options.
- (c) The State’s strategy calls for data to be ingested from the various source systems into the BAR platform(s) and made available for data sharing and analytics subject to applicable policies, laws, and requirements.

#### 4.2.4. Technical Support Services Requirements

- (a) In addition to the foundational strategic and architectural expertise required above, DIR is seeking a partner with specialization in the technologies commonly associated with the following areas to be performed by the DCS Customer including:
- (i) Data Visualization;
  - (ii) Data Analytics;
  - (iii) Robotic Process Automation, Machine Learning & Deep Learning, Artificial intelligence;
  - (iv) Cognitive Computing;
  - (v) Data Mining, Neural Networks;
  - (vi) Micro and Macro Trending, Outlier Analysis;
  - (vii) Open Data Platforms;
  - (viii) Policy Change through Outcome Analysis;
  - (ix) Crowdsourcing, Social Media;
  - (x) Sentiment Analysis;
  - (xi) Text Mining;
  - (xii) Sensor Technology and Internet of Things;
  - (xiii) Augmented and Virtual Reality;
  - (xiv) Geospatial Technology, Modelling and Mapping; and
  - (xv) Block Chain Technology.
- (b) The Successful Respondent will work with Customers to source, extract, ingest, catalog and secure agency data within DIR's BAR platforms when requested for a project. The Successful Respondent, as part of their proposal and in performing the work, will provide technical expertise in the following categories:
- (i) Hadoop and Hadoop-based variants;
  - (ii) Spark and other NoSQL and NewSQL databases;
  - (iii) SQL databases;
  - (iv) Graph, Bitmap and Spatial Databases;
  - (v) Massively Parallel (MPP), Cloud and Cluster Platforms and Services;
  - (vi) Data Extraction / Transformation / Integration Tools; and
  - (vii) Crowd Sourced and Open Sourced Datasets.
- (c) DIR recognizes that this technical ecosystem is diverse and seeks a Respondent with a broad understanding of these technologies as well as resources possessing deep expertise in individual tools.
- (d) In addition to providing technical expertise, a significant role of this engagement will be to use that expertise to assist Customers in scoping and defining analytical projects. This includes understanding desired business outcomes, available data, and available technologies to define statements of work that match business objectives.
- (e) Successful Respondent is not required to possess subject matter expertise across functional domains. Rather, DIR expects the Successful Respondent to work with functional domains to develop analytical statements of work in accordance with Customer strategy and architecture through the Successful Respondent's technical expertise.

#### 4.2.5. Data Analytics Expertise Requirements

- (a) DIR seeks to foster a Texas-based "next generation" of data science service that addresses the following challenges to the State:
- (i) identifying and nurturing a talent pool within the State;

- (ii) applying this talent pool to the biggest problems of the State with the involvement of relevant Customers; and
  - (iii) acquiring the tools required to drive results and outcomes.
- (b) Understanding the levers of public policy, incentives, income and consumption taxes, education, effect on jobs and opportunity creation is an essential use of State data. DIR seeks to develop a cooperative environment that allows data science experts to work with the State to achieve the goals of this program. Realizing that there is a high velocity of innovation in the data science space by way of tools, techniques, and methods, DIR also seeks to foster and utilize this innovation to maintain a position to constantly utilize the “best and brightest” that Texas and nationally eminent firms have to offer.
- (c) A Customer (or collection of Customers) will identify specific requirements, and develop a proposed exploratory project solicitation for the outcomes and deliverables, subject to the review and approval by DIR. The Successful Respondent will consult with Customer(s) to determine the relevant analytics domain(s) and propose data science resources considered best-suited to perform the work.
- (d) The Successful Respondent will engage highly qualified data science vendors or Respondent’s own organization to deliver these data analytics services on any BAR project.
- (e) The Successful Respondent will publish and communicate technology strategy and support to Customers to ensure their projects are aligned with DIR’s enterprise technology direction and that the services effectively enable the BAR value proposition for the Program.

#### 4.3. Response Requirements

- (a) Respondents, as part of their proposal in response to this RFO must include summary descriptions of the experience and capabilities of their firm and of team members available to DIR and include:
  - (i) Firm credentials - Referenceable and recent experience of the firm in providing data analytics for any customer in at least one of the following data analytics domains: Agriculture, Business, Commerce, Education, Energy & Utilities, Environment, Licensing, Natural Resources, Public Health, Public Safety, and State and Local Governance;
  - (ii) Referenceable and recent experience of the firm in providing similar services for any customer;
  - (iii) Exploratory Projects - For any data analytics domain that the Respondent wishes DIR to consider Respondent qualifications to perform exploratory projects, the Respondent as part of their response to this RFO will provide brief summaries (2-3 pages suggested) as project biopics or case studies;
  - (iv) Name of Client (or, for confidential Clients, a summary description of the nature of the client’s business e.g., “a Midwest Based Regional Health Care Provider” or “a Federal Law Enforcement Agency”);
  - (v) Geography (e.g., State, Regional, National, Global);
  - (vi) Business Problem Summary;
  - (vii) Insights / Outcomes Achieved;
  - (viii) Nature/Role of Firm and Services Provided;
  - (ix) Period of Performance;
  - (x) Project Statistics (e.g., number of datasets, sizing, tools/methods utilized, external data sources utilized); and
  - (xi) Unique Project Challenges, Obstacles and Impediments (if applicable).
- (b) For any references, the Respondent should provide brief summaries (1-2 pages suggested) as project biopics or case studies:
  - (i) Name of client (or, for confidential clients, a summary description of the nature of the client’s business e.g., “a Midwest-based Regional Health Care Provider” or “a Federal Law Enforcement Agency”);
  - (ii) Geography (e.g., State, Regional, National, Global);
  - (iii) Business problem summary;
  - (iv) Insights / Outcomes achieved;

- (v) Nature/Role of firm and services provided;
- (vi) Period of performance;
- (vii) Project statistics (e.g., number of datasets, sizing, tools/methods utilized, external data sources utilized; and
- (viii) Unique project challenges, obstacles and impediments (if applicable).

#### 4.3.1. Respondent Firm Capabilities, Methods and Tools

As part of their response, Respondents are to provide a summary of the unique capabilities of the firm, including:

- (i) Tools, methods, data sources and unique approaches;
- (ii) Innovative methods and techniques to problem solving using data analytics and analysis of very large scale and diverse datasets; and
- (iii) Tool and platform expertise.

## 5. Application Development and Maintenance Services (ADM)

### 5.1. General Scope and Support Requirements

The following sub-sections describe and scope the ADM services to be delivered and/or with which the Successful Respondent shall comply. The Service Environment will be specifically defined at the time the Successful Respondent is engaged by a Customer to propose or deliver services. To provide general context across potential Service Environments, the following sections may reference general lists, descriptions or guidance to be considered by the Successful Respondent in responding to the DIR RFO. All ADM services are offered onshore only.

#### 5.1.1. Applications

- (a) The in-scope applications will be determined when the Successful Respondent is engaged by a Customer to propose or deliver Services.
- (b) The Successful Respondent shall provide maintenance services for all applications currently being supported under the MAS contract.
- (c) Customers may purchase single or multiple phases within the Software Development Life Cycle.

#### 5.1.2. Infrastructure Hosting

All ADM Services and environments (e.g., production, test, staging, development) must be hosted within the DCS Program (i.e., Texas Public Cloud, Public Cloud, Mainframe). Customers are eligible to purchase development services as long as the production environment for the application being developed is hosted within the DCS Program.

### 5.2. Application Development Services

#### 5.2.1. Application Project Management

Without limiting the requirements of **Exhibit 2 Financial Provisions**, Successful Respondent shall:

- (i) Upon receipt of a request for new Development or Major Enhancement services, which are initiatives requiring more than forty (40) hours of effort and are priced separately in accordance with **Exhibit 2 Financial Provisions**, prepare a proposal, according to the Service Management Manual (SMM).
- (ii) Track all project activity in the MSI-provided tools and systems;
- (iii) Submit Project Change Requests (PCRs), as per the documented SMM, to DIR and/or Customer.
- (iv) Follow established PCR procedures, policies, and processes as documented in the SMM.
- (v) Use established methodologies throughout the Successful Respondent's organization(s) to plan, monitor, and control Projects throughout the Development Lifecycle in compliance with the processes defined in the SMM. Perform status reporting on a regular basis as defined in the SMM.

#### 5.2.1.1. Work Specification and Authorization Process

The Successful Respondent will provide services on request as authorized in writing in accordance with the mutually agreeable work estimation, quotation, and approval process. Requests will be made through the MSI Service Catalog via a Request for Solution (RFS), to effectively manage, authorize and report on demand.

#### 5.2.1.2. Demand Management

The Successful Respondent will identify project resources by skill type and will enter staff availability into the MSI's demand management system. The Successful Respondent will assign those resources to the solution requests and project implementations. The staff will estimate work effort in hours to both solution and implement requests and will track these estimates in the MSI's demand management system. The staff will then track actual hours spent by project in the MSI's demand management system.

#### 5.2.1.3. Demand Management Forecasting and Reporting

- (a) The Successful Respondent will use the MSI demand management resource planning tool to provide a schedule of project hours consumed (by DCS Customer activity, resource type, and Project) to forecast requested projects. The Successful Respondent will use the MSI tool to demonstrate accurate estimating and staff allocation to projects such that deadlines are met. Successful Respondent will also participate in project staffing and resource assignment meetings as requested.
- (b) Two (2) SLAs will report Successful Respondent timeliness and quality of project delivery:

##### 5.2.1.3.1. Solution Proposal Delivery



The Successful Respondent will assess the complexity of the Customer's solution request and assign an SLA due date based on the Service Level matrix as defined in Section 3.2.1, which may be adjusted with sufficient justification by mutual agreement of the Successful Respondent and the Customer.

#### 5.2.1.3.2. Solution Implementation

The MSI will establish the solution implementation deadline based on the MSI's demand management resource planning tool and on the Successful Respondent's estimated scope and proposed implementation date. This implementation date may be adjusted with sufficient justification by mutual agreement of the Successful Respondent and the customer.

#### 5.2.2. Application Documentation

Successful Respondent shall:

- (i) Document all Applications developed or modified by Successful Respondent in a manner consistent with **MSA Section 7.2 Developed Materials**. Such documentation will become the property of DIR and will be provided to DIR upon request and stored in the MSI-provided Portal.
- (ii) Develop and maintain all documentation on Application Systems and services on the MSI portal, including all Customer and Authorized User-related documentation.
- (iii) Document legacy and newly developed application code and processes sufficient for Successful Respondent to perform the Services.
  - A. Where it is determined that documentation is inaccurate (for example, due to errors or obsolescence) and such inaccuracy may affect the Services, Successful Respondent will correct such documentation.
  - B. All documentation maintained by Successful Respondent will be subject to acceptance and approval by MSI, DIR, and Customers (where applicable) and will conform to DIR's documentation standards.
  - C. Develop, document and maintain application technical design and environment configuration based on DCS Customer design specifications standards and requirements including IT architecture, functional, performance, Availability, Maintainability, security and IT continuity and disaster recovery requirements
- (iv) Provide support, advice, and assistance to Authorized Users consistent with current documentation.
- (v) Create and update online user documentation.
- (vi) Update user reference manuals and publish them regularly.
- (vii) Identify and document runtime improvements.
- (viii) Create and update programming documentation and reference manuals.

#### 5.2.3. Application Release Control

Successful Respondent shall:

- (i) Perform all functions required to maintain the current Applications Environment.
- (ii) Where required, maintain all Third-Party Application products in accordance with the Agreement and DIR technical architecture standards.
- (iii) Perform all Application modifications, testing, and acceptance testing needed to maintain the aforementioned degree of currency.
- (iv) Assume full responsibility for Release packaging and project commitments for the Applications as agreed to in the Release procedures.
- (v) Comply with all established release and change management processes as documented in the SMM.
- (vi) Support and adhere to DIR's process for priority setting, planning, and scheduling of Releases.

- (vii) Monitor the Release schedule and report all schedule exceptions to DIR as required and documented within the SMM.
- (viii) Provide the necessary interfaces during the development, testing and implementation phases.
- (ix) Distribute to Release and Deployment Management Releases that are approved through DIR's Change Management process. Implement Releases as required by the processes outlined in the SMM.
- (x) Maintain source code and version control in the Successful Respondent-provided Definitive Media Library (DML).
- (xi) Perform Malware scanning and eradication on new and modified Software and document the results of such scan and eradication. Coordinate the planning and scheduling of all upgrades with DIR.
- (xii) Promptly report to DIR any audit compliance issues or e-discovery issues when such issues become known to Successful Respondent.
- (xiii) Support the Release and Deployment Management Process, including:
  - A. Assign a Single Point of Contact (SPOC) for each Release being requested;
  - B. Complete the proper testing for all Releases into the managed Environments;
  - C. Assign individuals to participate in the Release and Deployment Management Process, and represent the program;
  - D. Participate in the functions and work activities associated with Release and Deployment Management, including:
    - 1. Create Release plans and perform tracking and oversight functions to support the plan documenting all aspects;
    - 2. Coordinate the design, Build, and Configuration of the Release;
    - 3. Coordinate Release acceptance activities with DIR;
    - 4. Develop and implement rollout plan for the Release;
    - 5. Develop and coordinate Release communications, preparation, and training activities;
    - 6. Coordinate distribution and installation of Releases; and
    - 7. Provide updates to DIR management regarding Release status.
  - E. On an ongoing basis, Successful Respondent shall verify that only authorized users are granted access to the Production Environment in accordance with the Information Security Policy and the Agreement.

#### 5.2.4. Application Methodologies, Standards, and Architecture

- (a) DIR and DCS Customers maintain and use multiple development methodologies, including Agile. Successful Respondent, DIR, and DCS Customers will discuss and support the appropriate methodology to be utilized with respect to each Application and DIR retains the right to mandate the methodology to be utilized.
- (b) Successful Respondent may submit an alternative methodology or methodology improvements for DIR's review and consideration.

##### 5.2.4.1. Application Methodologies, Processes, and Tools

Successful Respondent shall:

- (i) Document and refine Application development methodologies for DIR's review and approval.

- (ii) Create methods, processes, and procedures for DIR's review and approval and maintain them in the SMM.
- (iii) Coordinate implementation of methods, processes, and procedures as required in the SMM.
- (iv) Use source control tools to store and manage software builds and releases throughout the software development and maintenance lifecycle.

#### 5.2.4.2. Application Standards

Successful Respondent shall:

- (i) Conform to DIR's user interface, machine interface, and programming standards (e.g., GUI, EDI) for all Development, enhancement, and maintenance activities. Based on its prior experience, Successful Respondent may propose improvements to Application standards, and, if approved by DIR, then Successful Respondent shall revise Application standards accordingly.
- (ii) Comply with DIR's approved technical architecture and standards.
- (iii) Deploy all new Applications and environments in the DCS program Consolidated Data Centers (Austin Data Center (ADC) and San Angelo Data Center (SDC)), or DCS program public cloud or DCS Mainframe compute as approved by DIR.
- (iv) Work closely with the DCS Service Providers in performance of infrastructure services, in accordance with the DCS Statements of Work and the DCS Service Responsibility Matrices.
- (v) Ensure compliance with and communicate Application standards to all associated technical resources.
- (vi) Understand the impact of Application standards on Third-Party agreements which DIR has shared with Successful Respondent.
- (vii) Develop processes and procedures to meet Applications standards and submit for DIR approval.
- (viii) Adhere to DIR's Security requirements as specified in this **Exhibit 1 SOW**, the Agreement, and adhere to other requirements as may be required to deliver the Services, to include, but not be limited to 1 TAC 202.
- (ix) Comply with DIR Information Security Policies for Third-Party Vendor Application interfaces.

#### 5.2.4.3. Application Architecture

Successful Respondent shall:

- (i) Comply and collaborate with DIR to develop enterprise architecture standards and guidelines.
- (ii) Develop and maintain, with DIR's direction and approval, Applications architecture. Such architecture will be in accordance with the Technology Plan as described in **Section 3.1 DCS Strategy Management**.
- (iii) Assist DIR in the development, distribution, communication, and verification of compliance with DIR's architecture and design principles.
- (iv) Provide guidance to DIR and apply appropriate Application architecture design.

### 5.2.5. Application Planning, Design, and Build

#### 5.2.5.1. Application Planning

Successful Respondent shall:

- (i) Analyze the objectives for both the overall Applications portfolio and individual Applications and assess the current and planned technical environment and recommend strategy and/or changes.
- (ii) Identify and/or refine Application requirements by engaging and working with the DIR business analysts and Application stakeholders.
- (iii) Develop and/or refine functional specifications for a proposed Application and/or functionality Changes to an existing Application, with prior approval from DIR and Customer, where applicable.
- (iv) Perform initial technical analysis activities for Application development.
- (v) Define and/or refine high-level data requirements for an Application under development, adhering to DIR Data standards and methodologies.
- (vi) Develop and/or refine initial integration requirements for Application Software, including legacy environments.
- (vii) Work with the appropriate DCS Customer, SCPs, and MSI personnel to ensure the necessary Infrastructure will be in place to support the Application Software requirements.
- (viii) Participate in the procurement process, including submitting the request for service into the MSI's ITSM Tool, participating in the requirements gathering sessions, and validating the acquisition proposals received.
- (ix) Document initial functional and technical Application requirements in the then DIR-acceptable format, which will evolve over time.
- (x) Perform or, where DIR or the MSI leads the analysis, assist with a build-versus-reuse-versus-buy analysis for the Services.
- (xi) Develop an initial plan for the Services that is sufficiently matured to satisfy the build phase exit criteria using DIR approved tools and techniques.
- (xii) Perform and document a project risk analysis for the build and run phases for DIR or DCS Customer review and acceptance.
- (xiii) Develop initial training requirements for the Application being developed, for Successful Respondent Personnel providing the Services, and for Authorized Users.
- (xiv) Integrate quality management, improved productivity and operations, and service operations management into the Application development plan.
- (xv) Select and implement the environment and tools based on DIR standards and methodologies.
- (xvi) Conduct planning, analysis, and progress reviews with appropriate MSI and DIR personnel.

#### 5.2.5.2. Application Design and Build

Successful Respondent shall:

- (i) To the extent possible, reduce the number of interfaces; increase the number of reusable objects; enable Application portability and scalability;
- (ii) Adhere to approved application Software development methodologies and programming standards.
- (iii) Resolve conflicting resource priorities.
- (iv) Monitor development resource priorities.
- (v) Monitor, track, and, at specified intervals, report status.
- (vi) Acquire documented approval of Project Milestones based on previously agreed to acceptance criteria in accordance with the SMM.
- (vii) Develop and document work and resource plans in the MSI tool.
- (viii) Compile issues lists with appropriate action plans for review and approval. Reviews and approvals of these will be performed at specified intervals as per the SMM.
- (ix) Create Application designs in compliance with DIR's standards and methodologies.

- (x) Propose design alternatives including benefit analysis.
- (xi) Provide, make, build, and reuse analyses.
- (xii) Provide application installation, support, configuration and tuning.
- (xiii) Modify application configuration settings to support Customer's business requirements
- (xiv) Create Application technical designs in compliance with DIR's standards and methodology.
- (xv) Develop and/or refine technical specifications for a proposed Application and/or functionality Changes to an existing Application, with prior approval from DIR and/or Customer.
- (xvi) Develop, document and demonstrate System prototypes for DIR and/or Customer approval. Provide application configuration instructions that support the prototype.
- (xvii) Perform all necessary technical design, programming, development, unit and string testing, scripting, configuring or customizing of application modules as required to develop and implement the design plans and specifications
- (xviii) Construct Software (including user interfaces, conversion, and data interface Software) and databases in compliance with DIR's standards and methodology.
- (xix) Perform Applications development Change Management in compliance with DIR standards and methodology.
- (xx) Revise initial Application project plans, Quality Assurance plans, test plans, implementation plans, and operations and support plans, as needed.
- (xxi) Develop and gain approval for Application acceptance test cases as defined in the SMM.
- (xxii) Test all Successful Respondent developed or modified Applications based on agreed to acceptance criteria.
- (xxiii) Coordinate implementation and Application acceptance as defined in the SMM.
- (xxiv) Perform Quality Assurance reviews on Applications developed, implemented, or maintained by Successful Respondent.
- (xxv) Perform and document participants in peer reviews and code walkthroughs for all Successful Respondent developed and / or modified modules and programs.
- (xxvi) Perform peer reviews and code walkthroughs at the specified intervals per the DIR programming standards and development methodologies.
- (xxvii) Develop and conduct required Authorized User training.
- (xxviii) As required in the SMM, notify and solicit confirmation from the MSI and other SCP(s) of any potential impact due to Changes in the Application portfolio and review the results for approval and prioritization.
- (xxix) Prepare monthly reports detailing Application Design and Build work efforts with sufficient detail to identify the hours and activities directly performed for DIR.
- (xxx) Provide application development solution to align with Customer's Disaster Recovery requirements to meet the application's RTO/RPO. Support other SCPs in development of the Disaster Recovery solutions.

### 5.2.5.3. Infrastructure as Code (IaC)

Infrastructure as Code (IaC) allows infrastructure and services to be treated and managed as software. Working knowledge and leveraging of configuration orchestration and management tooling including Chef, Puppet, CloudFormation, Terraform, Azure Resource Manager, Ansible, Dockers amongst others is required to effectively deliver these services. This will allow Customer to gain the advantages of consistency and operational stability. The Successful Respondent will enable, where appropriate and advantageous to Customer, continuous integration and automated testing of infrastructure, application and service deployments using IaC and shall:

- (i) Develop Infrastructure as Code for new deployments/environments within the DCS program, as requested, using DCS tools to support orchestration, provisioning and deployments of infrastructure and services.
- (ii) Assist TSS resources in technical planning, enterprise roadmaps and support of service and capability roadmaps.
- (iii) Comply with established Reference Architecture Standards and Standard Products for IaC deployments. Where these standards may not reflect a complete view of best practices, Successful Respondent shall provide recommended updates to documentation owner.
- (iv) Develop repeatable processes and procedures for all IaC deployments. Document all procedures and processes in alignment with the SMM.
- (v) Develop rollback procedures as applicable for rollback to previous configurations.
- (vi) Automate IT infrastructure, application and service deployment, monitoring and management using IaC concepts.
- (vii) Collaborate with MSI and other SCPs to support IaC requirements.
- (viii) Perform quality assurance testing for IaC.
- (ix) Provide Source Code documentation in alignment with the Agreement.
- (x) Utilize best practices relating to IaC, including but not limited to:
  - A. Manage infrastructure and application deployments via source control providing a defined audit capability.
  - B. Apply necessary testing to infrastructure and application deployments, including unit, functional and development integration testing.
  - C. Documentation and comments should be added to all code to ensure configuration management is well understood and understood.
  - D. Develop and deploy using templates, images and stacks which define the resources and interconnections.
  - E. Where using templates, detail proper documentation to ensure resources and properties are defined along with metadata, parameters, mappings, conditions, and outputs are defined.
  - F. Make deployments of infrastructure replace for deployments (immutable) where possible.
  - G. Ensure configuration drift is minimized through strict discipline in configuration management, design and testing.
  - H. Leverage Kubernetes container orchestration where possible to ensure open source platform and multi container support. Where alternative approaches can provide value to the DCS program, the Successful Respondent shall provide recommendations to TSS, MSI and DIR service owners.
- (xi) Provide configuration management in a consistent manner using a well-defined programming language.
  - A. All configurations will be stored and defined in a declarative manner.
  - B. All configurations will be stored in a version management system.
- (xii) Provide solutions and approaches to IaC that minimize vendor lock-in and protect the DCS program against an over reliance a single vendors solution.

## 5.2.6. Applications Integration and Interfaces

### 5.2.6.1. Application Integration



Successful Respondent shall, at a minimum:

- (i) Support the integration of existing and new Applications with Successful Respondent, Customer or other Third Party-provided Applications as required.
- (ii) Evaluate compatibility, benefits, and risks, and advise Customer of the results.
- (iii) Execute processes and procedures for System integration testing as agreed to by DCS Customer.
- (iv) Integrate new or modified Applications in testing procedures.
- (v) Resolve compatibility issues.
- (vi) Track compatibility issues resolution.
- (vii) Make and track local modifications to tables and reference data for integration into the local Environment.
- (viii) Customize and configure Application Software as required to conform to Customer requirements as needed.
- (ix) Provide expertise, training, benefits/risks, and advisory services to DIR and/or Customer on new Applications technologies.

#### 5.2.6.2. Data Interface Documentation

Successful Respondent shall:

- (i) Document all interfaces to new and existing Systems, including:
  - A. Third Party Software packages;
  - B. Authorized User Computing Systems;
  - C. Temporary or transitional interfaces between Systems; and
  - D. Data conversions as necessary to provide homogeneous Systems.
- (ii) Provide and document interfaces to Third Party Software.
- (iii) Provide and document interfaces to developed Software.
- (iv) Provide temporary or transitional interfaces between Systems.
- (v) Provide data conversions as necessary.
- (vi) Develop and publish technology and data standards in compliance with DIR's standards and methodology.
- (vii) Define and document any changes to the DIR enterprise data model for DIR's approval.

### 5.3. Application Testing and Implementation

#### 5.3.1. Application Testing

##### 5.3.1.1. General Application Testing

- (a) Successful Respondent shall perform the following for all types of testing including functional, usability, integration, regression, security, performance, stress and user acceptance testing for Applications developed and / or maintained by Respondent. Successful Respondent shall, at a minimum:
  - (i) Perform test services for Applications developed, configured, or modified by Successful Respondent.
  - (ii) Provide, support, maintain and operate testing resources, including people, process, templates and tools for testing.
  - (iii) Perform all testing on browser-based and mobile platforms as per Customer requirements, including all supported browser and mobile devices as documented in the SMM.
  - (iv) Manage Applications testing configurations, including coordinating with SCPs, MSI, DIR, DCS Customers, and other stakeholders, in regards to Equipment, System Software, other Software, network, capacity, and other requirements needed for Application testing.

- (v) Manage Application testing, including coordinating all testing activities with SCP's, DIR, DCS Customers, and the MSI, so the activity is managed in an end-to-end manner.
- (vi) Develop, maintain, reuse, and refresh Application testing test data, test scripts and expected results.
- (vii) Treat production data with extreme care and confidentiality and in accordance with the requirements of the Agreement, and do not impact production data during testing or allow test data to propagate into production.
- (viii) Develop, maintain and manage required Application testing strategies, plans and schedules, with DIR and Customer's approval, in MSI's tool.
- (ix) Ensure compliance with DIR's functional, integration and end-to-end testing specifications and requirements including SSAE-18 or other regulatory requirements.
- (x) Complete, maintain and manage the required Application testing documentation, for MSI, DCS Customer and DIR review and approval, (e.g., test cases, scripts and expected test results) in MSI's tool.
- (xi) Perform appropriate pre-execution reviews for the test strategy, plan, schedule, test cases, and any other relevant test information with interested stakeholders and obtain MSI and DCS Customer approval.
- (xii) Design for, and implement, automated testing as agreed by DIR.
- (xiii) Execute the required Application test cases specified in the test plans and record the results in Successful Respondent's test management tool.
- (xiv) Perform Application testing for all Services and data access methods used or called by the Application.
- (xv) Record and report Application test results (e.g., number of test cases executed, passed and failed; number of defects found, fixed and closed) and testing status in MSI provided tool.
- (xvi) Manage impact analysis, defect resolution and retesting activities associated with defects found in Application testing.
- (xvii) Conduct walkthroughs with MSI, SCPs, DCS Customers or DIR, as defined in the SMM, of Application test results as defined in the test plans.
- (xviii) Communicate, document, and resolve defects.
- (xix) Provide status and progress reports to the MSI, DCS Customer and DIR using the MSI tool as per the SMM.
- (xx) Correct defects identified in the Application tests and document such defects and corrections as per the SMM.
- (xxi) Review changes, defect fixes and enhancements with DCS Customer, and obtain approval of Application testing results from DCS Customer, SCPs, MSI and DIR as required.
- (xxii) Complete required Application testing documentation.
- (xxiii) Review and obtain approval of Application testing results from DCS Customer, SCPs, MSI and DIR as required.
- (xxiv) Document the final test report including all appropriate test metrics in MSI tool.
- (xxv) Monitor, analyze, and review production defects and report out to improve Application test models over time.
- (xxvi) Design, implement, and track continuous improvement activities.
- (xxvii) Build and implement test automation for all Applications.
- (xxviii) Perform Configuration Management and Change Management activities related to integration and testing in alignment with established procedures as documented in the SMM.

#### 5.3.1.2. Functional, Usability, Integration, Regression

Successful Respondent shall be responsible for functional, integration and end-to-end testing relating to the Applications. Successful Respondent's responsibilities with respect to functional, usability, integration and regression testing shall include functional, usability, integration and regression testing in accordance with the following characteristics:

- (i) Execute according to the requirements and design specifications in a Release that may be weekly, monthly, or quarterly, or in a Project that may span months or longer and involve several Applications.
- (ii) Perform accurate testing of Application and related interfacing applications.

- (iii) Ensure re-usability of test plans, cases, data and expected results.
- (iv) Maintain compatibility with DIR policies, including technology standards and testing standards.
- (v) Maintain compliance with the Change Management process and Release Management process as specified in the SMM.

#### 5.3.1.3. Security Testing

Successful Respondent shall be responsible for explicit security testing relating to the Applications. Successful Respondent's responsibilities with respect to security testing shall, at a minimum, include the following:

- (i) Conduct security testing in accordance with the following characteristics:
  - A. Thorough and complete testing of Applications to ensure users can perform only those tasks that they are authorized to perform.
  - B. Identify and remediate vulnerabilities in the Application prior to production implementation.
  - C. Continue to improve and evolve the testing to keep pace with new vulnerabilities.
  - D. Adhere to and contribute to the DIR policies, including security and technology standards and testing standards.
  - E. Compliance with the Information Security Management, Change Management and Release Management requirements as specified in the SMM.
- (ii) Incorporate application level security rigor into the application design
- (iii) Include security test strategies, test scripts, and automated code scans as required to secure the Applications from unauthorized use which must include, but is not limited to, testing for vulnerabilities associated with:
  - A. URL manipulation.
  - B. SQL injection.
  - C. Cross Site Scripting (XSS).
  - D. Cross-site tracing (XST).
  - E. Password cracking.
  - F. Cookie stealing.
  - G. Sending sensitive information over unencrypted channels.
  - H. Authorization and access control.
  - I. Session management.
  - J. Data and input validation.
  - K. Command injection flaws.
  - L. Buffer overflows.
  - M. Error handling.
  - N. Logging.
  - O. Remote Administration.
  - P. Old or unreferenced files containing sensitive information.
- (iv) Manage Applications security testing configurations, including coordinating with MSI, SCPs, and other stakeholders, in regard to Equipment, System Software, other Software, network, capacity, and other requirements needed for security testing.

#### 5.3.1.4. Performance Testing

The Successful Respondent should perform, at a minimum:

- (i) Test the Applications ability to perform while under defined loads.
- (ii) Capture and maintain expected normal and peak workloads by Application in terms of concurrent users.
- (iii) Capture and maintain acceptable response times by Application. Test the Applications ability to achieve the desired response time under normal and peak workloads.
- (iv) Log all response times and compare to baseline times to determine the deviation from the historical baseline performance.

#### 5.3.1.5. Stress Testing

The Successful Respondent shall, at a minimum:

- (i) Test the Applications ability to perform under increasing workloads to determine the point of unacceptable performance degradation and determine weak points in the overall architecture.
- (ii) Identify the conditions when the Applications will fail to perform according to the requirements.
- (iii) Log all workloads and response times and compare to baselines to determine the deviation from the historical baseline performance.
- (iv) Deploy tools as required to measure and inspect for bottlenecks throughout the Application architecture including but not limited to the application and database levels.
- (v) Coordinate with the MSI and SCPs to measure and inspect for bottlenecks at the operating system level, data center network level, and server level as applicable.

#### 5.3.1.6. User Acceptance Testing

The Successful Respondent shall, at a minimum:

- (i) Conduct user acceptance testing for Applications.
- (ii) Manage user acceptance testing, including coordinating all testing activities with MSI, SCPs, DCS Customer, and Customer Third Party Contractors, so that user acceptance testing is managed in an end-to-end manner.
- (iii) Support all user acceptance testing activities for Successful Respondent developed or modified Applications and DIR Third Party developed or modified Applications.
- (iv) Lead user acceptance testing status review meetings and provide status reports on open defects.
- (v) Develop user acceptance test plans and provide testing tools and methodologies for managing and executing user acceptance testing activities. Support testing strategies for all development methodologies, including Agile.
- (vi) Share test plans with DCS Customer, SCPs, MSI and DIR.
- (vii) Develop recommended acceptance criteria for review and approval by DCS Customer, SCPs, MSI and DIR.
- (viii) Implement a matrix of the Customer's business requirements to test cycles, test scripts and expected results (traceability tables).
- (ix) Train and assist Authorized Users in the execution of user acceptance testing for Applications developed or modified by Successful Respondent or Third Parties.
- (x) Assist test users in the review and execution of user acceptance testing for Applications developed or modified by Successful Respondent. Assistance includes providing access, test environment conditioning (e.g. data preparation, network set up, environment preparation), executing batch jobs, troubleshooting issues, and providing guidance in completing test transactions and reviewing the associated outputs.
- (xi) Validate compliance with Quality Assurance procedures, with DCS Customer, SCPs, MSI and DIR as required, and confirm the Application is ready to implement into production.

### 5.3.2. Application Implementation

#### 5.3.2.1. Application Implementation Management

Successful Respondent shall:

- (i) Develop Implementation Plans for all Releases according to the processes as defined in the SMM.
- (ii) Implement all Applications developed or modified by Successful Respondent in a manner that minimizes disruption to DIR and Customer.
- (iii) Resolve resource conflicts.
- (iv) Identify and document potential implementation conflicts and coordinate resolution with appropriate parties.
- (v) Coordinate implementation activities with SCP, MSI, Customer, and DIR System owners and implementation managers.
- (vi) Develop implementation and transition strategies and plans in compliance with DIR's standards and methodology for DIR and Customer's approval.
- (vii) Develop data migration strategies and plans in compliance with DIR's standards and methodology for DIR and Customer's approval.
- (viii) Develop and document a contingency plan for each implementation that will include, where appropriate, potential failure impacts, back-out procedures, notification and escalation lists, work-around plans, affected resources, and risk assessments for DIR and Customer's approval.
- (ix) Develop, document, and report business risk and impact analyses.
- (x) Develop, document and report technical risk and impact analyses.
- (xi) For all Successful Respondent-developed or modified Application Software moved into production, comply with DIR's Architecture standards and strategy.
- (xii) Inform DIR in writing and obtain DIR's agreement when any DIR-selected, Third-Party developed Application Software does not comply with Architecture standards and strategy.
- (xiii) Plan, document, coordinate and monitor installation activities.
- (xiv) Prepare and participate in pre-implementation readiness reviews in accordance with DIR policies and procedures.
- (xv) Coordinate the installation of Equipment and System Software per implementation plan as agreed to by DIR.
- (xvi) Schedule and obtain DIR and Customer approval for implementation times and dates.
- (xvii) Define and control production schedules.
- (xviii) Perform installation testing using agreed to testing methodology and test cases.
- (xix) Summarize, document and report test participants and results.
- (xx) Prepare documentation and orientation training for Infrastructure personnel, Service Desk personnel, and any other pertinent Successful Respondent Personnel delivering Services to the Authorized User.
- (xxi) Conduct Authorized User orientation, notification, and training activities relating to Application Software implementation.
- (xxii) Provide support for the implementation of Application Software as outlined in the agreed to implementation plan (e.g., planning, testing, data migration, monitoring Incident and Problem resolution).
- (xxiii) Coordinate implementation and promotion (moving from test to production) of Application Software with Authorized Users, data center production control, and scheduling organizations.
- (xxiv) Promote application to production
- (xxv) Plan and document the migration of Application data.

- (xxvi) Conduct and document post implementation analysis to assess Application Software effectiveness, cost, usability, and Authorized User satisfaction.
- (xxvii) Conduct and document post-implementation technical analysis, documenting lessons learned and providing recommendations for implementing continuous improvement.
- (xxviii) Define and document the data backup and restoration requirements for the Business Continuity Plan for all implementations.

#### 5.3.2.2. Training and Education

Successful Respondent shall:

- (i) Train and educate DIR's Authorized Users and other Service Component Providers and the Multi-sourcing Services Integrator in Applications developed or modified by Successful Respondent as required.
- (ii) Perform and document a training needs analysis.
- (iii) Determine the training material/method of delivery design.
- (iv) Determine the training method of delivery.
- (v) Develop training material (including any online help that may be required) per DIR and DCS Customer standards for DIR review and approval.
- (vi) Work with MSI to evaluate training material.
- (vii) Recommend the training roll-out strategy for DIR and DCS Customer approval.
- (viii) Deliver train-the-trainer sessions to DIR and DCS Customer.

### 5.4. Application Operations and Maintenance

#### 5.4.1. Application Maintenance and Support Services

- (a) The Successful Respondent shall perform Application Maintenance and Support Services, including repairing incidents, researching and mitigating problems, executing changes, creating, and updating baseline documentation for production Applications, and all other life-cycle support activities.
- (b) The Successful Respondent shall adhere to DIR's standards as documented in the SMM and support DIR and its Customers in the maintenance of the Services.

##### 5.4.1.1. Application Support

- (a) The Successful Respondent shall support the MSI's Service Desk support level requirements.
- (b) Successful Respondent shall:
  - (i) Train Successful Respondent personnel before any new Application or functionality is installed into production.
  - (ii) Provide and maintain accurate and up-to-date Application information in the CMDB Successful Respondent-developed, enhanced, or maintained Applications such that:
    - A. The MSI Service Desk for all Services, will be able to route appropriately support inquiries and issues.
    - B. The Successful Respondent support will resolve issues.



- (iii) Provide the MSI Service Desk with a continuously updated list of specialized Applications support and/or “on call” personnel who are responsible for Support, including contact phone numbers.
  - A. The list should also include escalation procedures and contacts.
- (iv) Provide Support for all Applications, including:
  - A. Provide clearly defined points of contact, available 24x7 to receive and appropriately respond to notice of Incidents from the MSI Service Desk personnel including escalation procedures and contacts.
  - B. Advise the MSI personnel, and/or an Authorized User, of the estimated time required for resolving the Incident after being notified. This resolution time will be consistent with Service Levels.
  - C. Provide timely, ongoing status updates as required in the SMM during Incident resolution.
  - D. Provide support, advice, and assistance to Authorized Users in a manner consistent with DIR’s practices for the Applications prior to the Commencement Date and non-programming activities in direct support of Authorized Users.

#### 5.4.1.2. Authorized User Support

Successful Respondent shall:

- (i) Provide support, advice, and assistance to Authorized Users for all Applications through direct interaction and through Service Desk referrals/transfers in alignment with the SMM.
- (ii) Provide Applications-specific Service Desk support to Application users, which includes:
  - A. Investigate and resolve user Incidents and Problems;
  - B. Provide technical support and advice;
  - C. Answer user queries.
- (iii) Identify and report to DIR opportunities that may increase user satisfaction and decrease Incident and Problem reports.
- (iv) Respond to Ad Hoc user inquiries and provide user assistance.
- (v) Balance user satisfaction versus development, supporting productivity in responding to users, and report possible training needs.

#### 5.4.1.3. Application Source Code Security

Successful Respondent shall:

- (i) Implement all security requests and password reset requests associated with Applications code and executable modules subject to DIR and Customer approval on all data or information requests.
- (ii) Install, when required, and maintain source control Software in compliance with DIR’s standards and methodology.
- (iii) Monitor and restrict access to source code and DIR Data in accordance with DIR policies.
- (iv) Comply with Ad Hoc, annual audit, and regulatory requests.
- (v) Perform DIR Data/source code security audits, and report test results.
- (vi) Immediately report any security violations to DIR.
- (vii) Promptly report to DIR any SSAE-18 compliance issues or e-discovery issues as such issues become known to Successful Respondent.

#### 5.4.1.4. Logical Database Administration (DBA) and Development Support

Successful Respondent shall:

- (i) Provide logical database support as needed, to support the functions.
- (ii) Support in specifying recovery procedures for each new Application database for DIR and Customer's approval.
- (iii) Analyze database design and its impact on specific Application modules by developing data models (using a common toolset and central repository) and translate logical models into physical designs so that the data model will meet performance requirements.
- (iv) Propose database Changes including reasons for suggested Change(s) and benefits of these Changes.
- (v) Support in analyzing and documenting database activity and database performance tuning.
- (vi) Coordinate with DIR to provide design consistency across Applications and to identify data redundancies.
- (vii) Implement support for new transactions in existing databases.
- (viii) Participate in the development and maintenance of DIR Data standards and definitions, with DIR having final approval rights.
- (ix) Support in monitoring database activity and recommending needed actions to ensure continued performance and integrity of databases.
- (x) Execute Changes in a timely manner, in accordance with the Change Management process.
- (xi) Maintain data dictionary Systems.
- (xii) Document all Changes to databases.

#### 5.4.1.5. Preventive Maintenance

Successful Respondent shall:

- (i) Create and deliver production Software patches.
- (ii) Perform Applications tuning, code restructuring, and other efforts to improve the efficiency and reliability of programs and to minimize ongoing maintenance requirements.
- (iii) Assess and document opportunities to reduce (or avoid) costs associated with Application support and operations, regardless of platform.
- (iv) Monitor and analyze trends to identify potential issues.
- (v) Provide and utilize tools and techniques to identify areas where preventive maintenance might be performed to improve Applications efficiency, in terms of both the performance of the Applications and any related maintenance and support effort.
- (vi) Benchmark the performance of an Application prior to Production installation of improvement processes as part of an approved plan, at DIR's request comparing before and after results.
- (vii) Perform such efforts for each of the Applications, and recommend any preventive maintenance for DIR or Customer's approval that will improve DIR's operational efficiencies, including cost reductions.
- (viii) Document preventive maintenance completed and planned for each Application Software that is the subject of the Services hereunder (e.g., as set forth in **Attachment 2.2 Assets**) and all Software supported as of the Commencement Date.

#### 5.4.1.6. Minor Enhancements

Successful Respondent shall:

- (i) Perform all minor enhancements to the Application portfolio. This includes any Change that modifies or adds functionality to an existing Application, including:

- A. Changes required for DIR's compliance with Laws and audit requirements in accordance with and subject to **MSA Section 4.11 Audit Rights** and **MSA Section 1.5 Compliance with Procurement Laws**.
- B. Industry-required and Government Authority-required Changes in accordance with and subject to **MSA Section 1.5 Compliance with Procurement Laws**.
- (ii) Provide Successful Respondent-related data for financial justification and plan for minor enhancements.
- (iii) Monitor and report on the status of minor enhancements.
- (iv) Comply with DIR's Software development methodology and programming standards.
- (v) Interface with DIR management, and coordinate with Authorized Users throughout the Application Lifecycle.
- (vi) Update user, System, operations, and Service Desk documentation to include the enhancement updates.

#### 5.4.1.7. Regulatory Changes

Successful Respondent shall:

- (i) Adhere to all Laws required of DIR and/or the Successful Respondent in accordance with, and subject to **MSA Section 1.5 Compliance with Procurement Laws**.
- (ii) Recommend and perform modifications within or across national boundaries to maintain compliance with all applicable local, regional, state and national Laws in accordance with, and subject to **MSA Section 1.5 Compliance with Procurement Laws**.
- (iii) Perform such modifications within acceptable timeframes as required by Law or Government Authority or otherwise established by the Parties for compliance, as further described in **MSA Section 8.11 Compliance with Laws**.
- (iv) Where DIR or Successful Respondent or Third-Party Vendors must make modifications to their Software, service, or technology platform to achieve compliance with the above regulatory changes, subject to **MSA Section 1.5 Compliance with Procurement Laws**, the Successful Respondent's performance will include the following activities:
  - A. Oversee these activities;
  - B. Verify that they are performed within acceptable timeframes as defined by DIR; and
  - C. Provide progress reports to DIR at regular intervals.
- (v) Support any litigation reviews, regulatory reviews, audits, compliance assessments, and data-gathering exercises in accordance with, and subject to **MSA Sections 4.11 Audit Rights** and **1.5 Compliance with Procurement Laws**.
- (vi) Monitor local, regional, national, and international Successful Respondent Laws for potential impacts to Applications in accordance with, and subject to **MSA Section 1.5 Compliance with Procurement Laws**.

#### 5.4.1.8. Production Control and Scheduling

Successful Respondent shall:

- (i) Integrate each Authorized User department's self-determined and controlled production schedule with the Application and IT Infrastructure production and control scheduling functions as defined in the SMM.
- (ii) Support the 24x7x365 production-processing schedule as required by DIR.
- (iii) Monitor and manage production schedules.

- (iv) Update access and parameter tables contained within Application Software where applicable.
- (v) Coordinate with Successful Respondent's production staff for scheduling.

#### 5.4.1.9. Application IT Disaster Recovery and Service Continuity Management

- (a) Recovery of applications in the event of a disaster will require coordination between the Successful Respondent and the DCS infrastructure SCPs.
- (b) For applications hosted in the DCS program, the DCS infrastructure SCPs are responsible for disaster recovery of the infrastructure and the Successful Respondent is responsible for recovery of the application.

##### 5.4.1.9.1. Application Development

Successful Respondent shall:

- (i) Create and maintain disaster recovery plans and application recovery guidelines for applications in the development phase. If the application is not hosted in the DCS program (either Texas Private Cloud or approved Public Cloud Provider), Successful Respondent is required to develop and maintain plans to recover both the infrastructure and the application.
- (ii) Create disaster recovery plans and application recovery guidelines for production environments. These plans should assume the DCS infrastructure SCPs are responsible for infrastructure recovery.
- (iii) Establish declaration procedures, approved by DIR, and document those procedures in the Service Management Manual.

##### 5.4.1.9.2. Application Maintenance

(a) Successful Respondent shall:

- (i) Maintain disaster recovery plans and application recovery guidelines for production environments. These plans should assume the DCS infrastructure SCPs are responsible for infrastructure recovery.
- (ii) Establish declaration procedures, approved by DIR, and document those procedures in the Service Management Manual.
- (iii) Work with MSI to schedule, plan and perform Disaster Recovery Testing as required by the Customer for production applications.
- (iv) Coordinate with the DCS infrastructure SCP's and the MSI's annual testing schedule to ensure recoverability of application and infrastructure.
- (v) Providing the resources to support the disaster recovery strategy.

(b) In the event of a disaster, the DCS infrastructure SCPs are responsible for initiating recovery activities. Successful Respondent is required to coordinate application recovery activities with the DCS infrastructure SCPs.

- (c) In the event of a disaster, Successful Respondent will continue to be liable for preparing and submitting deliverables, unless the Customer submits a waiver in writing.

#### 5.4.1.10. Operations Support

Successful Respondent shall:

- (i) Implement and monitor an effective and efficient operations environment in compliance with DIR's standards and methodology.
- (ii) Support production staff with scheduling, back-out recovery, job balancing, and production output monitoring for completion and correctness, and monitor exception logs.
- (iii) Monitor production output for correctness.
- (iv) Assist production support staff to adapt operational processes and procedures.
- (v) Communicate effectively with DIR's management.
- (vi) Perform Ad Hoc reporting. Successful Respondent will advise DIR if the number of Ad Hoc reporting requests adversely impact Successful Respondent's performance of Services and ability to meet the Service Levels. Upon such notice, DIR will work with Successful Respondent to address the issue, with the right of DIR to reprioritize Successful Respondent Personnel in accordance with **MSA Section 3.9 Projects**.
- (vii) Create and maintain reasonable documentation for all Applications and Authorized User procedures that affect operations.
- (viii) Prioritize Application Software operations during a crisis in accordance with applicable Business Continuity Plans.

#### 5.4.1.11. Application Quality Assurance

Successful Respondent shall:

- (i) Develop and document Quality Assurance processes and procedures for the delivery of Services in compliance with DIR's standards and methodology.
- (ii) Comply with Quality Assurance procedures.
- (iii) Maintain Applications quality consistent with industry standards for well-managed IT Successful Respondents and, at a minimum, equal or better than DIR's industry peer group.
- (iv) Identify best practices and inform DIR of results.
- (v) Set baselines for quality measurement in all Environments.
- (vi) Implement and manage Quality Assurance processes and procedures for the delivery of Services, including processes to measure effort, size, schedule, and quality.
- (vii) Perform ongoing Quality Assurance reviews and provide DIR with the results.
- (viii) Systematically document and incorporate lessons learned from projects and activities into future work.
- (ix) Allow and participate in Quality Assurance audits conducted by DIR or its designees.

#### 5.4.1.12. Application Productivity

Successful Respondent shall:

- (i) Measure and report to DIR the initial level of productivity for all Services within six months after the Commencement Date.
  - A. Such measurement approach and results will be subject to approval by DIR, which may use either its own resources or other Third Parties to verify the methodology and data used to produce the measurement; and
  - B. Successful Respondent will at least maintain, if not improve, the level of productivity and quality that exists within DIR prior to the MSA Effective Date.
- (ii) Provide the mechanisms for tracking productivity measures for all Services on an ongoing basis, and report productivity measures to DIR on monthly basis.
  - A. The productivity measures will include the level of effort (FTE), elapsed time, and output size (units of work);
  - B. The productivity measures will also be correlated with quality measures (for example: projects delivered on time and on budget, error rates, etc.); and
  - C. Such measurement approach and results will be subject to approval by DIR, which may use either its own resources or other Third Parties to verify the methodology and data used to produce the measurement.

## 5.5. Application Staff Augmentation Services

### 5.5.1. Services Overview

- (a) Application Staff Augmentation Services provide technical staffing resources to supplement a customer's responsibilities related to application management. The type and scope of work is determined by the DCS Customer and agreed between the Successful Respondent and DCS Customer. Application Staff Augmentation resources are intended to augment DCS Shared Technology Services and can only be provided to DCS Customers that participate in the DCS Shared Technology Services program. In addition, Application Staff Augmentation resources may only be used for applications hosted within the DCS Shared Technology Services program.
- (b) The categories of work that may be delivered are defined in Section [5 Application Development and Maintenance Services \(ADM\)](#). The resources are provided in the following categories and priced according to **Attachment 2.1 Pricing and Volumes (TSS)**.

#### 5.5.1.1. Policies, Procedures and Standards

- (a) The general policies, procedures and standards with which Services will comply are provided in the Service Management Manual. Additional requirements will be determined if the Service Provider is engaged by a DCS Customer to propose or deliver services.
- (b) Application Staff Augmentation Services is specifically designed for applications hosted within the DCS program.
- (c) The Successful Respondent will be integrated into the STS program's tools, procedures, and reporting such that STS customers will request resources through the STS portal service catalog. All onboarding and STS training will be done by the Successful Respondent and the MSI.



- (d) DCS Customers that have applications hosted anywhere in the STS program may purchase Application Staff Augmentation resources. Application Staff Augmentation Resources may only work on applications hosted in the STS program. Application Staff Augmentation Resources may not work on applications residing on infrastructure exempted from the STS program.
- (e) DCS Customers that do not have any applications hosted in the STS program may not purchase Application Staff Augmentation Resources.

#### 5.5.2. Application Staff Augmentation Resources

- (a) Successful Respondent is responsible for providing appropriately skilled staffing to meet the roles and responsibilities and service levels set forth in this SOW. The DCS Customer will provide timely feedback on the performance of the staffing resource and the Successful Respondent will replace the resource as requested.
- (b) Service Provider shall provide personnel for the roles defined in **Attachment 2.3 TSS Skill Set Descriptions** available for DCS Customers to provision based on the terms defined in **Exhibit 2 Financial Provisions**.

#### 5.6. Accessibility Requirements

Applications developed by Respondent and used by Texas state employees or members of the public must comply with EIR accessibility technical standards as defined in [1TAC 206.50](#), [1TAC206.70](#), [1TAC 213](#), and [WCAG 2.0 level AA](#).

### 6. Performance Model and Service Level Agreements

- (a) As of the Commencement Date (or as otherwise specified), the Successful Respondent will meet or exceed all applicable Service Levels monthly, or as otherwise specified in the specific Service Level. Any Service Level Defaults prior to the Service Level Credit Start Date will not be considered in the evaluation of a Service Delivery Failure.
- (b) Key Performance Indicators, Critical Service Levels, Key Service Levels, Operating Measures, One-Time Critical Deliverables and Recurring Critical Deliverables may be added or substituted by DIR during the Term. For example, such additions or substitutions may occur in conjunction with changes to the environment and the introduction of new Service, Equipment, Software, or means of Service delivery – provided, however, that where such change is a replacement or upgrade of existing technology, there shall be a presumption of equivalent or improved performance.

#### 6.1. General

##### 6.1.1. General Performance Standards

Beginning on the Commencement Date, Successful Respondent shall perform the Services at levels of accuracy, quality, completeness, timeliness, responsiveness, and resource efficiency that are at least equal to those received by DIR and the DCS Customers prior to such date. In addition, Successful Respondent shall perform the Services at levels of accuracy, quality, completeness, timeliness, responsiveness, resource efficiency, and productivity that are at least equal to accepted industry standards of first tier providers of services that are the same as or similar to the Services. The foregoing provisions of this Subsection shall not be deemed to supersede the Service Levels.

#### 6.1.2. Service Level Performance Standards

Beginning on the Commencement Date, Successful Respondent shall perform the Services to meet or exceed the Service Levels set forth in or otherwise in accordance with the Agreement.

#### 6.1.3. Corrective Action Plan

- (a) In the event that either (i) DIR reasonably determines that Successful Respondent has failed or is reasonably likely to fail to deliver the Services, or (ii) Successful Respondent has determined that it has failed or is reasonably likely to fail to deliver the Services, then DIR or Successful Respondent, as applicable, will notify the other Party of such failure (a **CAP Notice**). Concurrently with such CAP Notice, Successful Respondent will immediately take steps to mitigate any harmful effects of such failure, promptly (and in any event as soon as reasonably practical) perform a Root Cause Analysis, and prepare a corrective action plan (each a **Corrective Action Plan** or **CAP**) with respect to such failure. If in DIR's judgment any such Correction Action Plan is not adequately addressing the failure, Successful Respondent will meet with DIR and its designees in accordance with Article [8 DCS Governance Model](#). Within thirty (30) calendar days of a CAP Notice, the Successful Respondent will provide DIR with a written plan (the Corrective Action Plan) for improving the Successful Respondent's performance to address the failure identified in the CAP (CAP Failure Event), which shall include a specific implementation timetable and measurable success criteria. Within thirty (30) calendar days of plan submission, or such other timeframe agreed to by DIR, the Successful Respondent will implement the CAP, which will include making timely and appropriate investments in people, processes and technology. In addition, the Successful Respondent will demonstrate to DIR's reasonable satisfaction that the changes implemented by it have been made in normal operational processes to sustain compliant performance results in the future.
- (b) Upon the occurrence of:
  - (i) if Successful Respondent has not submitted a Corrective Action Plan within the required thirty (30) days;
  - (ii) if the Corrective Action Plan has not, in DIR's judgment; remedied the CAP Failure Event; or
  - (iii) if the Successful Respondent fails to implement the Service Delivery Corrective Action Plan in the specified timetable or if after the implementation of the Service Delivery Corrective Action Plan performance has not consistently improved
- (c) then the Successful Respondent will be liable for a Service Level Credit in an amount equal to one percent (1 %) of the then-current Service Level Invoice Amount (the "CAP Failure Credit"). The CAP Failure Credit will be applied to the monthly invoice until the Successful Respondent has demonstrated effective Service delivery, as evidenced by either:
  - (i) no reoccurrence of the Service Level Defaults which triggered the applicable Service Delivery Failure for a rolling three months, or

(ii) in DIR's judgment, the Successful Respondent has remedied the failure which caused such Service Delivery Failure.

- (d) The CAP Failure Credit will not be subject to Earnback. The Successful Respondent acknowledges and agrees that the CAP Failure Credit shall not be deemed or construed to be liquidated damages or a sole and exclusive remedy or in derogation of any other rights and remedies DIR has hereunder or under the Agreement. For purposes of clarity, the CAP Failure Credit is separate from and therefore additive to any other Service Level Credits due in a given month, even if the Service Level Credits are for Service Level Defaults related to the Service Delivery Failure. In no event shall the sum of the CAP Failure Credit and any Service Level Credits credited to DIR with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount.

#### 6.1.4. Additional Remedies.

In the event that Successful Respondent fails to identify and resolve any problems that may impede or delay the timely delivery of the Services, without prejudice to DIR's other rights and remedies under the Agreement or at law or equity, Successful Respondent will immediately provide, at its sole cost and expense, all such additional resources as are necessary to identify and resolve any problems that may impede or delay the delivery of the Services. In addition, without prejudice to DIR's other rights and remedies under the Agreement or at law or equity, in the event of a CAP Failure Event, DIR may equitably reduce the Charges set forth in **Exhibit 2** in an amount reasonably estimated by DIR to account for the Services that DIR and/or the DCS Customers are not receiving or did not receive.

#### 6.2. Service Level Credits

Successful Respondent recognizes that DIR is paying Successful Respondent to deliver the Services at specified Service Levels. If Successful Respondent fails to meet such Service Levels, then, in addition to other remedies available to DIR, Successful Respondent shall pay or credit to DIR the Service Level Credits specified in **Attachment 1.2 Service Levels Matrix** in recognition of the diminished value of the Services resulting from Successful Respondent's failure to meet the agreed upon level of performance, and not as a penalty. Under no circumstances shall the imposition of Service Level Credits be construed as DIR's sole or exclusive remedy for any failure to meet the Service Levels. Service Level Credits are not counted toward and are not subject to the overall cap on Successful Respondent's liability.

#### 6.3. Shared and Related Service Levels and Types

- (a) To clarify how specific Service Levels are intended to be tracked and calculated, individual Service Levels may be generally categorized as one (1) of two (2) types, representing the way individual SCPs and the Successful Respondent are either individually or jointly responsible for the specific Service Level's performance. Service Level Credits assessed against each SCP (or Successful Respondent) will be calculated based on the specific SCP's (or Successful Respondent's) Service Level Invoice Amount, At-Risk Amount, and Allocation of Pool Percentage.
- (i) **Type R (related):** Type R Service Levels are related measures shared between the Successful Respondent and the MSI. Type R Service Levels for the Successful Respondent are measured in the aggregate, counting events for both the Successful Respondent and the MSI. For the SCP, the Type R Service Level measures a discrete subset of the same pool of events, the subset applicable to that SCP. The definition and descriptions of Type R Service Levels as well as the Service Level targets remain identical in the related agreements for both the Successful Respondent, the MSI and the applicable SCP(s) during the Term, unless otherwise documented as an exclusion in Service Level Definitions.

- (ii) **Type U (unique):** Type U Service Levels are intended to measure Services that are specific to one (1) SCP's or the Successful Respondent's performance, and therefore are not shared.
- (b) The groupings described above are intended to clarify Service Level types for tracking purposes; none of the Successful Respondent's obligations as fully described in the Agreement are limited by these groupings.

#### 6.4. Reporting

- (a) Unless otherwise specified, each Key Performance Indicator, Critical Service Level, Key Service Level, Operating Measure, Recurring Critical Deliverable, and One-Time Critical Deliverable shall be measured and reported by Customer and by DIR Shared Technology Service (DCS, Texas.gov, MSS, etc.) monthly. The Successful Respondent shall provide data to the MSI enabling the MSI to calculate and report Service Level performance. The Successful Respondent shall comply with the MSI's tools, processes, data and reporting formats. The format, layout, and content of any reports shall be agreed between DIR and the Successful Respondent. The MSI will publish the Successful Respondent's monthly performance reports by the 20<sup>th</sup> calendar day of each month. Reporting on One-Time Critical Deliverables is only required until all One-Time Critical Deliverables are received and approved by DIR.
- (b) The Successful Respondent shall provide DIR with direct, unaltered access to review and audit all raw data collection related to Service Levels.
- (c) The Successful Respondent will create and maintain detailed procedure documentation of its Service Level Agreement (SLA) process used to collect SLA data. The process documentation must include quality assurance reviews and verification procedures. The data collection process must be automated to the extent possible, and any manual data collection steps must be clearly documented, verified and auditable. All methods, codes, and automated programs must be documented and provided to DIR for validation and approval. The Successful Respondent must ensure it tests and validates the accuracy and currency of the documentation and collection process on a quarterly basis.

##### 6.4.1. Reports

Successful Respondent shall provide the MSI and DIR with:

- (i) Data and reports pertaining to the performance of the Services and Successful Respondent's other obligations under this Agreement sufficient to permit the MSI and DIR to monitor and manage Successful Respondent's performance,
- (ii) those reports described in **Appendix A Reports** and the SMM in the form and format and at the frequencies provided therein,
- (iii) those reports required elsewhere under the terms of this Agreement,
- (iv) those generated by DIR and the DCS Customers prior to the Commencement Date, and
- (v) such additional reports as DIR may identify from time to time to be generated and delivered by Successful Respondent on an ad hoc or periodic basis (all such above described reports in (i)-(v), the "Reports").

##### 6.4.2. Back-Up Documentation

As part of the Services, Successful Respondent shall provide the MSI and DIR with such documentation and other information available to Successful Respondent (including original source documentation and data in its native format or in an alternative industry-standard format as requested by DIR) as may be requested by DIR from time to time in order to verify the accuracy of

the Reports provided by Successful Respondent. In addition, Successful Respondent shall provide DIR with all documentation and other information requested by DIR from time to time to verify that Successful Respondent's performance of the Services is in compliance with the Service Levels and this Agreement.

#### 6.4.3. Correction of Errors

Successful Respondent shall promptly correct any errors or inaccuracies in or with respect to the SLA performance data and reports as part of the Services and at no additional cost.

#### 6.5. Service Level Default

- (a) A Service Level Default occurs when performance for a particular Critical Service Level fails to meet the applicable Minimum Service Level. Service Level Credits shall not apply to Key Service Levels.
- (b) In the event of a Service Level Default, the Successful Respondent shall provide DIR credits as defined below:
  - (i) **Attachment 1.2 Service Level Matrix** describes the information required to calculate a Service Level Credit.
  - (ii) For each Service Level Default, the Successful Respondent shall pay to DIR, a Service Level Credit that will be computed in accordance with the following formula:
  - (iii)  $\text{Service Level Credit} = A \times B \times C$ 

Where:

    - A** = The Allocation of the Pool Percentage specified for the Performance Category in which the Service Level Default occurred as shown in **Attachment 1.2 Service Level Matrix**.
    - B** = The Service Level Credit Allocation Percentage for which the Service Level Default occurred as shown in **Attachment 1.2 Service Level Matrix**.
    - C** = The At-Risk Amount
  - (iv) For purposes of the Service Level Default calculation, the Service Level Invoice Amount is bifurcated to each specific Performance Category. The Service Level Default calculation associated with the Application Maintenance Performance Category will be calculated using the Monthly Base Charge for Application Maintenance Services defined in Section 4.2.2 of Exhibit 2 Financial Provisions and Pricing. The Service Level Default calculation associated with the Strategy, Solution, and Service Request Management Performance Category will be calculated using the total Service Level Invoice Amount minus Staff Augmentation Services as defined in Section 4.2.3 of Exhibit 2 Financial Provisions and Pricing.
  - (v) For example, assume that the Successful Respondent fails to meet the Service Level for a Critical Service Level, the Successful Respondent's Service Level Invoice Amount for the month in which the Service Level Default occurred was \$100,000 and that the At-Risk Amount is fifteen percent (15%) of these charges.
  - (vi) Additionally, assume that Allocation of Pool Percentage for the Performance Category of such Critical Service Level is fifty percent (50%) and that its Service Level Credit Allocation Percentage is forty percent (40%).
- (c) The Service Level Credit due to DIR for such Service Level Default would be computed as follows:
  - (i)  $A = 50\%$  (the Allocation of Pool Percentage) multiplied by
  - $B = 40\%$  (the Service Level Credit Allocation Percentage) multiplied by

C = \$15,000 (fifteen percent (15%) of \$100,000, the Successful Respondent's corresponding Service Level Invoice Amount)

= \$3,000 (the amount of the Service Level Credit)

- (d) If more than one (1) Service Level Default has occurred in a single month, the sum of the corresponding Service Level Credits shall be credited to DIR.
- (e) In no event shall the amount of Service Level Credits credited to DIR with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount.
- (f) The total amount of obligated Service Level Credits shall be credited on the following month (i.e., defaults occurring in August shall be included in the September invoice).
- (g) The Successful Respondent acknowledges and agrees that the Service Level Credits shall not be deemed or construed to be a sole and exclusive remedy or in derogation of any other rights and remedies DIR has hereunder or under the Agreement.

#### 6.6. Earnback

The Successful Respondent shall have Earnback opportunities with respect to Service Level Credits as follows:

- (i) The Successful Respondent shall earn back fifty percent (50%) of a Service Level Credit for a given Service Level Default when Service Level Performance for the Service Level that experienced a default, meets or exceeds the Service Level Target for each of the three (3) Measurement Windows immediately following the Measurement Window in which the Service Level Default occurred. The remaining fifty percent (50%) may be earned back when Service Level Performance meets or exceeds the Service Level Target for each of the three (3) Measurement Windows following the initial three (3) Measurement Windows and Earnback.
- (ii) Whenever the Successful Respondent is entitled to an Earnback, the Successful Respondent shall include such Earnback as a charge to DIR (indicated as an Earnback) on the same invoice that contains charges for the Measurement Window giving rise to such Earnback and include such information in the Successful Respondent's monthly performance reports.
- (iii) Upon termination or expiration of the Agreement, Service Level Credits issued by the Successful Respondent are no longer subject to Earnback.

#### 6.7. Additions, Modification, and Deletions of Service Levels

- (a) By written notice, DIR may add, modify or delete Key Performance Indicators, Critical Service Levels, Key Service Levels, and Operating Measures as described below.
- (b) DIR will provide at least ninety (90) calendar days' notice that additions or deletions to Performance Measures, (which include the movement of Critical Service Levels to Key Service Levels and Key Service Levels to Critical Service Levels),



or modifications to Service Level Credit Allocation Percentages for any Critical Service Levels, modifications to Critical Service Levels and Key Service Levels measurement methodologies, or additions or deletions to Recurring Critical Deliverables are to be effective. DIR may send only one (1) such notice (which notice may contain multiple changes) each calendar quarter. Movement of Critical Service Levels to Key Service Levels and Key Service Levels to Critical Service Levels does not constitute creation of new Service Levels.

#### 6.7.1. Additions

DIR may add Service Levels in accordance with Section [6.7 Additions, Modification, and Deletions of Service Levels](#). Service Level commitments associated with added Service Levels will be determined as follows:

- (i) The Parties shall attempt in good faith to agree on a Service Level commitment using industry standard measures or third-party advisory services (e.g., Gartner Group, Forrester, etc.).
- (ii) With respect to this individual Service Level, the period between the Statement of Work (SOW) Commencement Date and the Service Level Effective Date shall be used as a validation period. The Successful Respondent and DIR will review the actual Service Level Performance during this validation period. If the Service Level Performance does not generally meet the Service Level Minimum, the Successful Respondent will create a corrective action plan subject to DIR's approval, and the Parties will extend the validation period (reset the Service Level Effective Date) by a mutually agreed period not to exceed three (3) months. The Successful Respondent will implement the corrective action plan and report on progress to DIR during the extended validation period. This process may be repeated if mutually agreed by the Parties. If the Parties eventually agree that the Services must be changed (e.g., staffing or Restoration time targets) or the Service Level Minimum must be revised, the Parties will enact such agreed changes through the Change Control Procedures.

#### 6.7.2. Modifications

- (a) DIR may modify Service Level commitments or measurement methodology in accordance with Section [6.7 Additions, Modification, and Deletions of Service Levels](#).
- (b) The Successful Respondent may propose modifications to Service Level measurement methodology for DIR approval. Service Level measurement methodology may be modified by updating **Attachment 1.3 Service Level Definitions and Performance Analytics**.
- (c) For any Service Level commitments associated with modified service levels, the Parties shall attempt in good faith to agree on any modifications to current Service Level commitments using industry standard measures or third-party advisory services. In the event the Parties cannot agree on proposed modifications, **MSA Section 12 Dispute Resolution** applies.

#### 6.7.3. Deletions

DIR may delete Critical Service Levels or Key Service Levels by sending written notice in accordance with Section [6.7 Additions, Modification, and Deletions of Service Levels](#).

#### 6.7.4. Impact of Additions and Deletions of Critical Service Levels on Service Level Credit Allocation Percentages

- (a) When adding or deleting a Critical Service Level, DIR shall modify the Service Level Credit Allocation Percentages for the Critical Service Levels such that the total Service Level Credit Allocation Percentages for all Critical Service Levels sums to less than or equal to Pool Percentage Available for Allocation.
- (b) If DIR adds a Critical Service Level but does not modify the Service Level Credit Allocation Percentages for the Critical Service Levels then, until DIR so modifies such Service Level Credit Allocation Percentages, the Service Level Credit Allocation Percentage for such added Critical Service Level shall be zero (0).

#### 6.7.5. Modifications of Service Level Credit Allocation Percentages for Critical Service Levels

DIR may modify the Service Level Credit Allocation Percentages for any Critical Service Levels by sending written notice in accordance with Section [6.7 Additions, Modification, and Deletions of Service Levels](#). DIR shall modify the Service Level Credit Allocation Percentages for two (2) or more of the Critical Service Levels such that the sum of the Service Level Credit Allocation Percentages for all Critical Service Levels is less than or equal to the Pool Percentage Available for Allocation.

#### 6.8. Service Delivery Failure: Corrective Action Plan

- (e) If three (3) Service Level Defaults for the same Critical Service Level occur in any six (6) month period, then upon such third occurrence, this shall be deemed a "Service Delivery Failure." Within thirty (30) calendar days of a Service Delivery Failure, the Successful Respondent will provide DIR with a written plan (the "Service Delivery Corrective Action Plan (CAP)") for improving the Successful Respondent's performance to address the Service Delivery Failure, which shall include a specific implementation timetable and measurable success criteria. Within thirty (30) calendar days of plan submission, or such other timeframe agreed to by DIR, the Successful Respondent will implement the Service Delivery Corrective Action Plan (CAP), which will include making timely and appropriate investments in people, processes and technology. In addition, the Successful Respondent will demonstrate to DIR's reasonable satisfaction that the changes implemented by it have been made in normal operational processes to sustain compliant performance results in the future.
- (f) The Successful Respondent will be liable for a Service Level Credit in an amount equal to one percent (1 %) of the then-current Service Level Invoice Amount (the "CAP Failure Credit") upon the occurrence of:
  - (i) a Service Delivery Failure, or
  - (ii) if the Successful Respondent fails to implement the Service Delivery Corrective Action Plan in the specified timetable, or
  - (iii) if after the implementation of the Service Delivery Corrective Action Plan performance has not consistently improved,
- (g) The CAP Failure Credit will be applied to the monthly invoice until the Successful Respondent has demonstrated effective Service delivery, as evidenced by either:
  - (i) no reoccurrence of the Service Level Defaults which triggered the applicable Service Delivery Failure for a rolling three (3) months, or
  - (ii) in DIR's judgment, the Successful Respondent has remedied the failure which caused such Service Delivery Failure.

- (h) The CAP Failure Credit will not be subject to Earnback. The Successful Respondent acknowledges and agrees that the CAP Failure Credit shall not be deemed or construed to be liquidated damages or a sole and exclusive remedy or in derogation of any other rights and remedies DIR has hereunder or under the Agreement. For purposes of clarity, the CAP Failure Credit is separate from and therefore additive to any other Service Level Credits due in a given month, even if the Service Level Credits are for Service Level Defaults related to the Service Delivery Failure. In no event shall the sum of the CAP Failure Credit and any Service Level Credits credited to DIR with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount.

#### 6.9. Service Level Improvement Plans

- (a) If the Successful Respondent fails to meet any Minimum Service Level for a Critical Service Level for any one (1) or more DCS Customers, or for the enterprise as a whole, the Successful Respondent shall follow the MSI's performance management process to provide DIR and DCS Customers' with a written Service Level Improvement Plan (SLIP) per customer for improving the Successful Respondent's performance to satisfy the Service Level within thirty calendar (30) days of the failure to meet the Service Level. The objective of a Service Level Improvement Plan is to identify the root cause and formulate corrective actions to move performance to acceptable levels, implement those actions, and to correlate implemented corrective actions with Service Level results. All SLIPs must contain information about the root cause of the Service Level miss and corrective actions. All approved SLIP corrective actions shall be measured in the Corrective Action SLA results. The Successful Respondent will track its progress in implementing the improvement plan, and it will report to Governance the status of such plan. The MSI will initiate a SLIP via the standard Problem Management Process when a Service Level underperforms. The Successful Respondent shall comply with the SLIP.
- (b) DIR may also require overall Service Level Improvement Plans for Successful Respondent performance not directly related to an SLA that is impacting service delivery.
- (c) Customer SLIPs are not required when the Critical Service Level for the performance period has a low volume of instances where the results missed the minimum. A Customer SLIP will be initiated when the difference between the numerator and the denominator is **> Minimum Miss Threshold**, or, SLA breach occurrences are **> Minimum Miss Frequency** within the **Minimum Miss Frequency Timeframe**. The Minimum Miss Threshold, Minimum Miss Frequency, and Minimum Miss Frequency Timeframe values are defined in the SMM for each Critical Service Level.

#### 6.10. Service Level Escalation Event

- (a) A Service Level Escalation Event occurs, if:
- (i) the Successful Respondent asserts that it has been unable to perform all or a portion of the Services measured by a Type R Service Level solely as a result of the failure by another SCP or the MSI with whom it shares such Type R Service Level to perform obligations specified in the Successful Respondent's agreement with DIR, including its SOWs and the SMM, and
  - (ii) the Successful Respondent has performed its own obligations as set forth in the Agreement, including the SOWs and SMM, which actions shall include:
    - A. immediately notifying DIR, SCP(s) and MSI that such failure may result in a Service Level Default;

- B. providing the SCP or MSI with reasonable opportunity to correct such failure to perform and thereby avoid the SCP or MSI non-performance;
  - C. documenting that it has performed its obligations under the Agreement notwithstanding another SCP's or MSI's failure to perform; and
  - D. notifying DIR that a corrective action has commenced.
- (b) Upon the occurrence of a Service Level Escalation Event, the Successful Respondent may escalate the SCP or MSI failure through the appropriate governance structure for resolution in accordance with Article 8 DCS Governance Model.
- (c) If the applicable governance committee has determined that the Successful Respondent has satisfied each of the requirements and obligations set forth above, such resolution shall include excusing the Successful Respondent's performance related to such failure and may include other actions as reasonably determined by DIR including appropriate changes to the SMM.

#### 6.11. Service Level Definitions

Refer to **Attachment 1.2 Service Level Matrix** and **Attachment 1.3 Service Level Definitions and Performance Analytics** for detailed SLA definitions and measurement methodologies.

#### 6.12. Recurring Critical Deliverables

- (a) Certain of the Successful Respondent's obligations under the Agreement are periodic obligations to deliver key Recurring Critical Deliverables. Refer to Attachment 1.2 Service Levels Matrix for amounts payable and frequency and Attachment 1.1 Deliverables. Imposition of a Recurring Critical Deliverables Credit for failure to meet the Recurring Critical Deliverables obligations shall not be subject to or included in the At-Risk Amount. The total amount of Recurring Critical Deliverables Credit that the Successful Respondent will be obligated to pay to DIR shall be reflected on the invoice that contains charges for the month following which the Recurring Critical Deliverables Credits accrued (for example, the amount of Recurring Critical Deliverables Credits payable for failure to deliver any Recurring Critical Deliverable(s) in August shall be set forth in the invoice for September charges issued in October). Under no circumstances shall the imposition of the Recurring Critical Deliverables Credit described above, or DIR's assertion of any other rights hereunder be construed as DIR's sole or exclusive remedy for any failures described hereunder.
- (b) DIR may add, modify, or delete Recurring Critical Deliverables by sending written notice, provided that after the implementation of any such addition or modification the aggregate amount of the Recurring Critical Deliverables Credits will not exceed the maximum amount of Recurring Critical Deliverables Credits set forth in **Attachment 1.2 Service Level Matrix**.

#### 6.13. One-Time Critical Deliverables – After Effective Date

Certain of the Successful Respondent's obligations under the Agreement are one-time or periodic obligations to deliver One-Time Critical Deliverables. Refer to **Attachment 1.2 Service Levels Matrix** for amounts payable and frequency and **Attachment 1.1 Deliverables**. Imposition of Deliverable Credits for failure to meet the One-Time Critical Deliverables obligations shall not be subject to or included in the At-Risk Amount. The total amount of Deliverable Credits that the Successful Respondent will be obligated to pay to DIR shall be reflected on the invoice that contains charges for the month

following which the Deliverable Credits accrued (for example, the amount of Deliverable Credits payable for failure to deliver any One-Time Critical Deliverable(s) in August shall be set forth in the invoice for September charges).

#### 6.14. Data Collection and Measuring Tools

- (a) The Successful Respondent shall propose, and upon DIR's written approval, implement, a data collection methodology for all Service Levels prior to the date upon which the Successful Respondent shall be responsible for Service Level performance. Failure to do so may be deemed a Service Level Default for the Service Level until the Successful Respondent proposes and implements such acceptable data collection. All data collection tools must be integrated with the MSI's performance management and reporting tool.
- (b) Tools for new Service Levels will be implemented according to the Change Control Procedures. Upon DIR's written notice approving a proposed alternate or new measurement tool, such tool shall be deemed automatically incorporated into **Attachment 1.3 Service Level Definitions and Performance Analytics** as of the date for completion of implementation set forth in DIR's notification without requirement for an additional written amendment of this Agreement.
- (c) If, after the Effective Date or the implementation of tools for new Service Levels, the Successful Respondent desires to use a different data collection tool for a Service Level, the Successful Respondent shall provide written notice to DIR, in which event the Parties will reasonably adjust the measurements as necessary to account for any increased or decreased sensitivity in the new measuring tools; provided that, if the Parties cannot agree on the required adjustment, the Successful Respondent will continue to use the data collection tool that had been initially approved by DIR.
- (d) It is not anticipated that changes in the data collection tools will drive changes in Service Levels; rather, the need to collect and accurately reflect the performance data should drive the development or change in performance monitoring tools. The Successful Respondent will configure all data collection tools to create an auditable record of each user access to the tool and any actions taken with respect to the data measured by or residing within the tool. All proposed tools must include functionality enabling such creation of an auditable record for all accesses to the tool.

#### 6.15. Percentage Objectives

Certain Service Levels may not be measured against an objective of one hundred percent (100%); for example, time (days, hours, etc.), defects where zero (0) hours/days and zero percent (0%), respectively, are the appropriate objectives. The calculations described in this Section will be modified when appropriate to reflect these objectives.

#### 6.16. Low Volume

- (a) Some Service Levels are expressed in terms of achievement of a level of performance over a percentage of items occurring during a Measurement Window. In these instances, if the number of items occurring during a given Measurement Window is less than or equal to one hundred (100), the following algorithm will be used to determine the number of compliant items that Successful Respondent must successfully complete to achieve the Service Level concerned (Minimum Compliant Items), notwithstanding the percentage expressed in **Attachment 1.2 Service Level Matrix** as the target.

- (i) The number of items occurring during such Measurement Window shall be multiplied by the Service Level Target; and
  - (ii) If the product of that multiplication is not a whole number, then such product shall be truncated to a whole number.
- (b) For example, assume that a Service Level states that the Successful Respondent must complete ninety-five percent (95%) of incidents within four (4) hours to achieve this Service Level.
- (i) The following sample calculations illustrate how the above algorithm would function to determine the Minimum Compliant Items (incidents completed within four (4) hours) to achieve this Service Level, in each case given a different number of total incidents occurring during the corresponding Measurement Window:
    - A. If the number of incidents is 100, the Minimum Compliant Items is 95 incidents (100 incidents x 95 percent = 95 incidents).
    - B. If the number of incidents is 99, the Minimum Compliant Items is 94 incidents (99 incidents x 95 percent = 94.05 incidents, truncated to 94).
    - C. If the number of incidents is nine (9), the Minimum Compliant Items is eight (8) incidents (9 incidents x 95 percent = 8.55 incidents, truncated to eight (8)).

Table 5: SLA Translation (Algorithm)

Target	Service Level
Number of Items	Minimum Compliant Items
100	95
90	85
80	76
70	66
60	57
50	45
40	38
30	28
20	19
10	9

### 6.17. Service Level Review

#### 6.17.1. Service Levels Review

- (a) **Initial Review:** Within six (6) months of the Service Commencement Date or completion of Transition as outlined in this Exhibit, whichever is sooner, or as agreed to by both parties, the Parties will meet to review the initial Service Levels and Successful Respondent's performance and discuss possible modifications to the Service Levels. Any changes to the Service Levels will be only as agreed upon in writing by the Parties.
- (b) **Annual Review:** Every year following the Service Commencement Date or completion of Transition as outlined in this Exhibit, the Parties will meet to review the Service Levels and Successful Respondent's performance in the period of time since the prior review and discuss possible modifications to the Service Levels. Any changes to the Service Levels will be managed according to the requirements in Section [6.7 Additions, Modification, and Deletions of Service Levels](#).



### 6.17.2. Temporary Escalation of a Key Service Level to a Critical Service Level

- (a) In general, Key Service Levels are considered measurable objectives by DIR and the SLA framework accommodates their treatment and importance to DIR. In the event that Successful Respondent performance is not meeting the established standards and requirements for Key Service Level related items, DIR may determine that a Key Service Level needs to be escalated to a Critical Service Level. The following conditions shall prevail in this escalation:
  - (i) Successful Respondent performance falls below the Minimum Service Level for a Key Service Level for three (3) consecutive months; or
  - (ii) Successful Respondent performance is consistently below the Minimum Service Level for four (4) of any six (6) consecutive months.
- (b) Should one (1) or more of these conditions exist, DIR may:
  - (i) Temporarily replace any Critical Service Level of its choosing with the Key Service Level until such time as the below standard SLA is determined to be consistently (i.e., more than three (3) months in a row) performing to standard;
  - (ii) Promote the Key Service Level to a Critical Service Level modify the Service Level Allocation Percentages for the Critical Service Levels such that the total Service Level Credit Allocation Percentages for all Critical Service Levels sums to less than or equal to Pool Percentage Available, until such time as the below standard SLA is determined to be consistently (i.e., more than three (3) months in a row) performing to standard.
- (c) At the conclusion of three (3) consecutive months where the escalated Key Service Level is deemed to be performing at or above the Minimum Service Level, DIR may revert the escalated Key Service Level (now a Critical Service Level) back to its Key Service Level state.

### 6.18. Key Performance Indicators

- (a) DIR requires Key Performance Indicators (KPIs) calculated on a dynamic, near real-time basis, utilizing the most current data. There will also be a need to report the KPIs on a monthly basis for governance purposes; however, the intent is to provide DIR with continuous updates throughout the month to facilitate strategy around future business direction. Weightings for the Operating Measurements (OM) will be maintained in the SMM.
- (b) The qualitative descriptions of the KPIs are set forth in **Attachment 1.3 Service Level Definitions and Performance Analytics**. The strategic objectives and commencement of obligations associated with such Key Performance Indicators are set forth in **Attachment 1.2 Service Level Matrix**. KPIs are not Service Levels and are not subject to Service Level Credits.
- (c) DIR's use of KPI's is for the sole purpose of accurately measuring the health of the Shared Services Program and while DIR retains the right to adjust numeric ratings at its sole discretion, DIR will collaborate with the Successful Respondent and SCPs to identify appropriate numeric ratings for the KPIs.

### 6.19. Operating Measurements

- (a) The qualitative descriptions of the OMs are set forth in **Attachment 1.3 Service Level Definitions and Performance Analytics**. These are linked to the KPIs as described in **Attachment 1.3 Service Level Definitions and Performance Analytics**. The business objectives and commencement of obligations associated with such Operating Measurements are set forth in **Attachment 1.2 Service Level Matrix**.
- (b) To ensure visibility of progress toward business and strategic objectives, the Successful Respondent will report Operating Measurements.
- (c) To ensure the integrated and seamless delivery of the Services, the Successful Respondent is required to report Operating Measurements that measure the dependencies with each SCP.

#### 6.20. Operational Reports

The Successful Respondent's responsibilities include, at a minimum:

- (i) Providing all Reports currently being provided by the Incumbent Service Provider, including:
  - A. Those Reports listed in **Appendix A Reports**, including those reports contemplated in **Appendix A Reports**, but not in production;
  - B. According to the format, content, and frequency as noted in Appendix A Reports;
  - C. In compliance with report specifications identified in a formal report development process (e.g., requirements, development, test, acceptance, production ready) to be completed for each designated Report prior to the Commencement Date.
- (ii) Providing ad hoc reports as requested by DIR in compliance with processes outlined in the Service Management Manual.
- (iii) Where practical provide the capability for DIR and DCS Customers to request Reports based on standard data provided via the Portal.
- (iv) Provide capability for DIR or DCS Customer to generate ad hoc reports via the reporting tool.
- (v) Delivering all Reports requested within other documents that are referenced as requirements in other Exhibits.
- (vi) Modifying the format, content, and frequency of any Report as requested by DIR during the Term, subject to Change Management procedures.
- (vii) At a minimum, provide all Reports via the Portal through a real-time web-accessible reporting dashboard.
- (viii) Provide access statistics for Reports presented via the Portal at the request of DIR.
- (ix) Providing soft or hard copies of Reports as requested by DIR.

#### 6.21. Single Incident/Multiple Defaults

If a single incident results in the failure of the Successful Respondent to meet more than one (1) Service Level, DIR shall have the right to select any one (1) of such multiple Service Level Defaults for which it will be entitled to receive a Service Level

Credit and will respond to the Successful Respondent's reporting of the multiple Service Level Default and request for selection by notifying the Successful Respondent of the selection within five (5) DIR Business Days. DIR shall not be entitled to a Service Level Credit for each of such Service Level Defaults.

#### 6.22. Exceptions

The Successful Respondent shall not be responsible for a failure to meet any Service Level solely to the extent that such failure is directly attributable to any circumstances that excuse the Successful Respondent's performance in accordance with **MSA Section 5.2 Savings Clause**.

#### 6.23. Exclusions

Any incidents or requests opened prior to Commencement Date by DIR are excluded from SLA measurements and will be tracked separately. Additional exclusions are indicated in **Attachment 1.3 Service Level Definitions and Performance Analytics**.

### 7. Successful Respondent Personnel Requirements

#### 7.1. Key Personnel Staffing

##### 7.1.1. Approval of Key Personnel

The positions designated by DIR to be filled by Key Personnel and the Key Personnel that have been selected and approved by DIR as of the Effective Date are identified in Attachment 1.5 Key Personnel. At least thirty (30) days prior to assigning an individual to act as one (1) of the Key Personnel, whether as an initial assignment or a subsequent assignment, Successful Respondent shall notify DIR of the proposed assignment, shall introduce the individual to appropriate DIR representatives, shall provide reasonable opportunity for DIR representatives to interview the individual and shall provide DIR with a resume and such other information about the individual as may be requested by DIR. If DIR in good faith objects to the proposed assignment, the Parties shall attempt to resolve DIR's concerns on a mutually agreeable basis. If the Parties have not been able to resolve DIR's concerns within five (5) DIR Business Days of DIR communicating its concerns, Successful Respondent shall not assign the individual to that position and shall propose to DIR the assignment of another individual of suitable ability and qualifications. DIR may add, delete, or otherwise change the positions to be filled by Key Personnel under this Agreement.

##### 7.1.2. Continuity of Key Personnel

- (a) Successful Respondent shall cause each of the Key Personnel initially assigned at execution to devote full time effort to the provision of Services under this Agreement for, at a minimum, twenty-four (24) months post Commencement. Successful Respondent shall cause each subsequent assignment of Key Personnel to devote full time effort to the provision of Services for, at a minimum, the applicable period specified by the Successful Respondent at the time of subsequent assignment, from the date he or she assumes the position in question (provided that, in the case of Key Personnel assigned prior to the Commencement Date, the minimum period shall be measured from the Commencement Date). Successful Respondent shall not transfer, reassign or remove any of the Key Personnel (except as a result of voluntary resignation, involuntary termination for cause, illness, disability, or death) or announce its intention to do so

during the minimum period without DIR's prior approval, which DIR may withhold in its reasonable discretion based on its own self-interest. In the event of the voluntary resignation, involuntary termination for cause, illness, disability or death of one (1) of its Key Personnel during or after the specified period, Successful Respondent shall:

- (i) give DIR as much notice as reasonably possible of such development, and
  - (ii) expeditiously identify and obtain DIR's approval of a suitable replacement.
- (b) In addition, even after the initial twenty-four (24) month assignment period, Successful Respondent shall transfer, reassign, or remove one (1) of its Key Personnel only after:
- (i) giving DIR at least thirty (30) days prior notice of such action (except to the extent such removal involves termination due to cause or performance as defined below),
  - (ii) identifying and obtaining DIR's approval of a suitable replacement at least thirty (30) days prior to such transfer, reassignment or removal,
  - (iii) providing DIR with a plan describing the steps and training (including knowledge transfer) that Successful Respondent shall perform to transition responsibility to the replacement, and
  - (iv) demonstrating to DIR's satisfaction that such action shall not have an adverse impact on Successful Respondent's performance of its obligations under this Agreement.
- (c) Unless otherwise agreed, Successful Respondent shall not transfer, reassign, or remove more than one (1) of the Key Personnel in any six (6) month period; provided, however, the foregoing shall not prevent Successful Respondent from terminating a Key Personnel for cause or performance as defined below.
- (d) For purposes of this Section cause means disregard of Successful Respondent's rules, insubordination, or misconduct (as defined in Successful Respondent's human resource policies), or criminal conduct, and performance means that the individual's job performance is at a level that would justify dismissal under Successful Respondent's human resources policies.

#### 7.1.3. Retention and Succession

Successful Respondent shall implement and maintain a retention strategy designed to retain Key Personnel on DIR's and the DCS Customers' accounts for the prescribed period, such as retention bonuses. Successful Respondent shall also maintain active succession plans for each of the Key Personnel positions.

#### 7.1.4. Successful Respondent Account Director.

Successful Respondent shall designate a "**Successful Respondent Account Director**" who, unless otherwise agreed by DIR, shall maintain his or her office in Austin, Texas. The Successful Respondent Account Director shall:

- (i) be one (1) of the Key Personnel;

- (ii) be a full time employee of the Successful Respondent;
- (iii) devote his or her full time and effort to managing the Services;
- (iv) remain in this position for a minimum period of two (2) years from the initial assignment (except as a result of voluntary resignation, involuntary termination for cause, illness, disability, or death);
- (v) serve as the single point of accountability for the Services;
- (vi) be the single point of contact to whom all DIR communications concerning this Agreement may be addressed;
- (vii) have authority to act on behalf of Successful Respondent in all day-to-day matters pertaining to this Agreement;
- (viii) have day-to-day responsibility for service delivery, billing and relationship management; and
- (ix) have day-to-day responsibility for ensuring customer satisfaction and attainment of all Service Levels.

## 7.2. Key Service Personnel Positions

- (a) In an effort to foster a mutually supportive and collaborative environment in which the Services are provided in an effective manner that drives value to DCS Customers, the Parties will jointly review certain Key Successful Respondent Management and DIR or DCS Customer-facing positions (collectively Key Personnel), including the Successful Respondent Account Representative. Key Personnel will include the following at a minimum:
  - (i) **Account Director** with overall contract, financial and service delivery accountability for the contract. This position shall have decision making authority for all aspects of the contract.
  - (ii) **Chief Technology Officer (CTO)** with overall accountability for DCS Strategy Management, which includes technology planning, Refresh and Technical Currency planning, and establishing Reference Architecture and Standard Products. The CTO's objective is to implement DIR's CTO strategy concerning DCS Customers' application and infrastructure technology, and to drive technology innovation across all DCS services, including private cloud, public cloud, mainframe, print/mail, security, and so forth. This position shall be dedicated full time and office in the Austin area.
  - (iii) **Project Management Office (PMO) Director** with overall accountability for project management services and solution delivery.
  - (iv) **Solution Services Director** with overall accountability for delivery of the Solution Request Management requirements.
  - (v) **Application Development and Maintenance Director** with overall accountability for delivering Application Development and Maintenance requirements.
  - (vi) **Financial Director** with overall accountability for all chargeback, invoicing, billing disputes, pricing, and financial reporting.
  - (vii) **Transition Director** with overall accountability for delivery of the Successful Respondent's contract transition from contract execution through commencement of services, and through completion and DIR acceptance of all Transition deliverables.
  - (viii) **Customer Technical Architect** with accountability to ensure the overall technology needs of Customers are met and done so in a manner consistent with the strategy direction of the DCS program while bringing value to the Customer.

- (ix) **Other**, as the Successful Respondent deems key to the fulfillment of its contract obligations.
- (b) Key Personnel shall be committed for twenty-four (24) months minimum from contract execution unless stated otherwise. After twenty-four (24) months, replacement Key Personnel shall be committed for a minimum of twelve (12) months.
- (c) The Successful Respondent shall provide a table with information on Key Personnel, including name, title, functional area, percentage dedicated and commitment timeframe. The table shall be maintained by the Successful Respondent and provided to DIR upon request.
- (d) Based on DIR's experience with DCS and similar managed services relationships with a variety of leading vendors, DIR feels strongly that the Successful Respondent team (as a team and as individuals) should be regularly reviewed regarding several key factors including, but not limited to:
  - (i) Enablement of DCS initiatives including DCS Customer and DCS Prospect adoption of the DCS program and infrastructure consolidation/standardization initiatives;
  - (ii) Attainment of high customer satisfaction in Stakeholder (i.e., DCS Customers, DIR, Service Governance and DCS SCPs) communities and, by extension, importantly end-user communities;
  - (iii) Creation of a highly integrated, collaborative and mutually supportive delivery of Services under this Exhibit to DIR through the formation of an "integrated team" culture;
  - (iv) Adoption, implementation and refinement of a "State First" operating culture that is designed to drive value through the relationship and result in a high-performance working partnership between DIR, DCS Customers and Successful Respondent;
  - (v) Incorporation of industry-leading and Successful Respondent best practices in the construction, operation, maintenance and support of DCS while seeking opportunities for continuous refinement and improvement of areas that are directly within the Successful Respondent's scope, those areas where the Successful Respondent has a reliance on DCS Customers and third parties, and areas in the common interest of driving Service efficiency, quality and timeliness (e.g., value).
- (e) The Successful Respondent, based on then current requirements, DIR preferences and strategies will assess its delivery team in light of DIR's direction and replace personnel as to align with the then current DIR standards, strategies and evolution roadmap of the in-scope Services within DCS. The Successful Respondent will ensure that the skills, experience, training and certification levels required to perform the Service, within the contracted service levels and volumes are contemporary with DCS Customer need and actively manage - through training, replacement, organizational design and components or other means - as to ensure that its personnel achieve DIR requirements.

### 7.3. Dedicated Customer Technical Architect Staffing

- (a) The talent and availability of the Customer Technical Architects responsible for delivering DCS Strategy Management is critical to the success of the TSS Services. The Successful Respondent shall propose a minimum number of dedicated Customer Technical Architects to deliver these services defined in Section 3.1. These Customer Technical Architects are in addition to the staff required to meet the solution request management and delivery project management, although



they may be assigned to provide solutions when appropriate. Architects will be assigned to designated DCS Customers in order to develop deep Customer environment knowledge and provide informed technology planning consulting.

- (b) Respondents shall include representative resumes of proposed Customer Technical Architects in their Response. The Successful Respondent shall identify Customer Technical Architects prior to Commencement for DIR review and approval.

#### 7.4. Staffing Requirements

##### 7.4.1. Staffing Matrix/Model

- (a) Respondents shall provide a Staffing Plan including the following information:
  - (i) An organizational chart including any proposed subcontractors and key management and administrative personnel. All personnel identified as Key Personnel should be identified as part of the organizational chart. The organization chart must identify clear lines of authority and accountability within the organization;
  - (ii) A contingency plan that shows the ability to add more staff, if needed, to meet the Project's due date(s);
  - (iii) The number of people on site at the CDCs or other facilities at any given time;
  - (iv) A statement and a chart that clearly indicates the time commitment of the Respondent's Key Project Personnel;
- (b) Respondent must include a statement indicating to what extent, if any, key personnel may work on other projects or assignments that are not related to the Services, during the term of the Contract. DIR may reject any Response that commits the proposed Project Manager or any proposed Project Key Personnel to other projects during the term of the Project, if DIR believes that any such commitment may be detrimental to the Respondent's performance.
- (c) DIR reserves the right to identify certain roles proposed by the Successful Respondent as Key Personnel in addition to the Key Personnel that the Successful Respondent identifies.

##### 7.4.2. Ongoing Staff Service Training

- (a) The Successful Respondent will design and provide DIR with a formal Knowledge Transfer and Education Service in connection with any new service or new technology of the Successful Respondent's service. Successful Respondent shall:
  - (i) Educate and train its operational staff in the use its tools and processes; where appropriate. Successful Respondent shall provide this training to MSI and other SCP staff as required by DIR.
  - (ii) Create handover documentation, training, diagnostic scripts, and operational procedures for operations groups for all Services.
  - (iii) Provide operational training and documentation for support of Services to Respondent's staff, MSI staff, other SCP staff, DIR, and DCS Customers.

- (iv) Conduct informal information sharing and knowledge transfer services concurrent with the implementation of any Service implementation or release. This knowledge transfer will ensure DCS Customer personnel assigned to support, develop, manage, or operate the Service platform are apprised of the contents of each release, features, functions, known defects and workarounds, and other information to manage and communicate to DIR and DCS Customer leadership (in general) and business stakeholders of the system and DCS Customer functional leaders (specifically) the most effective use of the then current system assets (i.e., the Service element(s), platform(s) and DCS Customer-developed enhancements or extensions).
  - (v) Develop materials such as Frequently Asked Questions (FAQs), one-pagers, how-to documents, or other help pages explaining the use of Services, as required. Materials shall comply with MSI publishing requirements as the MSI will publish these materials on its portal.
  - (vi) In an SMM, document the process workflow sufficient for the MSI and other SCP system staff to support the use of Successful Respondent's systems and Services to perform operational tasks, including, but not limited to the following tasks: simple configuration updates; moderate configuration updates; systems administration activities; and batch processing.
- (b) Concurrently with any DCS Customer production implementation, the Successful Respondent will work with the MSI to develop knowledge articles that highlight specific system support processes, workflows, job aids, and updates arising from the solution implementation.

#### 7.4.3. DCS Customer Training

The Successful Respondent will participate in MSI provided training as directed and support the MSI with training delivery for the Service (in general) and operational aspects of the service elements as to enable their use by DCS Customers. The MSI will determine the extent of Successful Respondent involvement in training delivery in addition to the minimum requirements below. As part of this activity area, the Successful Respondent will:

- (i) Work with the MSI in the development, documentation, and delivery of workshops sufficient to prepare trainers and expert users for course delivery by focusing on the process and technical aspects of the training curriculum, including adult learning principles and facilitation techniques
- (ii) Develop an approach and plan for DCS Customer support by:
  - A. Assisting the MSI in establishing a plan to manage the escalation of questions from training sessions and the communication of answers back out to trainers; and
  - B. Working with the MSI to develop an approach and plan for communicating with and training DIR stakeholders and vendors on the implemented modules and new business processes.

#### 7.5. Replacement, Qualifications, and Retention of Successful Respondent Personnel.

##### 7.5.1. Sufficiency and Suitability of Personnel

As a material obligation hereunder, Successful Respondent shall assign (or cause to be assigned) sufficient numbers of Successful Respondent Personnel to perform the Services in accordance with this Agreement (including applicable Service Levels), and such Successful Respondent Personnel shall possess suitable competence, ability and qualifications and shall be properly educated and trained for the Services they are to perform. Successful Respondent will maintain the organizational and administrative capacity and capabilities to carry out all Successful Respondent duties and responsibilities, including providing and supporting the Services, under this Agreement. Notwithstanding transfer or turnover of its personnel, or of its

agents' or Subcontractors' personnel, Successful Respondent remains obligated to perform all duties and responsibilities, including providing and supporting the Services, without degradation and in accordance with the terms of this Agreement.

#### 7.5.2. Responsibility for Successful Respondent Personnel

- (a) Successful Respondent agrees that anyone used by Successful Respondent to fulfill the terms of this Agreement is an employee, agent or Subcontractor of Successful Respondent and remains under Successful Respondent's sole direction and control. In addition, Successful Respondent hereby agrees to be responsible for the following with respect to its employees, agents or Subcontractors:
  - (i) damages incurred by Successful Respondent Personnel or Subcontractors within the scope of their duties under this Agreement; and
  - (ii) determination of the hours to be worked and the duties to be performed by Successful Respondent Personnel or Subcontractors.
- (b) Successful Respondent agrees and will inform its employees, agents, and Subcontractors that there is no right of action against DIR or any DCS Customer for any duty owed by Successful Respondent pursuant to this Agreement. Successful Respondent expressly agrees that neither DIR nor any DCS Customer assumes any liability for the actions of, or judgments rendered against, the Successful Respondent, its employees, agents, or Subcontractors. DIR's liability to the Successful Respondent's employees, agents, and Subcontractors, if any, will be governed by Chapter 101, Texas Civil Practice & Remedies Code.

#### 7.5.3. Requested Replacement

In the event that DIR determines that the continued assignment of any individual Successful Respondent Personnel (including Key Personnel) to the performance of the Services is not in the best interests of any DCS Customer, then DIR may give Successful Respondent notice to that effect requesting that such Successful Respondent Personnel be replaced. Successful Respondent shall have ten (10) DIR Business Days following DIR's request for removal of such Successful Respondent Personnel in which to investigate the matters forming the basis of such request, correct any deficient performance, and provide DIR with assurances that such deficient performance shall not recur (provided that, if requested to do so by DIR, Successful Respondent shall immediately remove (or cause to be removed) the individual in question from all DIR Facilities pending completion of Successful Respondent's investigation and discussions with DIR). If, following such ten (10) DIR Business Day period, DIR is not satisfied with the results of Successful Respondent's efforts to correct the deficient performance and/or to prevent its recurrence, Successful Respondent shall, as soon as possible, remove and replace such Successful Respondent Personnel with an individual of suitable ability and qualifications, at no additional cost to DIR. Nothing in this provision shall operate or be construed to limit Successful Respondent's responsibility for the acts or omissions of Successful Respondent Personnel or be construed as joint employment of the Successful Respondent Personnel.

#### 7.5.4. Successful Respondent Personnel

- (a) The Successful Respondent is required to maintain CJIS compliance with staffing. Prior to the date any Successful Respondent personnel are assigned to DIR's or any DCS Customer's account, and annually thereafter, background checks (including national fingerprint record checks and drug testing) and/or criminal history investigations of such Successful Respondent personnel specified in the Service Management Manual or the applicable Statement of Work

must be performed. Should any Successful Respondent personnel not meet CJIS compliance as a result of a background check and/or criminal history investigation, then Successful Respondent shall promptly replace the individual(s) in question. Successful Respondent personnel who do not meet CJIS compliance shall not be assigned to work hereunder.

(b) Successful Respondent shall be responsible for verifying:

- (i) that Successful Respondent personnel are authorized to work in any location in which they are assigned to perform Services, and
- (ii) that it has performed pre-hire background investigations, including those described within this Agreement, verifying that Successful Respondent personnel had not been convicted of or accepted responsibility for a felony criminal offense or a misdemeanor involving moral turpitude. If such conviction has occurred, Successful Respondent shall fully advise DIR of the facts and circumstances surrounding the convictions so that DIR may determine if such individual may be permitted to work under this Agreement. Successful Respondent shall maintain policies prohibiting the use of illegal drugs. Successful Respondent represents that the Successful Respondent personnel are not disqualified from performing their assigned work under applicable Laws.

(c) The Successful Respondent shall, at a minimum:

- (i) Limit access to and use of data to authorized Successful Respondent personnel only.
- (ii) Successful Respondent personnel must have received security clearance and successfully complete a background and criminal history investigation prior to performing contract functions or accessing DIR, DCS Customer Facilities, Systems, Networks or Data.
  - A. Criminal history background checks are to be conducted per Texas Government Code (TGC) Subchapter F, Section 411.1404 and will be in compliance with the then-current versions of the FBI CJIS Security Policy and the FBI CJIS Security Addendum. In addition, an annual background check re-verification is required. Results of the initial background check and all annual reverifications must be documented in the MSI's Security Clearance and Tracking System.
  - B. Background and criminal history background checks will be performed by the Texas Department of Public Safety and the Texas Department of Criminal Justice. DCS Customers may require additional levels of compliance as per agency regulations and policies. Successful Respondent shall comply with any such additional levels of compliance including but not limited to CJIS.
  - C. Successful Respondent is responsible for any costs associated with the criminal history background check process.
  - D. Successful Respondent will establish a process that facilitates the timely submission and resolution of the criminal history background checks, including but not limited to using digital methods to submit necessary criminal history background check requirements.
- (iii) Implement processes and procedures for tracking Clearances for all Successful Respondent personnel and Third-Party Vendors utilizing the Security Clearance Management System provided by the MSI.

## 7.6. Location of Services

- (a) Services are to be performed at a combination of sites which must include the State of Texas computing locations. Permanent office space in the ADC and SDC is available for Successful Respondent Staff. There is no charge for the use of this space. Respondents must indicate in their Response whether it intends to make use of this space and for what number of staff. DIR prefers Successful Respondent staff to be located in ADC or SDC offices.
- (b) All services and data must remain within the United States. Access to any element of the Solution, Service, State specific deliverables, work products, technical details or other data is not permissible under any circumstances.

## 7.7. Work Location(s) and Successful Respondent Personnel

- (a) Office space for Successful Respondent staff is available at the Austin Data Center (ADC) at no cost. Respondents should indicate in their proposals whether and how many staff will be located at the ADC. DIR prefers Customer facing roles and Key Personnel have primary work locations in the Austin Data Center or at a minimum in the Austin area.
- (b) The Respondent shall provide a summary of full time equivalent (FTE) personnel for service delivery and space planning considerations for all Services included in this RFO:
- (c) The values in this sample table are for **illustration purposes only**. Respondents are to remove these illustrative artifacts and populate the table based on their proposed team and work locations. **Rows may be changed or added to by Respondents.**

Respondent Proposed Role(s)	% of FTE Time Spent at ADC Work Location	% of FTE Time Spent at Successful Respondent Work Location	Engagement Period
TSS Skills and Roles (will vary based on nature of DCS Customer engagement and specific project considerations)			
Successful Respondent Account Representative	20%	20%	Contract Duration
Project Lead(s)	100%		Contracted Project
Cloud Architect(s)	100%		Contracted Project
BAR Lead	50%		Contracted Project
Solution Architect (ADM)	50%	50%	Contracted Project
Change Management Lead(s)	Periodic	100%	Contracted Project
Windows / Linux / Unix System Engineer(s)	Periodic, 10%	Periodic, 20%	Contracted Project
Enterprise Architecture – OS, Storage & Backup	100%		Contract Duration
Enterprise Architecture – Middleware & DBMS	75%	25%	Contract Duration

Respondent Proposed Role(s)	% of FTE Time Spent at ADC Work Location	% of FTE Time Spent at Successful Respondent Work Location	Engagement Period
Enterprise Architecture – Security	75%	25%	Contract Duration
Solution Manager	100%		Contract Duration
Application Development Lead	80%	20%	Contract Duration
Customer Technical Architect	100%		Contract Duration
Application Development Lead	100%		Contract Duration
Application Maintenance Lead	50%	50%	Contract Duration
Application Testing Lead	70%	30%	Contract Duration
Project Management Lead	100%		Contract Duration
Middleware Service Design / Integration Lead(s)	100%		Contracted Project
Database Service Design / Integration Lead(s)	Periodic	50%	Contracted Project
Outreach / Communications Specialist(s)	Periodic	100%	Contracted Project
Public Cloud Portfolio & Integration Lead	80%	20%	Contract Duration

- (d) FTE time shall represent those hours in direct delivery of DIR or DCS Customer business. In some cases, this number may be less than 100%.
- (e) The Respondent's Service staffing plan and time commitment response must contain the following information:
- (i) An organizational chart including any subcontractors and key management and administrative personnel assigned to this project; and
  - (ii) A contingency plan that shows the ability to add more staff if needed to ensure meeting DCS Customer requirements.
- (f) The Respondent also must include a statement indicating to what extent, if any, the candidates may work on other projects or assignments during the term of the Contract. DIR may reject any Proposal that commits the proposed Project Manager or any proposed Key Personnel to other projects during the term of the Project, if DIR believes that any such commitment may be detrimental to the Respondent's performance.

#### 7.8. Evergreen Service Personnel

- (a) Based on DIR's experience with similar managed services relationships with a variety of leading vendors, DIR will regularly review that the Successful Respondent team (as a team and as individuals) regarding several key factors including, but not limited to:



- (i) Enablement of DIR Service-related initiatives.
  - (ii) Attainment of high customer satisfaction in Stakeholder DCS Customer communities and by extension and importantly end-user communities.
  - (iii) Creation of a highly integrated, collaborative and mutually supportive delivery of Services under this Service to DCS Customers through the formation of an “integrated team” culture.
  - (iv) Adoption, implementation and refinement of a “State First” operating culture that is designed to drive value through the relationship and result in a high-performance working partnership between DIR and Successful Respondent.
  - (v) Incorporation of industry-leading and Successful Respondent best practices in the operation, maintenance and support of the Service while seeking opportunities for continuous refinement and improvement of areas that are directly within the Successful Respondent’s scope, those areas where the Successful Respondent has a reliance on DIR, the MSI, DCS Customers and third parties, and areas in the common interest of driving Service efficiency, quality and timeliness (e.g., value).
- (b) DIR and the Successful Respondent will meet on a regular basis, no less frequently than annually, to review the Successful Respondent’s performance (as a team and as individuals) in driving toward these goals and agree to make changes to the number, nature, mix or named Key Personnel as required to improve and enhance the Successful Respondent’s position in enabling DIR’s attainment of these goals. As a one-time evaluation, the Successful Respondent and DIR shall review the performance of the entire Successful Respondent team within ninety (90) days of the Effective Date of this Agreement as required herein and implement any changes such that the Service is launched with the best possible Successful Respondent team as possible.
- (c) Should, for whatever reason, DIR determine based on documented or observed performance that a member (or members) of the Successful Respondent’s Key Personnel is operating in a manner inconsistent with these goals, DIR will request a meeting of the Successful Respondent Account Representative and the DCS Administrator (and, if required, the State CIO, Successful Respondent Managing Director, Lead Partner for Public Sector or equivalent) to address localized or endemic failures to meet these goals. Upon receiving this feedback, the Successful Respondent will develop and implement a plan to either realign the performance of the Key Personnel in question or replace them promptly should the situation dictate in accordance with the provisions of this RFO pertaining to replacement personnel.
- (d) For the avoidance of doubt, should for whatever reason the DCS Administrator request the replacement of any member of the Successful Respondent Staff, the Successful Respondent shall implement the change on a mutually agreeable schedule.
- (e) Should, for any reason described above, DIR and Successful Respondent determine that a member of the Successful Respondent Key Personnel need replacement, this replacement shall occur no later than thirty (30) calendar days from DIR’s request or as agreed.

### 7.9. Key Service Personnel

- (a) In addition, the Respondent's proposal must identify all Key Service Personnel who will provide services as part of the resulting Contract. The Key Service Personnel are identified in Section [7.2 Key Service Personnel Positions](#) of this Exhibit. DIR expects the proposed named Key Service Personnel will be available as proposed. Resumes for the proposed candidates must be provided for all Key Service Personnel. Representative resumes are not acceptable. The resumes will be used to supplement the descriptive narrative provided by the Respondent regarding their proposed team.
- (b) The resume (two (2) page limit per resume) of the proposed Key Service Personnel must include:
- (i) Proposed Candidate's Name;
  - (ii) Proposed role on this Service;
  - (iii) Listings of completed projects (a minimum of two (2) references for each named Key Project Personnel) that are comparable to this Project or required similar skills based on the person's assigned role/responsibility on this Project. Each project listed should include: at a minimum, the beginning and ending dates, client/company name for which the work was performed, client contact information for sponsoring Directors, Managers or equivalent level position (name, phone number, email address, company name, etc.), project title, project description, and a detailed description of the person's role/responsibility on the project;
  - (iv) Education;
  - (v) Professional Licenses/Certifications/Memberships; and
  - (vi) Employment History.
- (c) Based on DIR's experience with similar managed services relationships with a variety of leading vendors, DIR feels strongly that the Successful Respondent team (as a team and as individuals) should be regularly reviewed regarding several key factors including, but not limited to:
- (i) Enablement of DIR Service-related initiatives;
  - (ii) Attainment of high customer satisfaction in Stakeholder DCS Customer communities and by extension and importantly end-user communities;
  - (iii) Creation of a highly integrated, collaborative and mutually supportive delivery of Services under this Service to DCS Customers through the formation of an "integrated team" culture;
  - (iv) Adoption, implementation and refinement of a "State First" operating culture that is designed to drive value through the relationship and result in a high-performance working partnership between DIR and Successful Respondent; and
  - (v) Incorporation of industry-leading and Successful Respondent best practices in the operation, maintenance and support of the Service while seeking opportunities for continuous refinement and improvement of areas that are directly within the Successful Respondent's scope, those areas where the Successful Respondent has a reliance on DIR, the MSI, DCS Customers and third parties, and areas in the common interest of driving Service efficiency, quality and timeliness (e.g., value).
- (d) DIR and the Successful Respondent will meet on a regular basis, no less frequently than annually, to review the Successful Respondent's performance (as a team and as individuals) in driving toward these goals and agree to make

changes to the number, nature, mix or named Key Personnel as required to improve and enhance the Successful Respondent's position in enabling DIR's attainment of these goals. As a one-time evaluation, the Successful Respondent and DIR shall review the performance of the entire Successful Respondent team within ninety (90) days of the Effective Date of this Contract as required herein and implement any changes such that the Service is launched with the best possible Successful Respondent team as possible.

- (e) Should, for whatever reason, DIR determine based on documented or observed performance that a member (or members) of the Successful Respondent's Key Personnel is operating in a manner inconsistent with these goals, DIR will request a meeting of the Successful Respondent Account Representative and the DCS Administrator (and, if required, the State CIO, Successful Respondent Managing Director, Lead Partner for Public Sector or equivalent) to address localized or endemic failures to meet these goals. Upon receiving this feedback, the Successful Respondent will develop and implement a plan to either realign the performance of the Key Personnel in question or replace them promptly should the situation dictate in accordance with the provisions of this RFO pertaining to replacement personnel.
- (f) For the avoidance of doubt, should for whatever reason the DCS Administrator request the replacement of any member of the Successful Respondent Staff, the Successful Respondent shall implement the change on a mutually agreeable schedule.
- (g) Should, for any reason described above DIR and Successful Respondent determine that a member of the Successful Respondent Key Personnel need replacement, this replacement shall occur no later than thirty (30) calendar days from DIR's request or as agreed.

#### 7.10. Personnel Experience, Accreditation and Certification Requirements

The Successful Respondent shall be responsible for securing and maintaining staff that meets the minimum education qualifications as described in the RFO and possess the stated experience and expertise required to complete the tasks outlined in this RFO.

#### 7.11. Transition Staffing Requirements

The Successful Respondent must ensure an effective and successful transition of Services that ensures the Successful Respondent operations staff are sufficiently trained and prepared to assume operations. The Successful Respondent should ensure that Transition staff are not required to perform transition work post Commencement. Knowledge transfer must be performed such that steady-state operations personnel are prepared to perform Services with minimal to no disruption in performance.

### 8. DCS Governance Model

#### 8.1. Introduction

- (a) The Department of Information Resources (DIR) has established the owner-operator governance model for DIR's current shared technology services programs, which currently include:
  - (i) Data Center Services (DCS);

- (ii) Managed Application Services (MAS);
  - (iii) Open Data Portal
  - (iv) Managed Security Services (MSS); and
  - (v) Texas.gov.
- (b) This model involves DIR and DCS 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, processes include an escalation path. For greater detail on the owner-operator governance structure; the roles and responsibilities to maintain working relationships between the MSI and other SCPs, and the service management process, see the data room.
- (c) The Successful Respondent will participate and work within the DCS Governance model as it relates to the requirements the Contract.

## 8.2. Governance: Meetings

### 8.2.1. Governance

The parties shall comply with the governance and account management provisions set forth herein.

### 8.2.2. Meetings

During the term of this Agreement, representatives of the Parties shall meet periodically or as requested by DIR to discuss matters arising under this Agreement, including any such meetings provided for in the Transition Plan and the Service Management Manual. During the Transition Period, this may include meetings with DIR, the incumbent vendor, and other DIR Service Component Providers. Each Party shall bear its own costs in connection with the attendance and participation of such Party's representatives in such meetings.

### 8.2.3. Member Responsibilities

DIR has invested in the owner-operator governance model as a best practice to promote proactive problem solving and effectively engage DIR, DCS Customers, and SCPs in a collaborative decision-making model. The Successful Respondent is responsible for meeting the requirements of an SCP as they relate to the governance model. The shared responsibilities for DIR, DCS Customers, and SCPs include:

- (i) Foster an environment of open and honest communications.
- (ii) Actively participate in governance processes, including providing input to issue discussions.
- (iii) Proactively enable communications distributed by DIR to enable effective issue resolution.
- (iv) Collaborate proactively to identify, report, document, and resolve at the lowest possible level:
  - A. Service delivery and performance issues;
  - B. Security services program issues;

- C. Contract and financial issues;
  - D. Invoice disputes;
  - E. Customer relationship and communications issues.
- (v) Document escalated issues with an appropriate level of detail to ensure resolution.
  - (vi) Participate in the development of and compliance with governance process improvement.
  - (vii) Actively participate in training provided by DIR and others regarding the contract, services, performance, and stakeholder responsibilities.

#### 8.2.4. Membership

DIR and DCS Customers are members of all solution groups and committees. SCP and MSI representatives are fully participating members of the solution groups and committees, except for the Contract and Finance Solution Group where they participate by invitation and do not participate in decision making. On the BELC, SCPs and the MSI participate in solutioning and consensus decision making, but in the rare event that the BELC cannot reach a decision by consensus, DIR and DCS Customer members may vote to reach a decision.

#### 8.2.5. DCS Customer Member Responsibilities

Each DCS Customer partner group selects its representatives for all committees and solution groups. These members represent all the customers in that partner group. Members are expected to be prepared before attending meetings which includes:

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

#### 8.2.6. Partner Group Responsibilities

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

- (i) Resolve operational issues at the lowest possible level through local interfaces with SCPs.
- (ii) Actively participate in review of governance issues to be informed and serve as a substitute at a committee meeting if necessary.
- (iii) Engage and communicate with partner group representatives to support effective representation, issue resolution, and solution development.
- (iv) Establish and maintain strong working relationships with partner group members.

### 8.2.7. DIR Responsibilities

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

- (i) Facilitate governance committee meetings and activities, including providing organizational, logistical, and communication support to all committees.
- (ii) Facilitate the issue management process, including developing an issue communication system giving all DCS Customers visibility into all issues.
- (iii) Triage issues and attempt immediate resolution if possible, and route unresolved enterprise issues to appropriate governance committees for resolution.
- (iv) Provide relationship management for customers including serving as a point of escalation for issue resolution.
- (v) Interpret the Agreement from DIR's perspective.
- (vi) Manage financial interactions, processes, and relationships with SCPs.
- (vii) Manage communications.
- (viii) Coordinate ongoing training related to Agreement changes, process changes, and New Services.
- (ix) Perform vendor management and compliance functions including development and execution of Agreement amendments.

### 8.2.8. SCP and MSI Responsibilities

- (a) To enable the governance model, all SCPs have an important role as subject matter experts on technology, solutions, and feasibility. This includes the following responsibilities:
  - (i) Engage directly with DCS Customers to resolve their specific operational issues at the local level.
  - (ii) Assign empowered subject-matter experts to participate as requested in governance committees to resolve enterprise issues.
  - (iii) Research, as necessary, and document SCP perspective for issue resolution papers.
  - (iv) Provide timely and accurate data, information, and responses to promote prompt resolution of issues.
  - (v) Enable and facilitate use of the issue management process.
- (b) The MSI has additional governance responsibilities beyond those of the SCPs, including:
  - (i) Providing DIR with the operational intelligence to select appropriate topics, issues and opportunities for meeting agendas.
  - (ii) Preparing agendas and presentation material, taking meeting notes.
  - (iii) Coordinating issue escalation when multiple SCPs are involved.



- (iv) Coordinating SCPs participation in governance meetings.
- (v) Offering process improvement solutions to reduce the number of escalated issues.
- (vi) Streamlining the issue escalation processes between SCPs.
- (vii) Coordinating implementation of decisions and solutions that are approved by the governance committees.
- (viii) Posting all governance agendas, presentations, meeting notes, decisions and policies on the Portal.

### 8.3. Issue Management

- (a) Governance committees address two (2) types of decisions:
  - (i) Issue resolution.
  - (ii) Strategic decisions as per the roles and responsibilities.
- (b) Escalated issues may be raised from a DCS Customer, SCP, MSI, or DIR. DIR identifies and presents strategic decisions to governance committees and solution groups. Both decision types are treated the same by the committees:
  - (i) All DCS Customers have an opportunity to hear the issue.
  - (ii) DIR performs triage and routes unresolved issues to appropriate committees.
  - (iii) All DCS Customers and all SCPs have an opportunity to provide their perspective to their partner group in advance of the meeting.
  - (iv) DCS Customer committee members will review partner group positions/perspectives to represent their partner agencies in the meeting.
  - (v) All SCPs can present their position to the committee or solution group.
  - (vi) All decision-making agenda items will be broadcast in advance of the meeting.
  - (vii) After the meeting, decisions will be documented with the issue.

#### 8.3.1. Escalation Process

- (a) As noted above, the governance model strives to resolve 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 route the issue promptly and efficiently to the appropriate committee for resolution. Most operational issues will be routed to a solution group. however, the ITLC is the first resolver for high profile business, technology, and financial issues.
- (b) After the DCS Customer and SCP determine an issue cannot be resolved at the local operational level, the issue is escalated to DIR. 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 DCS Customer Committee chair or co-chair to determine when the issue can be placed on the agenda.

- (c) DIR also coordinates with the DCS Customer and SCPs involved in the issue to complete the required documentation for DCS Customer input on the process as follows:
  - (i) DIR and the committee chair or co-chair coordinate the distribution of the issue material with the meeting agenda.
  - (ii) Meeting agendas and associated material are distributed to DCS Customer IT Directors in advance of the meeting, with approximately five (5) to seven (7) DIR Business Days for DCS Customers to review and provide input to their committee representative and approximately two (2) days for DIR to compile the comments received for distribution to all.

### 8.3.2. Notice by Successful Respondent

Without limiting its obligations under this Agreement, Successful Respondent shall expeditiously notify DIR when it becomes aware that an act or omission of DIR or DCS Customer personnel or a DIR Contractor shall cause, or has caused, a problem or delay in providing the Services, and shall work with DIR, the DCS Customers and the DIR Contractor to prevent or circumvent such problem or delay. Successful Respondent shall cooperate with DIR, the DCS Customers and DIR Contractors to resolve differences and conflicts arising between the Services and other activities undertaken by DIR, the DCS Customers and DIR Contractors.

### 8.3.3. 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:

- (i) 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 DCS Customer or SCP subject matter experts to create materials and complete technical analysis.
- (ii) DIR develops a format for DCS Customer input appropriate for the decision.
- (iii) 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 DCS Customer IT Directors in advance of the meeting, with approximately five (5) to seven (7) DIR Business Days for DCS Customers to review and provide input to their committee representative and approximately two (2) days for DIR to compile the comments received for distribution to all.

### 8.3.4. Decision Documentation

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

## 9. Cross-Functional Services

### 9.1. General Operating Model Requirements

- (a) DIR contracts with multiple SCPs to deliver shared technology services to DCS Customers. Those services are integrated into a common service delivery model by DIR's MSI. The MSI provides the systems, processes and service delivery oversight necessary to ensure consistent, quality service delivery.
- (b) DIR bases its Service Management practices on the Information Technology Infrastructure Library (ITIL). Accordingly, DIR requires that Service Provider Service Management practices, which are used to support the Services, be based on the ITIL framework and guidance as provided by the MSI. TSS will assist MSI in development and support of Service Management practices to ensure consistent, quality service delivery.

## 9.2. Multi-sourcing Services Integration and Cooperation

Successful Respondent acknowledges and agrees that it will deliver the Services to DIR and DCS Customers in an environment in which there are various other Service Component Providers providing related services to DIR and DCS Customers ("Multi-sourcing Services Environment"). Successful Respondent acknowledges that its provision of the Services in a multi-supplier environment requires significant integration, cooperation, and coordination of processes and procedures with other Service Component Providers. **Attachments 1.2 Service Level Matrix and 1.3 Service Level Definitions and Performance Analytics** specify Service Levels and obligations to DIR and DCS Customers related to the provision of the Services in a multi-supplier environment.

## 9.3. Shared Technology Services Documentation – Service Management Manual

- (a) All documentation maintained by the Successful Respondent shall be subject to approval by DIR and will conform to the documentation standards and format provided by the MSI and agreed upon between DIR and the Successful Respondent. The Successful Respondent shall develop documentation in accordance with this Section. All documentation must be posted and maintained on the MSI-managed DCS Portal.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Ensure that Successful Respondent's operational procedures and documentation related to the Services is up to date, accurate, and posted on the MSI's Portal.
    - A. Link Systems documentation to architectural standards.
    - B. Identify DIR Data to the associated System(s) and the associated security risk classification.
    - C. Provide architecture and design documentation for Systems and Services managed by Successful Respondent.
  - (ii) Develop and maintain Service support documentation on all Operations procedures, Services, Equipment, and Software for which Successful Respondent is responsible. Documentation shall be based on ITIL guidance to enable consistent management of process-driven IT services across a variable number of environments and among DCS SCPs.
  - (iii) Make all documentation available electronically on the MSI portal.
  - (iv) Validate documentation annually for completeness and accuracy in accordance with MSI SMM review cycle, and verify that all documentation is present, organized, readable, and updated in accordance with agreed upon schedule.

- (v) Participate in MSI review of operational documentation validation, including reporting any findings to DIR and DCS Customers on a scheduled basis. Where it is determined that documentation is inaccurate (e.g., erroneous or out of date), correct and replace such documentation.
- (vi) Update the SMM according to schedule described for the Critical Deliverables.
- (vii) Ensure that ITIL-based processes effectively integrate with the processes, functions and roles deployed within and used by DIR and DCS Customers and other DCS Service Providers.
- (viii) Develop and support required Application Program Interfaces (APIs) to integrate and automate Service provisioning, automated build, and decommissioning activities.
- (ix) Design processes to enable the effective monitoring and reporting of the Services in a Multi-Supplier Environment.
- (x) Ensure that enterprise processes (e.g., Change Management, Configuration Management, Problem Management) are followed across the Service Component Provider, Subcontractors, and Third Party Vendor(s) processes.

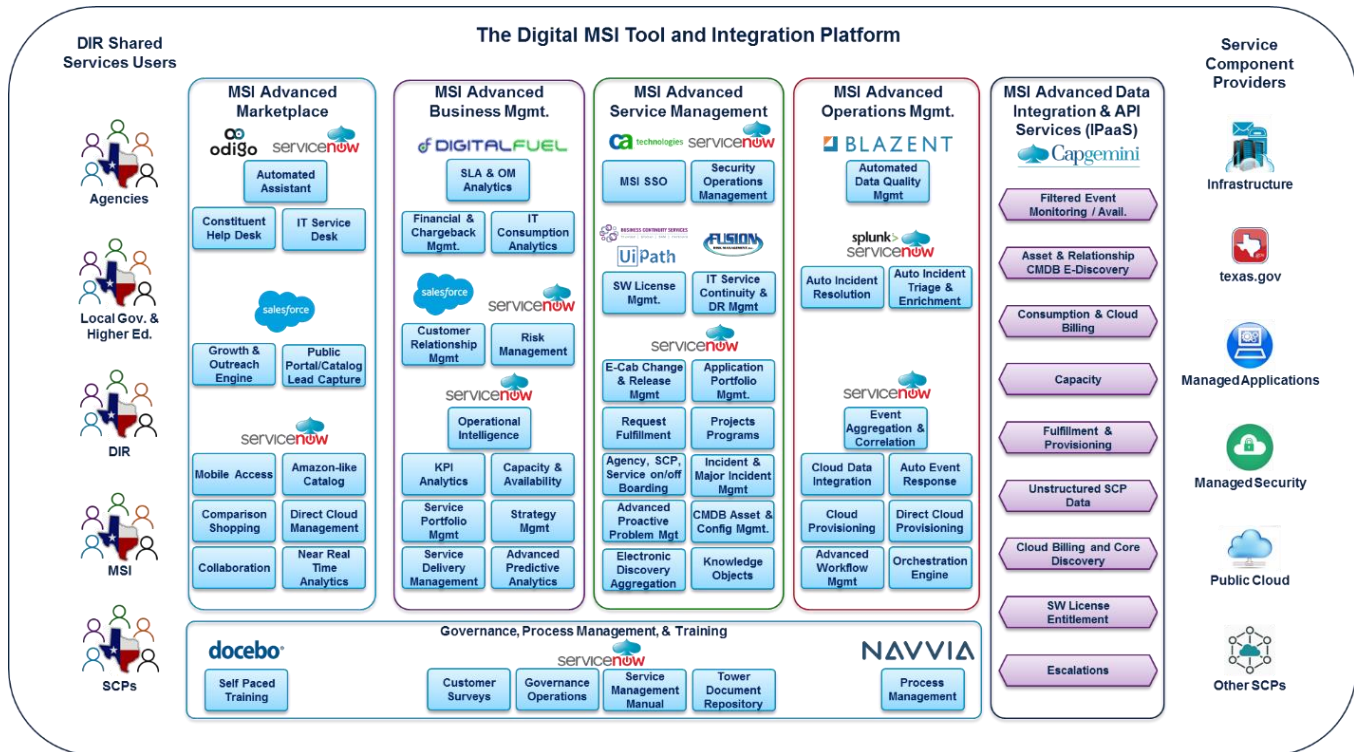
#### 9.4. Marketplace and Portal Requirements

- (a) The Successful Respondent must leverage the MSI-provided Portal (Portal) to provide integrated DIR and DCS Customer solutions, communications, and reporting. Reporting functions and specific operational reports are defined in **Appendix A Reports**.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Follow established MSI policies and procedures to ensure secure access to the MSI's DCS Portal, including identifying and working with MSI to resolve access issues.
  - (ii) Provide the MSI via direct data feed or system integration where possible with the reports and communication content to be posted, including but not limited to the following:
    - A. Processes
    - B. Documentation
    - C. Reports
    - D. Operational intelligence
    - E. Portal broadcast communications
    - F. DIR Shared Services tool links
    - G. Information pertaining to the delivery of Services
  - (iii) Develop and support Marketplace capabilities with API and automation to provide customers with the ability to provision, modify, and decommission services and technology.
  - (iv) Provide reports and communication content in the format and design standards required of the MSI's online portal, and validate that content has been posted via MSI-provided secure access to the Portal.
  - (v) Leverage the Portal to access, update, and maintain DIR Shared Services documentation, including the following:
    - A. SMM;
    - B. Enterprise Policies;
    - C. Enterprise Standards and Reference Architectures;
    - D. Knowledge objects of Services;
    - E. Known errors and workarounds;
    - F. Training content;
    - G. Service Offering descriptions;
    - H. Frequently Asked Questions (FAQs); and

- I. Similar documentation for the Successful Respondent's organization as well as from other SCPs as specified by DIR.
- (vi) Adhere to established policies, procedures, and processes as documented in the SMM.

### 9.5. MSI Tools and Operating Environment

- (a) The MSI provides a digital tool and integration platform for all DCS and Shared Services providers to utilize in the delivery of services to Customers. Conceptually, this platform is as follows:



- (b) The foundation of this platform is the **ServiceNow** cloud-based platform which delivers on the requirements of DIR and the MSI and provides efficient scalability and flexibility to serve the State of Texas.
- (c) Beyond ServiceNow, leading toolsets to fill in functions that are not currently resident in the ServiceNow platform to offer a complete operating environment that is based on ITIL and ITSM standards. This platform will continue to evolve in a plug and play fashion for the foreseeable future.
- (d) The MSI toolset also includes:
  - (i) SalesForce.com as the primary platform for the new DIR Growth and Outreach function;
  - (ii) Odigo for the IT Service Desk and the new Citizen Help Desk Automation associated with Texas.gov and future "citizen centric" services;
  - (iii) Digital Fuel for Financial Management, Chargeback, and SLA Reporting;
  - (iv) CA Technologies for the Digital MSI SSO Identity and Access Management Services;
  - (v) BCS and UI Path for Software License Compliance functions;
  - (vi) Blazent for Data Quality Management;

- (vii) Splunk to capture un-structured data primarily from SCPs to aid in analysis and to use for Machine Learning data sets for identifying patterns that can be indicators of future incidents or outages;
- (viii) MSI-specific IPaaS which will serve as the integration platform as an enabler for deeper and faster API integration with SCPs;
- (ix) Docebo as the Learning Management Platform for the Digital MSI education functions;
- (x) Fusion Risk Management for Disaster Recovery enablement; and
- (xi) Risk Management within the portal serves as a vital management approach for the overall Program, through identification and management of risk mitigation.

#### 9.6. Service Catalog Management

The MSI provides the Service Catalog tool for DCS Customers to request Services from the Successful Respondent. The Successful Respondent shall, at a minimum:

- (i) Coordinate with the MSI to ensure automated integration of Successful Respondent Services into the Service Catalog, including integrating Successful Respondent fulfilment system with the Service Catalog (if applicable).
- (ii) Work with the MSI to categorize and normalize Service Catalog content, including the following:
  - A. Type of service.
  - B. Configuration type.
  - C. Equipment or software type.
  - D. User eligibility in order to enable multiple selection, searching, and presentation views.
- (iii) Work with the MSI to document and update Service descriptions and dependencies.
- (iv) Participate, through the MSI, in regular communications with DIR and DCS Customers on updates to the Service Catalog.
- (v) Respond to Service Catalog requests in accordance with defined processes and Service Level Agreements (SLAs).

#### 9.7. Outreach and Growth Requirements

- (a) Because DIR believes sustained growth and use of the Shared Technology Services will provide certain benefits to the existing Customers in the DCS program, the Successful Respondent shall support the MSI and other Service Component Providers as appropriate to promote the Services to public sector entities within the State of Texas.
- (b) Successful Respondent shall, at a minimum:
  - (i) Leverage the MSI-provided Outreach System and Customer Relationship Management system.
  - (ii) Support the MSI in the creation and maintenance of its annual outreach plans aimed at increasing the DCS Customer base for the DCS Program. **Note:** Please refer to **Exhibit 1, Attachment 1.1, Deliverables**, as annual outreach plans are Critical Deliverables.
  - (iii) Develop and execute against the Customer Outreach Plan, subject to the approval of DIR, that describes how Services are branded and communicated, how stakeholder needs are assessed, what outreach efforts meet those needs, and how satisfaction with Services is measured and improved.
  - (iv) Coordinate evaluation of previous year's outreach plan achievement and DCS Customer growth through documentation of actual outreach achievements as compared to the previous year's plan.



- (v) Collaborate with new and existing DCS Customers to understand their needs and to promote the benefits of DCS initiatives through thoughtful and cost-effective proposals following the Request for Solution process, which shall, at a minimum:
  - A. Communicate and promote specific service benefits to targeted needs;
  - B. Deliver compelling incentives to DCS Customers to use the Services; and
  - C. Build trust through promotion of the benefits, such as ease of use, security, and privacy.
- (vi) Participate with the MSI, DCS Customers and other Service Component Providers in a community that shares knowledge, ideas, and best practices to collaborate and drive cost-effective innovation.
- (vii) For any new DCS Customer or expansion of existing DCS Customer's use of DCS services, align and support the MSI established on-boarding and request processes.
- (viii) Include and participate in Request for Solution processes, including the use of solution architects and project managers, coordinating with MSI, DIR and other impacted SCPs in the development of comprehensive solution designs and project plans for the deployment of Customer and enterprise solutions.

### 9.8. Customer Satisfaction Surveys

- (a) The MSI will have responsibility for coordinating the development, maintenance, and execution of the surveys with DIR within the established Governance model. The MSI will develop the mechanism, facilitate responses, tabulate results and report results back to DIR and DCS Customers as part of an ongoing program for measuring customer satisfaction.
- (b) DIR will have overall review and approval of the customer satisfaction surveys, to include input and approval of the survey recipients, the survey methodology, and the survey questions.
- (c) The Successful Respondent shall support the MSI in accordance with the established SMM. See Critical Deliverable Annual Customer Satisfaction Improvement Plan for the description and acceptance criteria.

### 9.9. Service Management Requirements

- (a) DIR expects that the Successful Respondent follow design and implementation principles which will be, to the extent applicable, ITIL compatible. Successful Respondent shall align its design and delivery of services with ITIL concepts and techniques for managing the DCS network environment and integrate service management and reporting via the MSI operating model and systems. It is expected that Respondents identify where their service delivery model differs from the ITIL framework.
- (b) Respondents are advised that the DCS team and Customer-facing functions have been operating under and have been trained on ITIL principles and processes through the MSI's training program. Therefore, Respondents are not required to propose ITIL training as part of their response.
- (c) The Successful Respondent will design and implement the Service as to ensure the appropriate Service elements both integrate with and enable the areas listed below.
- (d) The MSI Service Desk handles tier 1 support for incidents, problems and questions as well as providing support and interfaces for other activities such as:

- (i) Change requests;
- (ii) Maintenance contracts;
- (iii) Software licenses;
- (iv) Service level management;
- (v) Configuration management;
- (vi) Availability management;
- (vii) Financial management;
- (viii) Application management; and
- (ix) IT Services continuity management.

#### 9.9.1. Incident Management

Successful Respondent shall, at a minimum:

- (i) Provide Incident Management Services in the form of tier 2 support and tier 3 support. Incident Management is separate and distinct from Security Incident Management.
- (ii) Provide knowledge capture and transfer regarding Incident resolution procedures to support the objective of increasing the number of Incidents capable of being resolved by tier 1 support.
- (iii) Comply with MSI policies and procedures for Incident Management as documented in the SMM.
- (iv) Coordinate with the MSI to develop and approve Successful Respondent-related Incident Management content in the MSI-managed SMM.
- (v) Utilize the Incident Management System provided by the MSI for all information related to an Incident.
- (vi) Provide for training on processes and tools for Incidents and escalations to Successful Respondent Incident Management staff and other relevant resources involved with responding to Incidents.
- (vii) Resolve Incidents in accordance with the SMM, knowledge database documents, and configuration database(s).
- (viii) Identify and classify Incident severity and handle according to agreed-upon Incident response procedures and assume end-to-end responsibility.
- (ix) Escalate Incidents in accordance with the SMM, knowledge database documents, and configuration database(s).
- (x) Provide tier 2 support and tier 3 support.
- (xi) Support bringing technical resources and any third-party resources onto MSI led troubleshooting calls as needed and requested.
- (xii) Participate in Incident review sessions.
- (xiii) Update the progress of an Incident's resolution within the MSI tracking systems through to final closure.

- (xiv) Verify that all records (e.g., inventory, asset and configuration management records) are updated to reflect completed and resolved Incidents.
- (xv) Document solutions to resolved Incidents in MSI-managed central knowledge base. Accurately update all information pertinent to trouble ticket including general verbiage, codes, etc.
- (xvi) Determine if an Incident should initiate a Problem investigation (e.g., whether preventive action is necessary to avoid Incident recurrence) and, in conjunction with the appropriate support tier, raise a Problem record to initiate action.
- (xvii) Conduct follow-up with DCS Customer representative who reported the Incident to verify the Incident was resolved to their satisfaction.
- (xviii) Integrate the Successful Respondent's Incident Management process with the other service management processes, especially Problem Management, Configuration Management, Service Level Management, and Change Management.
- (xix) The Successful Respondent shall utilize the Incident Management System provided by the MSI and integrate such with their Incident Management processes, providing a level of detail that allows for a set of Incident Resolution diagnostics. The MSI shall provide the systems, processes and service delivery oversight necessary to ensure consistent, quality service delivery.

#### 9.9.2. Problem Management

The Successful Respondent shall, at a minimum:

- (i) Provide Problem Management Services in coordination with the MSI Problem Management structure to minimize the adverse impact of Incidents on DCS Customer's business operations.
- (ii) Cooperate with the MSI to provide reactive Problem Management Services by diagnosing and solving Problems in response to one or more Incidents that have been reported through Incident Management.
- (iii) Provide proactive Problem Management to identify and solve Problems and known errors before Incidents occur, including:
  - A. performing predictive analysis activities, where practical, to identify potential future Problems,
  - B. develop recommended mitigation plans, and
  - C. implement approved corrective mitigation actions and processes.
- (iv) Maintain, update, and disseminate information about Problems and the appropriate workarounds and resolutions to reduce the number and impact of Incidents.
- (v) Provide Problem Management Services for all Problems that are determined to be related to the in-scope Services.
- (vi) Implement resolutions to Problems through the appropriate control procedures, especially Change management, as well as coordinating Problem Management activities with the various teams within Successful Respondent.
- (vii) Coordinate with the MSI to develop and implement processes for Problem Management and root cause analysis (RCA).

- (viii) Comply with MSI policies for Problem Management and RCA.
- (ix) Participate in Problem Management review meetings.
- (x) Use and update the Problem Management knowledge database managed by the MSI.
- (xi) Perform Problem Management activities as set forth in the SMM.
- (xii) Coordinate and take responsibility of Problem Management activities of all Problems that reside in Successful Respondent's area of responsibility (e.g., detection, logging, RCA, etc.).
- (xiii) Conduct proactive trend analysis of Incidents and Problems to identify recurring situations that are or may be indicative of future Problems and points of failure.
- (xiv) Develop and recommend corrective actions or solutions to address recurring Incidents and Problems or failures, as well as mitigation strategies and actions to avert potential Problems identified through trend analysis.
- (xv) Identify, develop, document (in the MSI Problem Management tool), and recommend appropriate workarounds for known errors of unresolved Problems.
- (xvi) Create documentation with recommended corrective actions to resolve a Problem and submit to Change management for review and approval using the MSI provided tool.

### 9.9.3. Change Management

The Successful Respondent shall, at a minimum:

- (i) Perform Change Management Services utilizing standardized methods and procedures as defined in the SMM to provide efficient and prompt handling of all Changes.
- (ii) Assist DCS Customer, DCS SCP, or MSI in creating the schedule for any Changes and implementing such Changes.
- (iii) Assist MSI to refine and improve upon Change Management processes and training requirements including CAB composition, activities, and the financial, technical, and business approval authorities appropriate to DCS Customer requirements.
- (iv) Comply with MSI Change Management processes and training requirements as set forth in the SMM.
- (v) Review and approve refinements to Change Management processes and training requirements.
- (vi) Provide necessary information to DCS Customer, DCS SCP, or MSI as required to assist in documenting all Request for Change's (RFCs), which could include Change cost, risk impact assessment, and system(s) security considerations.
- (vii) Perform maintenance during regular Maintenance Periods as defined in the SMM, or as scheduled in advance with the approval of DCS Customer, DCS SCP or MSI as appropriate.
- (viii) Provide Change documentation, as required, to the MSI, including proposed metrics on how effectiveness of the Change might be measured.
- (ix) As requested, participate in traditional or digital CAB meetings and workflow to review planned Changes and results of Changes made.

- (x) Utilize the Change Management System, tools, and processes of the MSI for the efficient and effective handling of all Changes, including the CAB, subject to approval from DCS Customer, DCS SCPs, or MSI as appropriate, in a way that minimizes risk exposure and maximizes availability of the Services.

#### 9.9.4. Configuration Management

- (a) The Successful Respondent will perform Configuration Management to provide a logical model of the IT infrastructure managed by the Successful Respondent to identify, control, maintain, and verify information related to all Configuration Items that enable the Successful Respondent's Services. The MSI consolidates information from multiple Service Component Provider Configuration Management Databases (CMDBs) that contain details of CIs used in the provision, support, and management of IT services.
- (b) The Successful Respondent shall, at a minimum and as defined in the SMM:
  - (i) Actively participate with the MSI to develop and document Configuration Management processes, as approved by DIR, that document the objectives, scope, and principles that ensure the success of the Configuration Management processes.
  - (ii) Integrate Successful Respondent's Configuration Management process with the MSI's Configuration Management process and systems, including providing Successful Respondent Configuration data electronically to MSI's Configuration Management System (CMS)/CMDB in the agreed data format.
  - (iii) Communicate and coordinate the Configuration Management processes and policies within its organization.
  - (iv) Actively cooperate in information exchange between and among the SCPs, MSI, DIR and DCS Customer to improve end-to-end Configuration Management.
  - (v) Work with the MSI to provide a complete Configuration Management audit trail to meet DIR and DCS Customer legislative and policy requirements.
  - (vi) Conform operations to policies and procedures that set the objectives, scope, and principles that ensure the success of the Configuration Management process.
  - (vii) Work with the MSI in establishing categorization and classification structures to ensure the proper documentation and maintenance of CIs.
  - (viii) Use the Configuration Management process to identify, control, maintain, and verify the CIs approved by the MSI as comprising the Equipment, Software, and Applications to provide the Services.
  - (ix) Record all Successful Respondent's CI information including, but not limited to, equipment, software, software, services, and equipment.
  - (x) Verify that all CIs supporting the Successful Respondent's Services including Equipment, Software, and Services are incorporated into the CMDB.
  - (xi) Utilize the CMDB provided by the MSI as the single source of information regarding all CIs within Successful Respondent scope.
  - (xii) Ensure that all configuration data related to the Services resides in the CMDB.

- (xiii) Integrate the Successful Respondent's other systems, including all appropriate and required licenses and/or interface with the MSI's Configuration Management System (CMS).
- (xiv) Where Successful Respondent has an internal CMS, integrate that system with the MSI CMS as required.
- (xv) Where Successful Respondent has an internal CMDB integrate that database with the MSI CMDB.
- (xvi) Provide customization as required to enable the Configuration Management processes as defined in the SMM.
- (xvii) Automate processes, discovery tools, inventory and validation tools, enterprise systems and network management tools, etc. to provide electronic asset and configuration management data as required to the MSI.
- (xviii) Comply with existing and established SMM processes.

#### 9.9.5. Capacity Management

- (a) Capacity Management assesses the current operations and future demands, pre-empting performance issues by taking the necessary actions before they occur.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Integrate Successful Respondent Capacity Management process and agreed data with the MSI's Capacity Management process and systems, including providing Successful Respondent Capacity data electronically to MSI's Capacity Management System in the agreed data format.
  - (ii) Project future supported Service trends and capacity requirements in conjunction with provided capacity usage reports, suggest new projects or efforts as it pertains to the Services
  - (iii) Seek authorization to purchase additional capacity for any Service resource that has reached critical usage levels and is impacting Successful Respondent's ability to provide the Services.
  - (iv) Review supported Service performance and capacity and throughput for new applications and DCS Customer deployments before promotion into the production environment to preempt the resolution of any potential overcapacity situations.
  - (v) Communicate and coordinate the Capacity Management processes and policies within Successful Respondent's organization.
  - (vi) Actively cooperate in information exchange between and among the SCPs, MSI, DIR and DCS Customer to improve end-to-end Capacity Management.
  - (vii) Provide the means to automatically aggregate resource and system performance, system utilization, capacity limits for Successful Respondent Services and provide electronically to the MSI in an agreed format and frequency.
  - (viii) Provide the means to automatically calculate and forecast Successful Respondent Services capacity requirements through trending of collected data anticipating capacity needs.
  - (ix) In an automated manner, aggregate capacity information including current capacity and utilization, trends, issues and actions at the DCS Customer and Services level.

- (x) Initiate Incident Management, Problem Management or Request Management activities as needed to address Capacity Management issues and trends.
- (xi) Action and track agreed capacity mitigations through associated Incidents, service requests, changes or projects using the MSI provided systems.
- (xii) Participate and contribute to Capacity Management meetings.
- (xiii) Incorporate appropriate capacity modeling to extrapolate forecasts of growth and other changes in response to projected DCS Customer business and operational needs.
- (xiv) Provide meaningful Capacity Planning input to the MSI-coordinated Capacity Plan.
- (xv) Provide meaningful Capacity Planning input to the Technology Plan to develop requirements for long-range planning.
- (xvi) Provide meaningful Capacity Planning input to the Refresh Plan to ensure Refresh and Technical Currency.

#### 9.9.6. Refresh and Technical Currency

- (a) The Successful Respondent will work with the MSI to ensure that refreshes are done as scheduled and technical currency is maintained in the Services. The Annual Technology Refresh Plan is required as a Critical Deliverable, as defined in **Attachment 1.1 Deliverables**.
- (b) Successful Respondent's responsibilities include:
  - (i) Work with DCS SCPs and MSI to ensure service components align with the DCS standard hardware and software platforms as described in the DCS Standard Configurations.
  - (ii) Upgrade and replace Equipment and Software (Refresh) as required in the Financial Responsibility Matrix throughout the Term, for purposes that include meeting DIR's and DCS Customers' business requirements. preventing technological obsolescence or failure; and accommodating volume changes, the ability to increase efficiency, the ability to lower costs, and/or the need to maintain the required Third-Party Vendor support.
  - (iii) Cooperate and coordinate on-going Refresh activities with the full Refresh Program at the direction of the MSI and in alignment with DCS Customer application upgrade activity.
  - (iv) Deploy Equipment and Software associated with any Refresh in accordance with the standards of DIR's technical architecture and the Technology Plan.
  - (v) Accommodate the timeframes and other requirements associated with Refresh, as well as the financial responsibility for the underlying assets, as provided in the Financial Responsibility Matrix.
  - (vi) DIR reserves the right to modify the Refresh timeframes and requirements during the Term based on its business requirements, subject to the Change Control procedures.
  - (vii) Cooperate and support the management of Refresh Responsibilities by the MSI.
  - (viii) Where the Successful Respondent is financially responsible for Equipment and Software used in conjunction with the Services, as listed in the Financial Responsibility Matrix, Successful Respondent's responsibilities include:
    - A. Refresh the assets during the Term, including responsibility for the assets, the implementation, and ongoing support.
    - B. At a minimum and/or in the absence of a defined Refresh timeframe, maintain technical currency in accordance with Industry Standards.
  - (ix) Where DIR, SCPs or Customers are financially responsible for Equipment and Software used in conjunction with the Services, the Successful Respondent will implement and support the new assets provided by DIR.
  - (x) Regardless of the ownership of underlying assets, Successful Respondent responsibilities include:
    - A. Provide personnel who are adequately trained in the use of the Equipment or Software to be deployed as part of the Refresh and provide such training prior to the Refresh.



- B. Provide minimal disruption to DIR's and Customers' business operations associated with technology Refresh.
- C. Use best practices and effective automation tools during Refresh deployment.
- D. Perform all Changes to Equipment and Software in accordance with Change Management procedures.

#### 9.9.7. Refresh Planning

The Successful Respondent will work with the MSI to ensure refresh planning is consistently done and in compliance with processes outlined in the Service Management Manual. Successful Respondent's responsibilities include:

- (i) Develop a continual plan for Refresh, including:
  - A. Within one-hundred and twenty (120) days prior to DIR's annual planning process meetings, review the asset inventory and produce a report that lists the assets that are due to be refreshed in the upcoming plan year, and provide such report to DIR's annual planning process.
  - B. Cooperate and participate in the planning activities led by the MSI.
- (ii) Successful Respondent and DIR will consider the usability of the assets and review alternatives to replace, re-release, consolidate, or retain the assets. Based on the results of this review, Successful Respondent will deliver the initial recommendations regarding such assets to DIR within thirty (30) days after the review.
- (iii) For Successful Respondent-owned assets, Successful Respondent and DIR will mutually determine whether Successful Respondent will replace an asset and the appropriate replacement date.
- (iv) If Software Changes are required due to replacement of assets, Successful Respondent, in consultation with the DIR, will review alternatives for making changes to such Software.
- (v) Such replacement of the assets and Software will be at Successful Respondent's expense if the replacement is required to facilitate achievement of the agreed upon Service Levels or because the asset is obsolete (i.e., replacement parts cannot be acquired, or the asset has become unserviceable).
- (vi) For DIR and Customer owned and leased assets, based on the planning process outcome and direction established by DIR, Successful Respondent will provide a proposal for refresh of those assets (replacement at DIR's expense) to DIR.
- (vii) Adhere to DIR's approved plan, and execute that plan utilizing established procurement processes, to initiate refresh and retirement activities.
- (xxix) Provide monthly reports, in compliance with processes in the SMM, prior to lease expiration date showing assets to be refreshed with latest data.

Notify DIR monthly of all open agreements related to assets that are retired in compliance with processes in the SMM.

- A. Track and report on the completion progress of asset Refresh.
- B. Update and archive asset records after retirement.

#### 9.9.8. Request Management and Fulfillment Requirements

Successful Respondent shall be responsible for the fulfillment of Service Requests in compliance with processes in the SMM.

##### 9.9.8.1. Request Management Processes

The Successful Respondent shall, at a minimum:

- (i) Actively participate with the MSI to develop and document processes.
- (ii) Actively cooperate with the MSI in implementing and maintaining Request Management and Fulfillment processes that are flexible and facilitate effective communication and coordination across all functional areas.

- (iii) Actively cooperate in information exchange between and among the Successful Respondent, the MSI, other Service Component Provider(s), DIR, and DCS Customer to improve end-to-end Request Management.
- (iv) Integrate the Successful Respondent's Request Management process with the MSI's Request Management process and systems, where the processes interact.
- (v) Facilitate the automation or mechanization of Service Requests between Successful Respondent, the MSI, and other Service Component Provider(s) systems.
- (vi) Facilitate the transparency of Request Management through appropriate processes to provide a complete audit trail for the MSI to meet DIR and DCS Customer legislative and policy requirements.
- (vii) Communicate and coordinate the Request Management processes and policies within Successful Respondent's organization.
- (viii) Provide effective and agreed upon mechanisms for properly complying with the Request Management Policies.
- (ix) Actively participate in developing and establishing Request for Solution processes and appropriate mechanisms for rapid proposal development that provides a level of accuracy for budgetary information without requiring a full solution.
- (x) Actively work with the MSI in establishing processes and workflow for the proper routing of Service Requests.

#### 9.9.8.2. Service Request Operations

- (a) Actively work with the MSI as appropriate to ensure the proper exercise of Request Management activities across all functions and organizations that provide Services.
- (b) Actively participate in Service Request tracking efforts and provide and maintain regular communications between all parties and Authorized Users through Request fulfillment.
- (c) Manage the effective execution of Request Management for Successful Respondent to achieve its primary purpose to fulfill service requests within the agreed Service Levels and SMM and promote DCS Customer and Authorized User satisfaction.
- (d) Work with the MSI to ensure that detailed audit trail information is recorded of all activity that creates, changes, or deletes data and user access to systems that contain DIR and DCS Customer data.
- (e) Engage in effective Request Management governance process to enable the MSI and other SCPs in ensuring the following:
  - (i) Clearly define and document the type of Service Requests that will be handled within the Request Management process so that all parties are clear on the scope of Service Requests and the Request Management process.
  - (ii) Establish and continually maintain definitions of all Services, including: descriptions, Services that will be standardized, Services that require custom solutions, and Services that can be requested through each medium (e.g., Service Desk, Portal, Service Catalog, Request for Service).

- (iii) Establish and continually maintain Authorized User lists on who is authorized to make Service Requests and type of requests they are entitled to make.
  - (iv) Communicate to DCS Customers the definition of Services, the Request Management processes, and changes thereto.
  - (v) Participate in regular training for Authorized Users on Request Management processes, Service definitions, and request mediums.
  - (vi) Perform regular collection of feedback from Authorized Users on the effectiveness of Request Management and engage in activities to improve process and service.
- 
- (f) Enable multiple mediums for accepting Service Requests, including the Service Desk, Portal, Service Catalog, and automated interfaces.
  - (g) Enable the use of online self-service to allow Authorized Users to enter Service Requests from a pre-defined list of options.
  - (h) Enable the provision for real-time visibility of data records associated with Service Requests.
  - (i) Update required information on Service Requests within negotiated timeframes to provide an up-to-date accurate view of Service Requests.
  - (j) Ensure proper approval, including financial authority, or the Service Request through automated means (where practical) prior to Service Request fulfillment.
  - (k) Provide and maintain regular communications between all parties and Authorized Users as required until Service Request completion and document the communications in compliance with the Request Management processes.
  - (l) The communications frequency shall be determined by the severity of the request and in compliance with the SMM.
  - (m) Keep DCS Customer and MSI informed of any issues with the completion of Service Requests and status changes throughout the Service Request lifecycle and in accordance with the SMM.
  - (n) Provide anticipated completion times for active Service Requests and update notification systems as required in the SMM to keep DCS Customers and Authorized Users informed in compliance with established Service Levels.
  - (o) Work with the MSI to ensure consistent ownership of the Service Request from recording to completion.

- (p) Close Service Requests, in compliance with the SMM, after receiving confirmation from the requesting Authorized User or Successful Respondent support personnel that the Service Request has been completed.
- (q) Track the progress of fulfillment efforts and the status of all Service Requests, including:
  - (i) Review the proposed fulfillment time for each Service Request with the appropriate party and update the status accordingly.
  - (ii) Provide regular updates on the status of all Service Requests within designated timeframes.
  - (iii) Coordinate Service Request tracking efforts and provide and maintain regular communications, per the SMM, between all parties and Authorized Users until Service Request completion.
  - (iv) Keep the DCS Customer and Authorized User informed of changes in Service Request status throughout the Service Request lifecycle in compliance with the SMM.
  - (v) Keep DCS Customer and Authorized User informed of anticipated Service Request completion times for active Service Requests.
  - (vi) When a Service Request cannot be completed in the committed timeframe, provide a revised completion time or request a meeting with the Authorized User to determine a new timeframe.
  - (vii) Track all Service Request completion against the original committed timeframe, regardless of any revisions.
- (r) Utilize the Request Management System provided by the MSI for all Request Management and Fulfillment activities.
- (s) Provide for timely receipt and processing of all requests within designated timeframes from the Request Management System.
- (t) Utilize and update the Request Management System with all relevant information relating to a Service Request.

#### 9.9.8.3. Request for Solution (RFS)

Requests for Solution (RFS) are those types of DCS Customer requests where requirements are captured in the MSI request management system and SCP's develop solutions and cost estimates for DCS Customer review and approval. These solutions typically assume the SCP builds and implements the solution. For avoidance of doubt, the expectation is that the Successful Respondent will provide solution management and oversight for solution Demand requests, with a higher degree of involvement and activity in multi-SCP requests as defined in Section 3.2 Solution Request Management and Delivery. For DCS Customer Requests, which require the Successful Respondent to propose a solution, the Successful Respondent's shall, at a minimum:

- (i) Work with the MSI in developing and establishing RFS processes and appropriate mechanisms for the fulfillment of complex requests requiring design, price, solution, and proposals; including appropriate communications to adequately set expectations and promote good customer service.
- (ii) Work with the MSI in developing and establishing RFS processes and appropriate mechanisms to ensure rapid proposal development that provides a level of accuracy for budgetary information without requiring a full solution (e.g., Rough Order Magnitude (ROM) pricing and High-Level Architecture (HLA)).
- (iii) For all RFS delivered by the Successful Respondent only and that require no other SCP support:
  - A. Review RFS to validate for completeness.
  - B. Coordinate and lead meetings as required to review request, gather requirements, solution and develop the proposal.
  - C. Coordinate the attendance of all necessary subject matter experts in solution and requirement gathering sessions.
  - D. Establish an SLA target according to the procedures defined in the SMM.
  - E. Develop the solution which includes the technical solution, effort, acceptance criteria, solution design document, and pricing.
  - F. Ensure all solutions to requests conform to the DIR-approved architecture, standards, and pricing.
  - G. Ensure all solutions to requests conform the security policies, procedures, and guidelines of DIR.
  - H. Ensure all solutions to requests conform within the bounds and guidelines of DIR Shared Services technical guidelines.
  - I. Ensure all solutions to requests conform within the bounds and guidelines of the Contract.
  - J. Coordinate and facilitate solution reviews across the Successful Respondent as required to review and gain approval for the solution and pricing.
  - K. Track all Project Change Requests in accordance with established procedures.
  - L. Provide a single proposal to requesting DCS Customer.
  - M. Iterate and adjust the solution and cost estimating template as required to adhere to the requesting DCS Customer's feedback and requirements.
  - N. Document DCS Customer approvals in accordance with established processes as per the SMM.
  - O. Validate that the proposal acceptance comes from an appropriately authorized user.
  - P. Provide status to DIR and DCS Customers status of all outstanding requests..
  - Q. Initiate Project Management as appropriate upon proposal acceptance by DCS Customer.
  - R. Provide Services in accordance with the requirements in Section 3.2 Solution Request Management and Delivery of this SOW
- (iv) For an RFS where the Successful Respondent is one of many SCPs, lead and manage the solution development and project delivery using the approved MSI Shared Services Systems and processes, and work with the MSI and other SCPs to develop a coordinated and comprehensive DCS Customer solution, including executing the RFS processes and appropriate mechanisms for the fulfillment of Successful Respondent assigned requests requiring a solution (e.g., requirements, design, solution, price, proposal) and project delivery (e.g., plan, build, testing, cutover).
  - A. Solution the Successful Respondent's portion of the RFS, including:
    - 1. Participate in meetings as required to review requests, gather requirements, solution and develop proposals with other SCPs, DIR, DCS Customers, and other Third-Party Vendors.
    - 2. Coordinate the attendance of all necessary Successful Respondent subject matter experts in solution and requirement gathering sessions.
    - 3. Adhere to the TSS provided timeframe for delivering a solution proposal, including cost estimates, once requirements are complete.
    - 4. Ensure all requests are solutioned within the DIR-approved architecture and standards and pricing.
    - 5. Ensure all requests are solutioned within the security policies, procedures, and guidelines of DIR.

6. Ensure all requests are solutioned within the bounds and guidelines of DIR Shared Services technical guidelines.
  7. Ensure all solutions to requests conform within the bounds and guidelines of the contract resulting from this RFO.
  8. Participate in solution reviews across the Successful Respondent and all affected SCPs as required to review and gain approval for the solution and pricing.
  9. Contribute to the solution development, cost-estimation, project plan, status, issues and risks in the systems and in compliance with the processes in the DIR-approved SMM.
  10. Tracking of all Project Change Requests in accordance with established procedures.
  11. Work with the MSI in their development of a single proposal to the requesting DCS Customer.
  12. Iterate and adjusts solution and cost estimation as required to adhere to the requesting DCS Customer's feedback and requirements.
  13. Initiate Project Management activities, according to the SMM, upon proposal acceptance by DCS Customer.
- B. Provide Services in accordance with the requirements in Section 3.2 Solution Request Management and Delivery of this SOW.

#### 9.9.9. Asset Inventory and Management

- (a) Asset Inventory and Management System provides an inventory of the IT infrastructure managed by the Successful Respondent. The MSI consolidates information from multiple Successful Respondent Asset Inventory and Management Databases that contain details of Equipment, Software, and similar IT service items (collectively referred to as CIs) used in the provision, support, and management of IT services. Automated collection of asset and configuration data is a key component of the Service allowing for real-time reporting and management of DCS components.
- (b) Successful Respondent responsibilities include:
  - (i) Actively participate with the MSI to develop and document Asset Inventory and Management processes, as approved by DIR, that document the objectives, scope, and principles that ensure the success of the Asset Inventory and Management processes.
  - (ii) Integrate Successful Respondent Asset Inventory and Management process with the MSI's Asset Inventory and Management process and systems, including providing Successful Respondent asset data electronically to MSI's Asset Inventory and Management System (AIMS) in the agreed data format.
  - (iii) Provide automation for all integration with the MSI's Asset Inventory and Management process and systems inclusive of auto-discovery functions to ensure real-time reporting of DCS infrastructure components.
  - (iv) Communicate and coordinate the Asset Inventory and Management processes and policies within Successful Respondent's organization.
  - (v) Actively cooperate in information exchange between and among the SCPs, MSI, DIR and DCS Customer to improve end-to-end Asset Inventory and Management.
  - (vi) Work with the MSI to provide a complete Asset Inventory and Management audit trail to meet DIR and DCS Customer legislative and policy requirements.
  - (vii) Conform operations to policies and procedures that set the objectives, scope, and principles that ensure the success of the Asset Inventory and Management process.
  - (viii) Work with the MSI in establishing categorization and classification structures to ensure the proper documentation and maintenance of CIs.

- (ix) Use the Asset Inventory and Management process to identify, control, maintain, and verify the CIs approved by the MSI as comprising the Equipment, Software, and Applications to provide the Services.
- (x) Record the CI information for Equipment, Applications, Software and Services.
- (xi) Verify that all CIs for the Equipment, Applications, Software, and Services are incorporated into the AIMS.
- (xii) Utilize the AIMS provided by the MSI as the single source of information regarding all CIs within Successful Respondent scope.
- (xiii) Ensure that all CI data related to the Services resides in the AIMS.
- (xiv) Integrate the Successful Respondent's other systems, including all appropriate and required licenses and/or interfaces with the MSI's AIMS.
- (xv) Where Successful Respondent has an internal asset inventory system or database, integrate that system or database with the MSI AIMS as required.
- (xvi) Provide customization as required to enable the Asset Inventory and Management processes as defined in the SMM.
- (xvii) Automate processes, discovery tools, inventory and validation tools, enterprise systems and network management tools, etc. to provide electronic Asset Inventory and Management data as required to the MSI.
- (xviii) Comply with existing and established SMM processes.

#### 9.9.10. IT Service Desk Requirements

- (a) Successful Respondent shall be responsible for responding to incidents or requests DCS Customers and Authorized Users log with the MSI's Service Desk, in compliance with policies and procedures set forth in the SMM and managed by the MSI.
- (b) The MSI's Service Desk shall be the single point of contact for Authorized Users regarding Incidents, which include events that cause or may cause an interruption or reduction of service, as well as for requests for information and requests for services relating to all of DIR's and DCS Customers' IT Services.
- (c) The Successful Respondent shall, at a minimum:
  - (i) Actively participate with the MSI to develop and document processes.
  - (ii) Integrate Successful Respondent's Service processes with the Service Desk processes of the MSI, DCS Customer, and authorized Third Party Vendor(s), where the processes interact.
  - (iii) Actively work with the MSI to assure the proper application of Service Desk across all functions and organizations that provide services to DCS Customers.
  - (iv) Communicate and coordinate the Service Desk processes and policies within Successful Respondent's own organization and DCS Customers.
  - (v) Actively participate in defining Service Desk policies and procedures, as approved by DIR, which set the objectives, scope, and principles that ensure the success of the Incident Management processes.
  - (vi) Provide effective and agreed upon mechanisms for properly complying with the Service Desk policies.
  - (vii) Manage all Incidents, Service Requests, etc., from Authorized Users relating to Services, including the following:
    - A. Assigning categorization and prioritization codes.
    - B. Communicating with users, keeping them informed of progress, notifying them of impending actions, obtaining appropriate agreement, and in all ways engaging and communicating with them about Successful Respondent activities.
    - C. Closing all resolved Incidents, Service Requests, and other calls.
  - (viii) Develop and document processes regarding interfaces, interaction, and responsibilities between Level 1 Support personnel, Level 2 Support personnel, and any other internal or external persons or entities that may either submit an Incident or receive an Incident.



- (ix) Utilize the Incident Management System provided by the MSI and integrate with the MSI Service Desk, including the use of tools, technology, processes, and procedures.
- (x) Analyze Incident trends and recommend and implement actions, with DIR and DCS Customer(s) approval, to reduce Incidents.
- (xi) Provide on-line FAQs and help documentation for common problems.
- (xii) Provide the MSI with information necessary to keep Authorized Users regularly updated with alerts advising of any new or changed information.

#### 9.9.11. Information Security Management Requirements

Successful Respondent's delivery of Information Security Management shall be an integral part of the Services and shall assess all security risks associated with the delivery of Services are appropriately identified, evaluated, assessed and appropriate controls are implemented and maintained. The Successful Respondent will coordinate with the MSI and the Security Operations SCP to develop an Annual Security Plan for in-scope Services. This plan is a Critical Deliverable, defined in **Attachment 1.1 Deliverables**.

##### 9.9.11.1. Information Security Management General Requirements

The Successful Respondent shall, at a minimum:

- (i) Work with the MSI and Security SCP in support of the overall cybersecurity risk management program.
- (ii) Work with the MSI and Security SCP to develop and maintain security procedures and Service Responsibility Matrices, physical and logical access strategies, and standards.
- (iii) Adhere to the Information Security Management processes as defined in the SMM.
- (iv) Work with the MSI and Security SCP to integrate Successful Respondent's security program with DIR's governance risk and compliance program, including at a minimum Incident recording, CMDB, security exception, security plan submission, risk assessment and in integrating Successful Respondent's Security tools directly with the MSI and Security SCP as required to enable these capabilities.
- (v) Implement security capabilities as required to achieve compliance with security laws, rules and regulations.
- (vi) Participate in security evaluations, as directed by DIR, which include conducting internal audits, supporting external audits, conducting self-assessments, and evaluating security Incidents.
- (vii) Participate in all DIR authorized assessments, develop action plans and resolve deficiencies, vulnerabilities, concerns and recommendations identified within six (6) months of the conclusion of the assessment or at such time as otherwise mutually agreed upon.
- (viii) Meet all Security-related deliverables and Performance Analytics which are to be agreed to by DIR and Successful Respondent.
- (ix) As requested, attend and contribute to Security Management and Risk Management meetings.
- (x) Resolve agreed actions and activities resulting from Security Management meetings.
- (xi) Work with the MSI and contribute to the creation and maintenance of a Security Plan across the Successful Respondent's Services

- (xii) Execute Successful Respondent's Security Plan which is agreed to by DIR and coordinated by the MSI.
- (xiii) Ensure that certificates for Successful Respondent's staff are kept current and report the status to the MSI on a quarterly basis.
- (xiv) Provide for vulnerability scans for all Successful Respondent network assets, which should include scans for all network addresses at least monthly directly to the DIR Governance, Risk and Compliance (GRC) tool (Currently SPECTRIM) and inform the MSI.
- (xv) Provide a forward-looking schedule for the planned Successful Respondent Security testing, assessments and analysis.
- (xvi) In coordination with the MSI and Security SCP, participate in the evaluation of new technologies/capabilities for improving security and perform activities and/or solutions to address shortfalls in Security.
- (xvii) Where investment decisions are required, work with the MSI in providing options with associated costs and benefits for DIR review and approval.
- (xviii) In coordination with the MSI, and as related to the Successful Respondent's Services, evaluate details of the Security requirements for new IT services, including options for meeting these requirements and any associated costs.
- (xix) Work with the MSI and execute processes according to the governance-approved Master Security Baseline Configuration (MSBC).
- (xx) Execute quarterly MSBC Health Checks and run scans quarterly that will feed baseline information to the MSI for the MSI to determine the health check of the systems.

#### 9.9.11.2. Security Regulations

- (a) The Successful Respondent shall:
  - (i) Adhere to the then-current safety and security policies, rules, procedures and regulations established by the State and DIR, and each DCS Customer with respect to such DCS Customer's data and facilities of which Service Provider is apprised in writing in advance.
  - (ii) Adhere to DIR and DCS Customer's then-current "Security Rules," as published in Chapter 202, Information Security Standards of the Texas Administrative Code.
  - (iii) Comply with all security incident notification and response procedures as specified in the Service Management Manual.
  - (iv) Comply with the policies defined by the FBI Criminal Justice Information Services (CJIS) requirements.
  - (v) The Service Provider's obligations under **MSA Section 8.11.1** shall include the following, as may be applicable:
    - A. *Texas Administrative Code (TAC) 1 Chapter 202. TAC 202 provides the State of Texas security standards policies applicable to all Texas state agencies.*
    - B. *HIPAA – Health Insurance Portability and Accountability Act Privacy and Security Rules*
    - C. *HITECH – Health Information Technology for Economic and Clinical Health Act*

- D. *FIPS 140-2 Federal Information Processing Standards Publication, Security Requirements for Cryptographic Modules*
- E. *FISMA – Federal Information Security Management Act*
- F. *FERPA – Family Educational Rights and Privacy Act*
- G. *IRS Pub 1075 – Tax Information Security Guidelines for Federal, State and Local Agencies*
- H. *PCI – Payment Card Industry Security Standards*
- I. *ISO/IEC 27001:2005 - Information technology – Security techniques – Information security management*
- J. *ISO/IEC 27002 – code of practice for information security management*
- K. *NIST 800 – National Institute of Standards and Technology standards and related publications*
- L. *CJIS Security Policy - FBI Criminal Justice Information System Security Policy and CJIS Security Addendum*

- (b) DIR and DCS Customers comply with National Institute of Standards and Technology (NIST) Federal standards and related NIST 800 series Special Publications (SP) and Federal Information Processing Standards (FIPS) standards. Where there is a conflict between NIST, FIPS and 1 TAC Chapter 202 rules and security controls, the 1 TAC Chapter 202 takes precedence.

### 9.9.11.3. Security Incident Management

The Successful Respondent shall, at a minimum:

- (i) Work with the MSI and Security SCP and contribute to the creation of a Security Incident Management process across the Successful Respondent's Services.
- (ii) Provide plans and exceptions for Security Incident Management including Security Incident severity matrix, notification rosters, communications plans, and procedures for managing Security Incidents.
- (iii) Implement the Successful Respondent's portion of the Security Incident Management process in concert with participation from the MSI and required Service Component Providers and DCS Customer personnel.
- (iv) Coordinate Security Incident Management procedures with Major Incident Management procedures.
- (v) Adhere to the Security Incident handling and notification processes that follow current NIST guidelines and is defined in the SMM.
- (vi) As required, implement and maintain monitoring and alerting services that integrate into the MSI Incident Management System and Security SEIM for automated alert notification.
- (vii) Promptly investigate, document, and report security incidents in accordance with 1 TAC Chapter 202 and the SMMs.
- (viii) According to the defined processes, promptly communicate and escalate security Incidents to the MSI, Security provider, DCS Customer, and DIR.

- (ix) Conduct Root Cause Analysis and if necessary, develop and implement formal corrective actions or remediation plans once approved by DIR and the appropriate DCS Customer. Evaluate the analysis and proposed corrective actions to ensure future risks are adequately mitigated.
- (x) Provide Incident investigation and initiate corrective actions to minimize and prevent security breaches.

#### 9.9.11.4. Physical Security Administration

The Successful Respondent's shall, at a minimum:

- (i) Communicate the physical and logical security management processes and procedures to Successful Respondent's staff.
- (ii) Comply with Successful Respondent physical and logical security responsibilities.
- (iii) Inform MSI and DCS Customer immediately if Successful Respondent becomes aware of any vulnerability or weakness in the Services and recommend a solution or mitigation.
- (iv) Provide near real-time information, to MSI and DCS Customers to identify those physical access rights that should be removed from MSI and DCS Customer Facilities and where, within the Successful Respondent's scope of responsibilities, initiate the access rights revocation request.

#### 9.9.11.5. DIR and DCS Customer Sites and Environments

- (a) Where Successful Respondent uses or visits locations and facilities at DIR and DCS Customer Sites or is granted access to a DIR or DCS environment, Successful Respondent shall be responsible for the provision of Services related to DCS Customer's security requirements, set in place by DCS Customer to govern the security of the DCS Customer Environment.
- (b) Successful Respondent shall, at a minimum:
  - (i) Ensure compliance with all DIR and DCS Customer security policies, standards and procedures, and all applicable laws and regulations, as they may be revised or updated.
  - (ii) Comply with DIR and DCS Customers' policies, including security, data and records management, and electronic records and data archiving.
  - (iii) Implement the security-related Services required to protect the confidentiality, integrity, and authenticity of the information stored in or transmitted to or from the DCS Customer environment, in accordance with DCS Customer's security requirements.
  - (iv) Comply with DIR's, DCS Customers', and Service Component Providers' Physical Security Administration processes, where the processes interact.
  - (v) Assist in the development of action plans following any Security Incidents within the DCS Customer environment and implement new controls approved by DCS Customer and in the timeline defined by DCS Customer.
  - (vi) Maintain DIR Data in accordance with DCS Customer's security policies.

- (vii) Establish and maintain safeguards against the unauthorized access, destruction, loss, or alteration of DIR Data in the possession of Successful Respondent in accordance with DCS Customer's security policies.
- (viii) Participate in Service Delivery to review any Changes to the Equipment, Software, and networks that potentially have security or operational ramifications and modify the Change to remove or reduce the security or operational ramifications.

#### 9.9.11.6. Security Assessments

- (a) DIR may initiate and conduct assessments of Successful Respondent's security program. Such assessments will evaluate Successful Respondent's abilities and capabilities in maintaining and enhancing security and safety practices and procedures, and may involve monitoring and testing security programs, conducting risk assessments and performing security design reviews.
- (b) The following applies to Assessments in general:
  - (i) DIR may conduct security assessments, including conducting monitoring and testing security programs (e.g., Penetration Tests), conducting risk assessments and performing Security Design Reviews, (the "Assessment(s)") of all or any portion of the Services in order to evaluate such Security Program and determine whether the Security Program meets or exceeds the Standard of Due Care.
  - (ii) Assessments of the Security Program may be conducted by DIR or, at DIR's sole discretion, a third-party security assessment vendor (the "Security Assessment Company").
  - (iii) The Successful Respondent shall cooperate fully with DIR and/or the Security Assessment Company and provide access to any premises, equipment, personnel or documents and provide any assistance required by DIR and/or the Security Assessment Company to conduct the Assessment; however, DIR and the Security Assessment Company shall not have access to Successful Respondent proprietary information where it is not relevant to the Assessment, and shall further not have access to confidential or proprietary information of other customers of Successful Respondent than DCS Customers.
  - (iv) Under no circumstances will Successful Respondent attempt to persuade or control or otherwise influence the Security Assessment Company in the determination of its findings. The Assessment shall be conducted so as not to unreasonably disrupt Successful Respondent's operations under this Agreement.
  - (v) Within fifteen (15) days of an Assessment Notice Date, DIR and Successful Respondent will meet to jointly review the relevant Assessment report and if such report concludes that the Security Program does not meet or exceed the Standard of Due Care, then within thirty (30) days after the applicable Assessment Notice Date, the Successful Respondent and the MSI shall develop and present to DIR an action plan to promptly address and resolve any deficiencies, vulnerabilities, concerns and/or recommendations identified in such report, consistent with the Successful Respondent's obligations as set forth in the Agreement.
  - (vi) The Parties shall cooperate with the utmost good faith to reach reasonable and timely agreements on such further definition and clarification and agree that such further definitions and clarifications shall in all respects be consistent with the terms of the security assessment requirements in this Exhibit. In addition, to the extent that a security assessment company reasonably establishes that certain definitions, procedures and methodologies are

widely used in security assessments, the Parties agree to generally rely on the security assessment company's definitions, procedures, and methodologies for guidance in reaching agreement. The Parties acknowledge that in reaching the final results of a security assessment, the security assessment company will be required to exercise its professional judgment and discretion in certain matters and, assuming such judgments are within established industry practices for security assessments, the Parties will defer to the conclusions of the security assessment company.

- (vii) Successful Respondent acknowledges that DIR views the right to conduct Assessments as a critical inducement to DIR's agreement to many of the terms of this Agreement, including the Term and termination rights provided for in the Agreement, and therefore Successful Respondent agrees that it will cooperate in good faith to accomplish the objectives contemplated by the security assessment for the benefit of DIR.

#### 9.9.12. Software License Renewal Management

Successful Respondent has responsibility for:

- (i) Working with the MSI in tracking, monitoring, and reporting the software renewal process to ensure compliance with software agreements and continued operation of Services. Successful Respondent's responsibilities shall include the following:
- (ii) Comply with the Software License Renewal Management processes, as defined in the SMM.
- (iii) Support Service Requests and Change Requests as appropriate for all renewals and update as needed to reflect the status of each renewal as per the timing and lifecycle process defined in the SMM (e.g., Software expiring in May should be logged as a CRQ in January, 120 days prior to the expiration date).
- (iv) Successful Respondent will update the contract data in the approved Software License Renewal System, coordinate with the DCS Customer and MSI to obtain renewal approvals, execute the procurement tasks to renew the software license, install the renewed keys and software, update the Change Request and Contracts data, and log the renewed software keys in the Software License Renewal System as per the process defined in the SMM.
- (v) In conjunction with the MSI, monitor Software License Renewal progress and SLA achievement.
- (vi) Work with the MSI to ensure the requests and Change Requests are completed and closed upon renewal completion.

##### 9.9.12.1. Software License Compliance Management

The Successful Respondent will:

- (i) Work with the MSI to determine the compliance position, based on automated monitoring and reporting of the software compliance management process to ensure compliance with agreements and reduce operating risk in the environment. Successful Respondent's responsibilities shall include the following:
- (ii) For Successful Respondent provided and managed software, execute assigned Software License Compliance Management activities as defined in the SMM.
- (iii) For DIR and DCS Customer-retained Software, track and maintain the applicable licensing and use information received from DCS Customers.

- (iv) If applicable, utilize tools, such as an enterprise management system and remote monitoring agents, to assist in monitoring efforts, subject to DIR's approval of all such tools.
- (v) Monitor the Equipment for the presence of any unauthorized or non-standard Software.
- (vi) Define and check for particular Software signatures.
- (vii) Check the presence and version of Software installed on a particular device and record in the MSI Asset Inventory and Management system.
- (viii) Provide reporting of license information and compliance to the MSI, at least quarterly or as directed by DIR.
- (ix) Store and track Software license agreements and associated license keys, including processes and procedures for renewals.
- (x) Track license counts and associations within the MSI-provided CMDB.
- (xi) Collect and maintain the Contract and Proof of Entitlement (POE) within the MSI-provided system.
- (xii) Work with the MSI to collect and normalize software titles to standard names.
- (xiii) Work with the MSI to review the Software License Compliance position and determine appropriate remediation.
- (xiv) Take ownership of assigned actions through the Incident, Request, Change, and Project processes for any reported non-compliance of software purchased versus software installed.
- (xv) Provide clarifications about information presented in the Compliance Report to eliminate discrepancies.
- (xvi) Enable the use of Successful Respondent provided and managed Software to maintain strict compliance, including but not limited to:
  - A. Immediately notify and advise MSI of all Software license compliance issues associated with Services.
  - B. Enable the tracking, management and implementation of security certificates used to secure confidential sessions (e.g., SSL) for Internet and Intranet transactions and communications, including processes and procedures for renewals, as required by DIR, DCS Customers, or MSI.
- (xvii) Work with the MSI to confirm the presence and version of Software installed on a particular device and that those attributes are recorded in the MSI Asset Inventory and Management system.
- (xviii) Work with the MSI in reporting of license information and compliance to DIR.

#### 9.9.12.2. Software Patch Management

The Successful Respondent shall, at a minimum:

- (i) Be responsible for patch deployment and control of the software and devices under its management.
- (ii) Be responsible for participating in DCS Customer Change Management processes to deploy patches on a regular basis.
- (iii) Participate in and follow the agreed upon patch rating process.
- (iv) Deploy patches to servers and clients per DCS Customer's policies and ensure compliance as required. Use the DCS Customer-approved central deployment tool, as applicable and mutually agreed upon.
- (v) Provide and apply patches to devices within the timeframe guidelines in accordance with DCS Customer's security policies.
- (vi) Adhere to DCS Customer's security configuration management.
- (vii) Communicate with and/or alert the DCS Customer IT Security team when patches are not installed within the designated timeframe.
- (viii) Integrate and have the ability to export patch data associated with all DCS Customer devices.

#### 9.9.13. IT Service Continuity Management Requirements



- (a) Successful Respondent is responsible for maintaining an IT Service Continuity Management (ITSCM) plan for its own internal staff and systems to respond to an emergency and continue to provide Services to DIR and DCS Customers.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Develop, maintain, and test Disaster Recovery Plans (DRPs) and Technical Recovery Guides (TRGs) as defined in the SMM for the Systems, Software, and Equipment used by Successful Respondent to provide the Services, including those provided at the Consolidated Data Centers, DCS Customer Service Location, or other Successful Respondent Facilities.
  - (ii) The DRPs and TRGs should comply with all applicable Federal and State requirements.
  - (iii) In the event of a disaster, recover and support affected Systems, Software, and Equipment at the designated recovery location according to the agreed Recovery Time Objective (RTO) and Recovery Point Objective (RPO) in support of the Service Levels defined in this Exhibit.
  - (iv) Coordinate Successful Respondent's ITSCM plan with MSI ITSCM plans and DCS Customer Business Continuity Plan (BCPs) to ensure DCS Customers can resume regular business functions in the event of a Disaster or significant event affecting the Systems, Software, and Equipment used by Successful Respondent to provide the Services.
  - (v) In the event of a service disruption, coordinate all ITSCM efforts to ensure smooth and efficient resumption of Services.

#### 9.9.14. Crisis Management

The Successful Respondent will perform Crisis Management as necessary, depending on the type of business or geographic location where Services are being performed, in the event of hurricanes, tornados, riots, terrorist threats, etc. The Successful Respondent shall, at a minimum:

- (i) Following MSI, DIR, and DCS Customer notification processes for any crisis event occurring in or relating to a Successful Respondent Facility, DIR Facility, or other facilities managed by Successful Respondent in connection with the Services.
- (ii) Following statewide notification pyramid alert support as documented in the applicable business continuity plan.
- (iii) Coordinate with MSI, DIR, and DCS Customers requirements for Services that are critical to designated DCS Customer emergency management responsibilities.
- (iv) Coordinate with MSI, DIR, and DCS Customer regarding variances in Services as a result of Crisis Management in compliance with all SMM procedures.

#### 9.9.15. Release Management

- (a) The purpose of Release Management is to build, test and deliver specified Services that will accomplish the stakeholders' requirements and deliver the intended objectives.

(b) The Successful Respondent shall, at a minimum:

- (i) Work with the MSI and other SCPs to develop and establish a Release and distribution process so that each change to Service Provided Services is controlled, tested, traceable, authorized, and implemented in a structured manner.
- (ii) Conform Successful Respondent operations to the agreed Release policies, processes and procedures as defined in the SMM.
- (iii) Execute releases according to the approved Release Management methodology as defined in the SMM.
- (iv) Use the MSI provided Release Management System as the single source of Release Management and information regarding all Successful Respondent Releases.

#### 9.9.16. Project Management

(a) Project Management provides a way to execute and manage projects with the goal of delivering projects from request through completion, meeting DCS Customer requirements in terms of timing, quality, and cost.

(b) The Successful Respondent shall, at a minimum:

- (i) Be responsible for executing and managing projects related to the Successful Respondent's Services.
- (ii) Conform Successful Respondent operations to MSI-defined policies and procedures as documented in the SMM to ensure the success of the Project Management process.
- (iii) Use the MSI provided Project and Program Management (PPM) system as the single source of project management and information regarding all projects and programs.
- (iv) Ensure that all Successful Respondent Project Management data resides in the PPM system.
- (v) Execute projects according to the approved Program Management and Project Management methodology as defined in the SMM.
- (vi) Projects that meet the criteria for "major information resources project", as defined by Texas Government Code 2054.003 (10), are subjected to state Quality Assurance Team (QAT) oversight requiring the Successful Respondent to support the following:
  - A. Adhere to the requirements and guidelines as outlined in the Project Delivery Framework located here: <http://dir.texas.gov/View-Resources/Pages/Content.aspx?id=16>.
  - B. Provide project deliverables as required for the QAT to review and provide proactive monitoring of project outcomes.
  - C. Develop and execute corrective action plans for projects with QAT identified project risks.
  - D. Provide status reports to the MSI and DIR as required to report to QAT stakeholders (state leadership, DIR leadership, DIR and MSI project teams).
  - E. Escalate significant issues to the MSI and DIR and advise on alternative methods for correction.

#### 9.10. Business Management

##### 9.10.1. Operational Intelligence

(a) Successful Respondent shall provide the data to the MSI via automated API integration for report creation and posting via the MSI-managed Operational Intelligence System and Portal as specified in **Appendix A Reports**.

(b) The Successful Respondent shall, at a minimum:

- (i) Provide automated data feeds as agreed (e.g., format, timing, delivery mechanism) by the MSI to allow the MSI to generate reporting for all Successful Respondent reports identified as being presented through the MSI systems.
- (ii) For those reports agreed to be provided by the Successful Respondent, provide online reporting capability with near real-time data for use by DCS and, as agreed with DIR, coordinate with the MSI to provide single sign-on access to Successful Respondent's reports through the MSI Portal.
- (iii) Coordinate with the MSI and provide data to enable the creation of integrated performance dashboards. Dashboard data should provide:
  - A. Near real-time health dashboards for any Systems managed by Successful Respondent highlighting status of health metrics as defined by DCS Customer.
  - B. Report monthly, quarterly, and annually in the Security Dashboard on the deployment of Tools and procedures to the DCS Customer Environment.
- (iv) The Successful Respondent shall be responsible for using DIR's security governance, risk and compliance system to provide information relevant to the service offering, including but not limited to risk assessments, Incident reporting, and security plan development.
- (v) As required, collaborate with other DCS Service Component Providers, to include sharing reports and information via the MSI Portal or other mutually agreed upon mechanism as appropriate to ensure effective Service delivery.
- (vi) Enable integration of applicable security Service solutions, in which data from multiple sources (e.g., scan results, multiple IDS platforms/IPS devices, and MDS devices) are incorporated and integrated into the Service.
- (vii) Provide ad hoc and summary Security Incident Reports to DIR OCISO using security systems and data generated in accordance with the format and content of the then current version of 1 TAC Chapter 202.

#### 9.10.2. Service Level Management

- (a) Service Level Management includes the activities associated with managing and reporting attainment of Service Level performance, deliverable commitments, and customer satisfaction.
- (b) The Successful Respondent shall, at a minimum:
  - (i) Provide accurate and timely SLA data to the MSI, as defined in Article [6 Performance Model and Service Level Agreements](#), and the SMM to the MSI-managed Service Level Management System as agreed with the MSI (e.g., format, timing, delivery mechanism).
  - (ii) When SLAs fail to meet minimum or expected Service Level targets, implement Service Level Improvement Plans (SLIP), as described in the SMM.
  - (iii) Analyze DCS Customer Scorecard feedback to understand DCS Customer issues and develop and execute issue resolutions.
  - (iv) Collate information provided to Successful Respondent from End Users (e.g., captured in Service Desk surveys, feedback through emails) regarding suggested improvements to the Services.
  - (v) Develop an action plan to address suggested improvements to the Services identified by Successful Respondent and DCS Customer, including the following.
    - A. Provide the action plan to DCS Customer for review.
    - B. Implement DCS Customer-approved action plans.
    - C. Report in the Dashboard on progress and improvements made on approved action plans.

- (vi) Summarize and report on plans and activities that affect the overall Services to MSI and DIR governance boards.

### 9.10.3. IT Financial Management

Successful Respondent must provide automated IT Financial Management Services via API. The Successful Respondent shall, at a minimum:

- (i) Actively work with the MSI to develop and document IT Financial Management processes.
- (ii) Actively cooperate in information exchange between and among the MSI, DIR, and DCS Customer to improve end-to-end IT Financial Management.
- (iii) Facilitate the transparency of IT Financial Management through appropriate processes to provide a complete audit trail for the MSI to meet legislative and policy requirements.
- (iv) Integrate Successful Respondent IT Financial Management process and system with the MSI's IT Financial Management process and system, where the processes interact, and as agreed to with DIR and the MSI.
- (v) Actively work with the MSI to assure the proper application of IT Financial Management across all functions and organizations that provide services to DCS Customers.
- (vi) Communicate and coordinate the IT Financial Management processes and policies within Successful Respondent's own organization.
- (vii) Utilize the IT Financial System provided by the MSI such that it serves as the single source of information regarding all IT Financial Information for Services within Successful Respondent scope.
- (viii) Integrate Successful Respondents' systems and chargeback data with the MSI IT Financial System, including providing all appropriate and required licenses and/or interfaces.
- (ix) Provide sufficient data and detail to support DIR, DCS Customers, State and Federal funding accounting, grant, and audit requirements.
- (x) Collect, aggregate, and provide billing, service provisioning, and service metric information to the MSI as required.
- (xi) Identify unique DCS Customer account identifiers to identify Applications, Application Instances, and other service information as required.
- (xii) Provide the MSI with monthly invoice data required for the MSI to render the Successful Respondent statement of Services.
- (xiii) Support all charges with detailed invoice data as required, and supporting utilization data at the DCS Customer, Resource Unit, Charge Category (e.g., Programs, Divisions, Organization Units) as required by the MSI.
- (xiv) Actively participate in developing and maintaining the processes for the resolution of invoice disputes within designated timeframes.
- (xv) Provide effective and agreed mechanisms for crediting DCS Customers as appropriate.
- (xvi) Effectively execute the processes to record, track, and manage incidents of invoice disputes.
- (xvii) Research and review invoice disputes for completeness and ensuring data accuracy, and, when necessary, request clarifying data from DCS Customer.
- (xviii) Initiate additional treatment of invoice disputes to facilitate resolution within designated timeframes.
- (xix) Ensure that incidents of invoice disputes are continually updated, at a minimum on a weekly basis.
- (xx) Keep the MSI informed of activity and anticipated resolution times for active incidents of invoice disputes.
- (xxi) Allow DIR to monitor and validate invoice dispute process on an ongoing basis.
- (xxii) Provide a process for escalating to Successful Respondent management incidents of invoice disputes not resolved within the time frames established within DIR policies.
- (xxiii) Provide data to enable the MSI to report on all DCS financial items, including, at a minimum:

- A. Provide application transaction and financial transaction data to the MSI to enable the MSI provided Financial Management System functionality to allow for near real-time reporting of the DCS transaction and payment details including reports as required to fully reconcile all attempted and failed transactions.
- B. Provide Customer, application and transaction data to the MSI as required to enable the MSI provided reporting on transactions and payment data by type of transaction, application, Customer, etc.
- C. Provide the required data to the MSI with the appropriate level of detail to enable the MSI to link all financial items to each individual transaction.
- D. Provide the required data to the MSI to enable the MSI to invoice DCS Customers for DCS fees.

## 10. Contract Management

### 10.1. Contract Changes

- (a) Any change or modification to the Agreement that alters pricing, the material terms of the Agreement, or Articles 1 through 14 of the Agreement must be made by a properly executed Contract amendment.
- (b) Other changes or modifications to the Agreement may be made through the appropriate contract change process and shall occur in accordance with the relevant SMM.

### 10.2. Deliverables

- (a) Deliverables are a vendor-provided tangible item or outcome that DIR reviews and approves at a specified date/frequency during the term of the contract, excluding reports that are managed/monitored through other defined processes.
- (b) Deliverables may have certain attributes that impact the review and acceptance.
- (c) The attributes for each of the deliverables are detailed in **Attachment 1.1 Deliverables** and summarized below.
- (d) Critical (C) (flagged within the Agreement and referenced in **Attachment 1.1 Deliverables**). Deliverables that are Critical have associated Deliverable Credits payable to DIR in the event Successful Respondent fails to successfully **complete and submit such Deliverables to DIR on or before the due dates identified in Attachment 1.1**. For further clarity, successfulness is measured by whether the Deliverables meet the associated Acceptance Criteria.
- (e) Payment (P) Payment Deliverables are the deliverables that have associated payments due to the Successful Respondent after DIR approval of such deliverables. Payment will be provided in accordance with **Exhibit 2 Pricing**.
- (f) Time-critical (T) – Deliverables that are designated as time-critical will have an expedited review period of five (5) Business Days.
- (g) For avoidance of doubt, a specific Deliverable's attributes may be changed upon mutual agreement and through the appropriate contract change request process as determined by the material nature of changes.

- (h) Project Milestones. Project milestones are those produced and delivered as part of a Request for Service process and are specific to a project being delivered. DIR or DCS Customers shall have the right to review and accept or reject the milestones in accordance with the SMM.

### 10.3. Deliverable Acceptance Criteria

- (a) In order to eliminate the potential for frequent submission and rejection of Deliverables, the Successful Respondent shall meet with DIR and reach agreement on the construct and content for Deliverables prior to creation. The Successful Respondent shall coordinate fully and appropriately with DIR and its partners throughout the development of Deliverables and reviews of deliverables prior to formal submission as requested, including but not limited to incorporating DIR feedback and suggestions received during reviews.
- (b) At a minimum, Deliverables shall meet the acceptance criteria defined in **Attachment 1.1 Deliverables**. Unless otherwise agreed, and as applicable, Successful Respondent shall perform comprehensive testing (e.g., unit, string, integration, stress, volume, system testing) on each such Deliverable prior to submitting such item to DIR for Acceptance. DIR considers the Deliverable due date to be the day by which the Deliverable is ready for acceptance and formally submitted.
- (c) The Successful Respondent shall use the SMM process to formally submit final versions of the Deliverables to DIR.
- (d) For all Deliverables, the Successful Respondent shall comply with the following requirements:
  - (i) The Successful Respondent shall follow all DIR-prescribed processes and procedures and SMMs.
  - (ii) The Successful Respondent shall provide actionable Deliverables which successfully meet all requirements outlined in the Agreement.
  - (iii) The Successful Respondent shall deliver all Deliverables in accordance with the DIR-approved Deliverable schedule.
  - (iv) The Successful Respondent shall correct any latent defects identified after the acceptance of a Deliverable at no additional cost to DIR.
  - (v) The Successful Respondent shall comply with specific acceptance criteria detailed in the Agreement and referenced in **Attachment 1.1 Deliverables**.

### 10.4. Deliverable Expectation Document (DED)

- (a) At DIR's discretion, a DED may be used for Deliverables to document mutually agreed upon Deliverable descriptions, applicable standards, and more clearly define Acceptance Criteria previously documented in **Attachment 1.1 Deliverables**. The Successful Respondent and DIR will develop and mutually agree on DEDs. Deliverable acceptance will be contingent on material compliance with the DED and any rejection of a Deliverable must be accompanied by a description of the material non-compliance with the DED. DIR, in its sole discretion, may choose to forgo the creation of the DED.

- (b) The DEDs shall not contradict nor alter the Contract Acceptance Criteria requirements set forth in the Agreement or in **Attachment 1.1 Deliverables**. In the absence of a DED, the Acceptance Criteria for a Deliverable would be material compliance with the requirements as set forth in the Agreement or in **Attachment 1.1 Deliverables**.
- (c) There may be situations where agile development of deliverables may be appropriate. In such cases, the Acceptance Criteria in **Attachment 1.1 Deliverables**, for a Deliverable may be described at a high level and the DED may be used to capture requirements for a sprint or series of sprints.
- (d) Any changes to the DED will be approved through mutual agreement between DIR and the Successful Respondent.
- (e) The following requirements may be documented in the DEDs:
  - (i) Format of the Deliverables.
  - (ii) Deliverable Description.
  - (iii) Submission Process and Requirements.
  - (iv) Delivery Schedule including Incremental Delivery Dates, if applicable.
  - (v) Review and Comment Requirements (who, when, how).
  - (vi) Acceptance Criteria.

#### 10.5. Deliverables Review Meeting

The status of each Deliverable and any associated issues will be managed through a Deliverables review meeting between DIR and the Successful Respondent. The objective of the meeting is to review the status of Deliverables, communicate Deliverable owners and Deliverable recipients for upcoming Deliverables, review non-compliant deliverables and remediation plans for those Deliverables as needed.

#### 10.6. Acceptance Review Period

- (a) It is critical to the success of the Successful Respondent that the deliverable acceptance process is thorough and that any deficiencies are addressed as early as possible to minimize impacts to the Services. Designated DIR working teams will be reviewing the Deliverables throughout the phases of development. Successful Respondent will solicit input from DIR as the Deliverables are developed. The Successful Respondent shall review the expectations in advance so as to obtain acceptance of the final Deliverable within the Acceptance Review Period. Feedback and suggestions received from DIR will be incorporated into the Deliverable.



- (b) There may be deliverables within the Contract that are designated to have a “parent/child” relationship with another Service Component Provider. For those specific deliverables, the review and acceptance periods will follow the “parent” deliverables’ timeframes.
- (c) DIR will notify the Successful Respondent, in writing, within ten (10) Business Days, or such other time as may be mutually agreed to considering the size, criticality, and complexity of the Deliverable, or as may be designated as Time-Critical (TC) in **Attachment 1.1 Deliverables**, of the acceptance or non-acceptance of the Deliverable (“Acceptance Review Period”). During this Acceptance Review Period, DIR shall review and may further test each Deliverable, individually and/or collectively, to determine whether such item(s) comply with Acceptance criteria. Successful Respondent shall cooperate with such review and testing efforts, provide a technical environment to facilitate such review, and provide all applicable documentation that may assist in such review and testing. DIR will notify the Successful Respondent, any deficiencies that must be corrected prior to acceptance.
- (d) If the Successful Respondent does not receive written notice from DIR by the end of the Acceptance Review Period, the Successful Respondent may notify DIR in writing extending the Acceptance Review Period to provide DIR five (5) additional Business Days to provide written notice. The Deliverable will be deemed to be accepted by DIR if DIR does not provide a notice of non-acceptance at the end of this additional five (5) Business Day period.
- (e) If DIR does not provide notice of Acceptance or a notice of Noncompliance to Successful Respondent by the end of the Acceptance Review Period, DIR may request in writing an additional time within the Acceptance Review Period to be mutually agreed to by both parties. Should DIR require additional time to review the Deliverable and has not received notice from the Successful Respondent regarding the additional Acceptance Review Period of five (5) Business Days, DIR may provide notice to the Successful Respondent that an extension of the DIR Acceptance Review Period is needed. Successful Respondent and DIR shall work together to establish a revised Acceptance Review Period.
- (f) Neither DIR's nor any DCS Customer's use in a live production environment shall constitute Acceptance, affect any rights and remedies that may be available to DIR or a DCS Customer, and/or constitute or result in "acceptance" under general contract Laws, the State's Uniform Commercial Code or any other Laws.

#### 10.7. Noncompliance

- (a) If DIR delivers to the Successful Respondent a written notice of non-compliance, the Successful Respondent shall correct all deficiencies identified in DIR's notice and within five (5) Business Days for Deliverables, or such other time as mutually agreed to, at no additional charge to DIR. Beginning upon receipt of notice from Successful Respondent that the Deliverable resubmission is ready to be Accepted, an Acceptance Review Period of ten (10) Business Days shall begin again and the Parties shall perform their obligations as described above in Acceptance Review Period.
- (b) For deliverables that are Time-Critical as designated in **Attachment 1.1 Deliverables**, within two (2) Business Days or as otherwise mutually agreed, after receiving such notice from DIR, and at no charge to DIR, Successful Respondent shall correct such Noncompliance, satisfy the Acceptance Criteria as outlined in the Noncompliance notification. Beginning upon receipt of notice from Successful Respondent that a Deliverable resubmission is ready to be Accepted, an

Acceptance Review Period of two (2) Business Days or as otherwise mutually agreed, shall begin and the Parties shall perform their obligations under Section [10.6 Acceptance Review Period](#) above.

#### 10.8. Failure to Cure a Noncompliance

- (a) If Successful Respondent:
  - (i) requires more than two (2) attempts to cure a particular Noncompliance.
  - (ii) does not correct a Noncompliance within the timeframes defined in the Section [10.6 Acceptance Review Period](#); or
  - (iii) cures a particular Noncompliance and such cure results in another Noncompliance and Successful Respondent is not able to collectively cure such Noncompliance(s) within one (1) attempt in five (5) Business Days, then DIR may, in its sole discretion, apply any remedies including, but not limited to Deliverable Credits.
- (b) After pursuing the cure process stated above, upon written notification to Successful Respondent, DIR in its sole discretion may choose to forgo assessing any remedies, including but not limited to Deliverables Credits and may choose to:
  - (i) conditionally Accept the Deliverable and require Successful Respondent to develop a remediation plan, subject to DIR's acceptance and within time frames reasonably requested by DIR whereby Successful Respondent shall design and implement a workaround solution that mitigates the Noncompliance.
  - (ii) correct the Noncompliance itself or hire a third party to correct the Noncompliance at Successful Respondent's expense (all such out-of-pocket expenses and costs of DIR and/or the DCS Customer to be subject to set-off as set forth in **Exhibit 2 Pricing** requirements related to Set Off).
  - (iii) implement and use the Deliverable despite the Noncompliance and equitably reduce the Charges; and/or
  - (iv) exercise any of its other rights under this Agreement or available at law or in equity, including the right to reject any Deliverable.
- (c) The remedies above are in addition to and shall not limit DIR's other remedies, whether at Law, in equity, or under this Agreement.

#### 10.9. Remediation of Defects in Previously Accepted Items

- (a) In the event of a discovery of a latent defect in a previously Accepted Deliverable or other Deliverable, where such latent defect would have qualified as a Noncompliance at the time of Acceptance, upon discovery, the Successful Respondent will, at no additional charge, repair or replace or otherwise correct the Noncompliance to the level of performance specified in the Agreement.
- (b) Further, should any modification or rework of a previously Accepted Deliverable or other Deliverable be required for Acceptance of a subsequent deliverable, then Successful Respondent shall perform such modification or rework at no charge and each Party's obligations, rights, and remedies described herein shall continue to apply.

#### 10.10. Deliverables Credits

Successful Respondent recognizes that DIR is paying Successful Respondent to provide certain Critical Deliverables by the time and in the manner agreed by the Parties. If Successful Respondent fails to meet its obligations with respect to such Critical Deliverables, then, in addition to other remedies available to DIR, Successful Respondent shall pay or credit to DIR the amounts specified in Article [6 Performance Model and Service Level Agreements](#) as applicable, or established by DIR as part

of the Project approval process on a case by case basis in recognition of the diminished value of the Services resulting from Successful Respondent's failure to meet the agreed upon level of performance, and not as a penalty (the "**Deliverable Credits**"). If DIR recovers monetary damages from Successful Respondent as a result of Successful Respondent's failure to meet its obligations with respect to one (1) or more Critical Deliverables, Successful Respondent shall be entitled to set-off against such damages any Deliverable Credits paid for the failures giving rise to such recovery. Deliverable Credits are distinct from Service Level Credits and shall not be counted toward or subject to the overall cap on Successful Respondent's liability.

## 11. Contract Conclusion Requirements

### 11.1. Overview

- (a) Successful Respondent will provide to DIR the Termination Assistance Services set forth herein in connection with the termination or expiration of the Agreement.
- (b) To the extent the Termination Assistance Services include any tasks which Successful Respondent is not otherwise obligated to perform under the Agreement, the charges will be based on then-current rates for Services as proposed by Successful Respondent in this Exhibit or prevailing rates at the time of termination, whichever is lower.
- (c) "Termination Assistance Services" will mean:
  - (i) to the extent requested by DIR, the continued performance by Successful Respondent of its obligations under the Agreement (including providing the Services which are subject to termination or expiration), and
  - (ii) the provisioning of such assistance, cooperation and information as is necessary to help enable a smooth transition of the applicable Services to DIR or its designated third-party provider ("Successor").
- (d) As part of Termination Assistance Services, the Successful Respondent will provide such information as DIR may request relating to the number and function of each of the Successful Respondent personnel performing the Services, and Successful Respondent will make such information available to the Successor designated by DIR.
- (e) The Successful Respondent will cooperate with DIR in its attempts at transferring the services responsibilities to another provider in a manner in keeping with not adversely affect the provision of ongoing services.

### 11.2. Termination Assistance Services

#### 11.2.1. General

Upon DIR's request, Successful Respondent shall provide Termination Assistance Services directly to DIR, any DCS Customer, any successors or assignees of such Entities and any of their designee(s).

#### 11.2.1.1. Period of Provision

Successful Respondent shall provide Termination Assistance Services commencing on the date a determination is made by DIR that there shall be an Assistance Event, which date may be up to twenty-four (24) months prior to effective date of such Assistance Event or on such earlier date as DIR may request, and continuing for up to six (6) months after the effective date of such Assistance Event, as designated by DIR, subject to such further extensions as permitted in **MSA Section 4.2 Use of Third Parties**.

#### 11.2.1.2. Notice of an Assistance Event

DIR will provide Successful Respondent with written notice of an Assistance Event. Such notice will include a description of the Services that are to be terminated or discontinued, the affected DCS Customers, and the anticipated effective date of the Assistance Event. DIR may modify or update any of the information provided in the initial notice of an Assistance Event from time to time by a supplemental notice from DIR to Successful Respondent.

#### 11.2.1.3. Extension of Termination Assistance Services

DIR may elect to end the period for performance of Termination Assistance Services (in whole or in part), in its sole discretion, and restart the period for performance of Termination Assistance Services provided that the total of all such delays shall not result in Termination Assistance Services being performed for no more than a total of thirty (30) without Successful Respondent's consent.

#### 11.2.1.4. Firm Commitment

Successful Respondent shall provide Termination Assistance Services regardless of the reason for the Assistance Event (including a termination for cause by Successful Respondent).

#### 11.2.1.5. Performance

Successful Respondent shall provide all Termination Assistance Services subject to and in accordance with the terms and conditions of this Agreement. Successful Respondent shall perform Termination Assistance Services with at least the same degree of accuracy, quality, completeness, timeliness, responsiveness and resource efficiency as it is or was required to provide the same or similar Services in accordance with this Agreement. The quality and level of performance of Termination Assistance Services provided by Successful Respondent shall continue to meet or exceed the Service Levels and shall not be degraded or deficient in any respect. Service Level Credits shall be assessed for any failure to meet Service Levels during any period in which Termination Assistance Services are provided. If any period for performing any Termination Assistance Services extends beyond the expiration or the effective date of any termination of this Agreement, the provisions of this Agreement shall remain in full effect for the duration of such period.

#### 11.2.2. Scope

As part of the Termination Assistance Services, Successful Respondent shall timely transfer the control and responsibility for Services previously performed by or for Successful Respondent to DIR, the DCS Customers and/or their designee(s), and

upon DIR request, shall execute any documents reasonably necessary to effect such transfers. Successful Respondent shall also provide any and all information and assistance requested by DIR required for:

- (i) the Systems and processes associated with the Services to operate and be maintained and enhanced efficiently.
- (ii) the Services to continue without interruption or adverse effect.
- (iii) the orderly transfer of the Services (or replacement or supplemental services) to DIR, the DCS Customers and/or their designee(s).

#### 11.2.3. General Support

- (a) Prior to the Termination Assistance event, Successful Respondent shall:
  - (i) assist DIR, the DCS Customers and/or their designee(s) in developing a written plan for the migration of the Services to DIR, the DCS Customers and/or their designee(s), which plan shall include (as requested by DIR) capacity planning, process planning, facilities planning, human resources planning, technology planning, telecommunications planning and other planning necessary to effect the transition,
  - (ii) perform programming and consulting services as requested to assist solely in implementing the transition plan,
  - (iii) train personnel designated by DIR, the DCS Customers and/or their designee(s) in the use of any processes or associated Equipment, Materials, Systems or tools used in connection with the provision of the Services as needed for such personnel to assume responsibility for performance of the Services,
  - (iv) provide a catalog of all processes, Materials, DIR Data, Equipment, Third Party Contracts, automation scripts, and tools used to provide the Services,
  - (v) provide machine readable and printed listings and associated documentation for source code for Software owned by DIR or any DCS Customer and source code to which DIR and/or the DCS Customers are entitled under this Agreement and assist in its re-configuration,
  - (vi) provide technical documentation for Software used by Successful Respondent to provide the Services as needed for continuing performance of the Services,
  - (vii) analyze and report on the space required for the DIR Data and the Software needed to provide the Services,
  - (viii) assist in the execution of data migration and testing process until the successful completion of the transition to DIR, the DCS Customers and/or their designee(s),
  - (ix) create and provide copies of the DIR Data in the format and on the media requested by DIR, the DCS Customers and/or their designee(s),
  - (x) provide a complete and up-to-date, electronic copy of the Service Management Manual (SMM) in the format and on the media requested by DIR, the DCS Customers and/or their designee(s), and
  - (xi) provide other technical and process assistance, documentation and information as requested by DIR, the DCS Customers and/or their designee(s).
- (b) After the Assistance Event and during the Termination Assistance Period, Successful Respondent shall answer any questions that may arise concerning the Services previously performed by the Successful Respondent. DIR may request Successful Respondent to provide certain discontinued Services after the Assistance Event; however, such Termination Assistance Services may include a charge as described in Section [11.2.11 Rates and Charges](#).

#### 11.2.4. Certain Materials

Successful Respondent shall provide source code and artifacts (e.g., documentation, use cases, test scripts, design models, activity diagrams and systems configuration) which Successful Respondent has in its possession, or Successful Respondent Agents have in their possession, for:

- (i) any configuration, modification or enhancement made hereunder by Successful Respondent to DIR Software,
- (ii) any Software developed pursuant to this Agreement which DIR owns or with respect to which DIR is otherwise entitled to source code, and
- (iii) as otherwise provided in an applicable Statement of Work.

#### 11.2.5. Right to Acquire

DIR, the DCS Customers and/or their designee(s) shall have the right (but not the obligation) to purchase any or all Software as a Service (SaaS) type systems and on-premise software licenses that are owned by Successful Respondent and implicated by the relevant Assistance Event subject to the requirements set forth in **MSA, Sections 4.12.1 and 4.16.3**.

#### 11.2.6. Personnel

##### 11.2.6.1. List of Successful Respondent Personnel

Successful Respondent shall promptly provide to DIR a list, organized by location, of the Successful Respondent Personnel assigned to the performance of the Services that are implicated by each Assistance Event. Such list shall, subject to applicable Privacy Laws, specify each such Successful Respondent Personnel's name, job title, compensation package, leave status, years of service and job responsibilities. DIR agrees not to disseminate the Personally Identifiable Information contained in such list without Successful Respondent's consent. Successful Respondent shall not terminate, reassign or otherwise remove from the performance of the Services any such dedicated Successful Respondent Personnel until after the end of the applicable Termination Assistance Services period.

##### 11.2.6.2. Right to Hire

DIR, the DCS Customers and/or their designee(s) shall be permitted, without interference (including through counter-offers) from Successful Respondent (subject to this Section), to meet with, solicit and hire, effective after the later of:

- (i) the date of DIR's notice of an Assistance Event, and
- (ii) the completion of the Termination Assistance Services requiring such Successful Respondent Personnel, any Successful Respondent Personnel substantially dedicated to the performance of the Services during the twelve (12) month period prior to the date of DIR's notice of an Assistance Event who are implicated by that Assistance Event.
- (iii) Successful Respondent hereby waives its rights, if any, under contracts with such Successful Respondent Personnel restricting the ability of such Successful Respondent Personnel to be recruited or hired by DIR, the DCS Customers and/or their designee(s) (including waiving any right to restrict such personnel via non-compete agreements or other contractual means). Successful Respondent shall provide DIR, the DCS Customers and/or their designee(s) with reasonable assistance in their efforts to meet with, solicit and hire such Successful Respondent Personnel, and shall give DIR, the DCS Customers and/or their designee(s) reasonable access to such Successful Respondent Personnel for interviews, evaluations and recruitment. DIR will endeavor and will cause the DCS Customers and their designee(s) to endeavor, to conduct the above-described activities in a manner that is not unnecessarily disruptive of Successful Respondent's performance of its obligations under this Agreement.

##### 11.2.6.3. Subcontractor Employees

- (a) With respect to Subcontractors, Successful Respondent shall:
- (i) obtain for DIR, the DCS Customers and their designee(s) the rights specified in Section [11.2.6.2 Right to Hire](#), and
  - (ii) ensure that such rights are not subject to subsequent Subcontractor approval or the payment of any fees, charges or other amounts.
- (b) If Successful Respondent is unable to obtain any such rights with respect to a Subcontractor, it shall notify DIR in advance and Successful Respondent shall not subcontract any Services to such Subcontractor without DIR's prior written approval (and absent such approval, Successful Respondent's use of any such Subcontractor shall obligate Successful Respondent to obtain or arrange, at no additional cost to DIR, the rights specified Section [11.2.6.2 Right to Hire](#), for DIR, the DCS Customers and their designee(s)).

### 11.2.7. Equipment

#### 11.2.7.1. List of Equipment

Successful Respondent shall promptly provide to DIR a list, organized by location, of the Equipment that is implicated by each Assistance Event. Such list shall specify information requested by DIR, including all fields tracked by Successful Respondent in any asset management system used by Successful Respondent for tracking and managing Equipment, such Equipment's function, manufacturer, model number, age, and other pertinent information.

#### 11.2.7.2. Right to Acquire

DIR, the DCS Customers and/or their designee(s) shall have the right (but not the obligation) to purchase or assume the lease for any or all Equipment that is owned or leased by Successful Respondent and that is implicated by the relevant Assistance Event. Such Equipment shall be transferred in good working condition, reasonable wear and tear excepted, as of the later of the effective date of the relevant Assistance Event and the completion of the Termination Assistance Services requiring such Equipment. Successful Respondent shall maintain such Equipment through the date of transfer so as to be eligible for the applicable manufacturer's maintenance program. In the case of Successful Respondent-owned Equipment (including Equipment owned by Successful Respondent Affiliates and Subcontractors and further including any such Equipment leased to Successful Respondent), Successful Respondent (or such Affiliate or Subcontractor) shall grant to DIR, the DCS Customers, and/or their designee(s) a warranty of title and a warranty that such Equipment is free and clear of all liens, security interests, and other encumbrances. Such conveyance by Successful Respondent (or Affiliate or Subcontractor) to DIR, the DCS Customers, and/or their designee(s) shall be at fair market value (as shall be determined by an agreed-upon appraisal); provided, however, in the case of any item of Equipment for which the acquisition cost has been the basis of Charges to DIR (e.g., as in the case of the Hardware Service Charge provided in **Exhibit 2 Pricing**), such conveyance shall be at an amount not exceeding the amount of any then unrecovered acquisition cost computed in accordance with the method used to charge DIR therefor. At DIR's request, the Parties shall negotiate in good faith and agree upon the form and structure of the purchase. In the case of leased Equipment, Successful Respondent shall:

- (i) represent and warrant that the lease is not in default,
- (ii) represent and warrant that all payments thereunder have been made through the date of transfer, and
- (iii) notify DIR, the DCS Customers, and/or their designee(s) of any lessor defaults of which it is aware at the time.



### 11.2.8. DIR Facilities, Equipment, and Materials

Successful Respondent shall vacate the DIR Facilities and return to DIR, if not previously returned, any resources that are implicated by the relevant Assistance Event and that are owned, leased or licensed by DIR, any DCS Customer, or any DIR Contractor, including DIR owned or leased Equipment, DIR Owned Materials and DIR licensed Materials, in condition at least as good as the condition of such facilities and resources when they were made available to Successful Respondent, ordinary wear and tear excepted. Such facilities and resources shall be vacated and/or returned as of the later of the effective date of the relevant Assistance Event and the completion of the Termination Assistance Services requiring such facilities or resources.

### 11.2.9. Third Party Contracts

- (a) Successful Respondent shall promptly, but no less than thirty (30) days from DIR's issuance of notice of an Assistance Event, provide to DIR a list of the Third Party Contracts that are implicated by the relevant Assistance Event.
- (b) Further, at any time during the contract term, DIR may request and Successful Respondent shall promptly provide a copy of the entire and complete Third Party Contract(s), regardless of whether Successful Respondent's other customers utilize or benefit from such Third Party Contract(s), allowing DIR to disclose such contracts during future procurements. Successful Respondent must also provide a list of all Third Party Contracts engaged in the work of this RFO on a regular basis as agreed to by DIR. Except for the Third Party Contracts specified in **Exhibit 2 Pricing**, in accordance with **MSA, Section 4.16.3** subject to Section [11.2.8](#) DIR Facilities, Equipment, and Materials. Successful Respondent shall cause the counter-parties to such Third Party Contracts to permit DIR, the DCS Customers, and/or their designee(s) to assume prospectively any or all such Third Party Contracts or to enter into new contracts with DIR, the DCS Customers, and/or their designees on substantially the same terms and conditions, including price. Successful Respondent shall transfer or assign those Third Party Contracts that DIR elects to assume prospectively to DIR, the DCS Customers, and/or their designee(s) as of the later of the effective date of the relevant Assistance Event and the completion of the Termination Assistance Services requiring such Third Party Contracts. Such transfers or assignments shall be on terms and conditions acceptable to all applicable parties, provided that:
  - (i) there shall be no fee, charge or other amount imposed on DIR, the DCS Customers, and/or their designee(s) by Successful Respondent or the counter-parties to such Third Party Contracts for such transfer or assignment, and
  - (ii) Successful Respondent shall:
    - A. promptly cure and, in accordance with **MSA Section 10.1.3 Licenses, Leases, and Contracts**, indemnify DIR against any default under such Third Party Contracts relating to the period prior to such transfer or assignment.
    - B. represent and warrant that all payments thereunder through the date of transfer or assignment are current.
    - C. notify DIR, the DCS Customers, and/or their designee(s) of any counter-party's default with respect to such Third Party Contracts of which it is aware at the time of such transfer or assignment.

### 11.2.10. Third Party Contracts

With respect to Third Party Contracts implicated by the relevant Assistance Event that are not otherwise transferred or assigned to DIR, the DCS Customers, and/or their designee(s) pursuant to **MSA Section 4.2.2 Successful Respondent Cooperation**, Successful Respondent shall make available to DIR, the DCS Customers, and/or their designee(s), any Third

Party services then being utilized by Successful Respondent in the performance of the Services. Successful Respondent shall retain the right to utilize any such Third Party services in connection with the performance of services for other Successful Respondent customers. DIR and the DCS Customers shall retain the right to contract directly with any third party previously utilized by Successful Respondent to perform any Services.

#### 11.2.11. Rates and Charges

- (a) Except as provided in this Subsection and **MSA Section 4.2.2 Successful Respondent Cooperation**, Successful Respondent shall provide all Termination Assistance Services at no additional charge. The Parties anticipate that Termination Assistance Services requested by DIR shall be provided by Successful Respondent using Successful Respondent Personnel already assigned to the performance of the Services and without adversely affecting Successful Respondent's ability to meet its performance obligations. To the extent DIR requests that Successful Respondent perform only a portion (but not all) of the Services included in a particular Charge, the amount to be paid by DIR shall be equitably adjusted downward in accordance with **Exhibit 2 Pricing**, to the extent applicable, or equitably adjusted downward in proportion to the portion of the Services that Successful Respondent shall not be providing to the extent that **Exhibit 2 Pricing** does not provide for such reduction. If and to the extent Termination Assistance Services requested by DIR cannot be provided by Successful Respondent using Successful Respondent Personnel then-assigned to the performance of the Services without adversely affecting Successful Respondent's ability to meet its performance obligations, DIR, in its sole discretion, may:
- (i) forego or delay any work activities or temporarily or permanently adjust the work to be performed by Successful Respondent, the schedules associated therewith or the Service Levels to permit the performance of such Termination Assistance Services using such personnel, or
  - (ii) authorize Successful Respondent to use additional Successful Respondent Personnel to perform Termination Assistance Services.
- (b) To the extent DIR authorizes Successful Respondent to use additional Successful Respondent Personnel to perform Termination Assistance Services requested by DIR, DIR shall pay Successful Respondent the applicable rates and charges specified in **Exhibit 2 Pricing** for such Full-time Positions (FTPs) or Full-time Equivalents (FTEs) or, if no such rates and fees are specified in **Exhibit 2 Pricing**, a negotiated fee for the additional Successful Respondent Personnel required to perform such Termination Assistance Services (determined on the basis of pricing no less favorable to DIR than the pricing and labor rates set forth herein for comparable Services), provided that Successful Respondent notifies DIR in advance of any such charges, obtains DIR's approval prior to incurring such charges, and uses commercially reasonable efforts to minimize such charges. Notwithstanding the foregoing, DIR will not be obligated to pay Successful Respondent for any such additional Successful Respondent Personnel if at any time prior to DIR's issuance of the notice of Assistance Event, Successful Respondent failed to sufficiently staff the Services that are the subject of the Assistance Event (both with respect to number of personnel and personnel with the necessary skills and training).

#### 11.2.12. Proprietary Communications Network

If Successful Respondent uses a proprietary communications network to provide the Services, then for a period of up to two (2) years following the effective date of the relevant Assistance Event, Successful Respondent shall, if requested by DIR, continue to provide such proprietary communications network and other network Services to DIR, the DCS Customers, and/or their designee at the rates, and subject to the terms and conditions, set forth in this Agreement.

### 11.2.13. Information

Upon the occurrence of any breach by Successful Respondent under this Agreement or if DIR elects to evaluate re-procurement of all or any portion of the Services, Successful Respondent will provide to and/or make available for DIR review any and all reports, data and information that DIR deems necessary in order to evaluate all options related to such breach and/or re-procurement, including without limitation, all reports, data and information specified in **MSA Section 4.2.1 Right of Use**. For the avoidance of doubt, Successful Respondent will be obligated to provide all such reports, data and information regardless of whether DIR has provided notice of or otherwise declared an Assistance Event upon request.

### 11.3. Successful Respondent Sourced and Managed Contracts

- (a) The Successful Respondent shall ensure that all Successful Respondent-sourced contracts inclusive of general building maintenance and repairs, telecommunications, environmental testing, facility mechanical maintenance (e.g., UPS and diesel/fuel power generation) that do not support DCS Customer operations are terminated (save for those contracts that DIR assumes or those that DIR requires the Successful Respondent assign or transfer to DIR or its designee), and that DIR is not obligated to any ongoing financial, contractual or other obligations associated with these contracts or any Successful Respondent or third-party services, equipment or maintenance that support these contracts.
- (b) The Successful Respondent shall transfer the terminated or expired Services to DIR or its designee(s)/successor(s) in an efficient and orderly manner.
- (c) Prior to such actions being taken, the Successful Respondent shall verify with DIR that the impact on DIR's business (including its personnel and customers) and the internal and third-party IT-related costs incurred by DIR in transferring the terminated services are acceptable to DIR under the circumstances.
- (d) The Successful Respondent shall continue to perform such services without disruption or deterioration until the transfer has occurred:
  - (i) consistent with the terms and conditions of this Agreement, or
  - (ii) except as approved by DIR.
- (e) In an effort to facilitate transition of responsibilities, the Key Management Position obligations in the Section 6.6 Evergreen Service Personnel will continue to apply during the agreed Termination Assistance Period.

### 11.4. Termination Assistance Plan

The contents of Termination Assistance Plan will include, unless otherwise agreed, the services, functions, and activities as defined below:

- (i) Documentation of existing and planned Projects and support activities.
- (ii) Identification of the Services and related positions or functions that require transition and a schedule, plan and procedures for DIR or its designee assuming or reassuming responsibility.

- (iii) Description of actions to be taken by the Successful Respondent in performing termination assistance.
- (iv) Description of how the transfer of:
  - A. relevant information regarding the Services,
  - B. resources (if any),
  - C. operations, and
  - D. contracts (if any) will be achieved.
- (v) Description in detail of any dependencies on the successors necessary for the Successful Respondent to perform the termination assistance services (including an estimate of the specific Successful Respondent staffing required).
- (vi) Inventory of documentation and work products required to facilitate the transition of responsibilities.
- (vii) Assist DIR in the identification of significant potential risk factors relating to the transition and in designing plans and contingencies to help mitigate the risk.
- (viii) Set out the timeline for the transfer of each component of the terminated Services (including key milestones to track the progress of the transfer).
- (ix) Define a schedule and plan for the Successful Respondent's return to DIR of:
  - A. the Service locations then occupied by the Successful Respondent (if any), and
  - B. DIR or DCS Customer Confidential Information, DIR or DCS Customer data, documents, records, files, tapes and disks in the Successful Respondent's possession.

#### 11.5. Termination Management Team

- (a) The Successful Respondent will provide a senior Project manager who will be responsible for the Successful Respondent's overall performance of the termination assistance services and who will be the primary point of contact for DIR in respect of the termination assistance services during the termination assistance period.
- (b) DIR will appoint a senior Project manager who will be the primary point of contact for the Successful Respondent during the termination assistance period. Additionally, DIR may appoint a transformation team that would be responsible for the review of then current services provided by the Successful Respondent and work to facilitate an orderly transition of services.

#### 11.6. Operational Transfer

- (a) The Successful Respondent will perform the following activities to help effect a smooth and orderly transfer of operational responsibility for the terminated services:
  - (i) Facilitating access to DIR source code, object code, object and production libraries, reference files, field descriptions, record layouts and technical specifications along with run documentation for DIR software then in the Successful Respondent's possession including: tools, scripts, run books, production schedules and procedures as required to support the in-scope applications which may be used in training, knowledge transfer, sizing assessments, operational reviews and other uses required by DIR at the time of transfer.
  - (ii) Cooperate with the Successors in conducting migration testing.
  - (iii) Providing DIR-owned documents and information related to the functionality, program code, data model and data base structure, and access methods for the in-scope applications and manual and automated processes used for DIR, within the possession or control of the Successful Respondent, and reviewing such processes, documents and information with the Successor as requested.
  - (iv) Cooperate with DIR's test plans, back out procedures, and contingency plans as part of the migration of terminated services.

- (b) After the transfer of the provision of terminated services to DIR, its designee(s), or both, providing additional assistance as requested by DIR to facilitate continuity of operations, through the end of the termination assistance period.

## 12. Other Requirements

### 12.1. Support Requirements

- (a) The Respondent must describe the support it wants from DIR other than what DIR has offered in this Exhibit. Specifically, the Respondent must address the following:
  - (i) Nature and extent of DIR support required in terms of staff roles, percentage of time available, etc.;
  - (ii) Assistance from DIR staff and the experience and qualification levels required; and
  - (iii) Other support requirements.
- (b) DIR may not be able or willing to provide the additional support the Respondent lists in this part of its Proposal. The Respondent therefore must indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, DIR may reject the Respondent's Proposal, if DIR is unable or unwilling to meet the requirements.

### 12.2. Materials

Successful Respondent shall not utilize any Successful Respondent Owned Materials that are not commercially available.

<End of Statement of Work>